

Congress of the United States
Washington, DC 20515

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

The Honorable Ronald Kirk
Ambassador
The United States Trade Representative
600 17th Street, NW
Washington DC 20508

April 14, 2010

Dear Secretary LaHood and Ambassador Kirk:

You recently received a letter from 56 Members of Congress stressing the need to resolve the retaliatory Mexican tariffs stemming from Congress's overwhelming rejection of the cross-border demonstration program. We wholeheartedly agree that the U.S. must find a way to eliminate these excessive, arbitrary, and political tariffs.

However, we caution the Administration that we firmly believe it would be difficult, if not impossible, to receive Congressional support for a cross-border trucking program that allows tens of thousands of Mexican trucks traveling across the lower 48 states. NAFTA does not bind the U.S. to accept subpar safety standards, and Congress is not going to waive our rights under NAFTA. We are entitled to require comparable standards for safety from Mexican trucking companies. Their standards are not even close to equivalent to U.S. safety requirements. The addition of tens of thousands of substandard Mexican trucks to our roads would jeopardize the safety of our traveling public.

Given these constraints, we offer you a solution that has a greater likelihood of success. We believe the U.S. should renegotiate U.S. NAFTA Annex I (I-U-21), the U.S. commitment to liberalize cross-border trucking, and thus eliminate the requirement to open our borders to Mexican trucks. This would remedy all the truck safety, homeland security, and unemployment issues associated with this long standing trade dispute. A successful renegotiation would also eliminate retaliatory tariffs, which are negatively impacting our export markets.

The current system works well. US trucking firms have testified they have no desire to enter Mexico and become a prized target in the ongoing drug war in Mexico. They have raised legitimate concerns about hijackings, extortion and theft. They are confident the existing current 20 mile commercial border zone is superior to the proposed full cross border program.

As the following timeline demonstrates, Congress has repeatedly and overwhelmingly rejected the cross-border program because it failed to adequately protect Americans from unsafe Mexican trucking standards. In a Congress that rarely agrees on anything, this issue has unified Democrats and Republicans on both sides of the Hill.

- In May of 2007, the House voted overwhelmingly, 411-3, to pass H.R. 1773, the Safe American Roads Act of 2007. This legislation would have imposed additional restrictions on the cross-border demonstration program and ensured that DOT establish a process to analyze the impact of allowing Mexican trucks on our nation's roadways before the border is permanently opened. Then-Representative LaHood voted for this bill.
- The FY 2007 Iraq War Supplemental spending bill (P.L. 110-28) included strict measures to ensure that the demonstration program adhered to safety and security guidelines and required that its progress be assessed by an independent panel.
- In 2008, both the House and Senate both passed amendments to the FY 2008 Transportation spending bill to prohibit the use of federal funds to implement the Cross Border Truck Safety Inspection Program. Both then-Senator Obama and Representative LaHood supported these amendments. Ultimately, the prohibition was included in the FY 2008 Omnibus Appropriations Act (P.L. 110-161).
- Finally Congress terminated the cross-border demonstration program in the FY2009 Omnibus Appropriations Act (P.L. 111-8).

Congress has repeatedly objected to the demonstration program because Mexico has not met U.S. safety standards. Mexican access to U.S. roadways is dependent on carriers proving they meet U.S. safety standards regarding hours of service, driver training, licensing, drug testing and vehicle safety. However, there has been no comprehensive independent review to assess whether Mexico's vehicle standards and driver licensing and safety rules are equivalent to the requirements of U.S. law.

The cross-border demonstration program was a poor test of the true level of safety that will be seen among Mexico domiciled carriers if the border is opened. The DOT IG's February, 2009 report found that the low rate of participation in long haul operations among Mexican carriers "was not adequate to provide statistically valid findings that will allow FMCSA to project safety performance of the pool of applicants for long haul operating authority." Further, the IG found that "participants were not representative of Mexican carriers likely to

conduct long-haul operations” in terms of certain business characteristics and in terms of safety history. Specifically, vehicle and driver out-of-service rates for pilot program participants were lower, by a statistically significant margin, than other Mexican carriers that currently operate in the United States in the commercial zone or under grandfather rights. In other words, the IG substantiated the fact that DOT cherry picked the safest carriers to participate in the pilot.

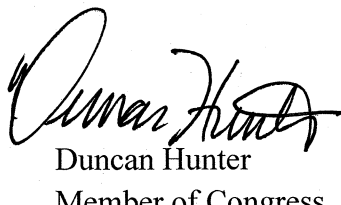
Removing the cross border trucking provision from NAFTA will also prevent more job losses at a time when we can least afford them. Should the border be fully opened to Mexican trucks, the low wages of Mexican drivers will drive U.S trucking companies out of business. This continues a disturbing trend of American job losses through outsourcing. The difference is that we are allowing foreign workers making foreign wages to enter our nation and unfairly compete for American jobs. Opening our border to Mexican trucks is a lose-lose for U.S. workers and the traveling public.

It is clear the easiest path to eliminating the retaliatory Mexican tariffs is to renegotiate U.S. NAFTA Annex I (I-U-21). Thank you for your attention to our concerns and we look forward to a prompt reply.

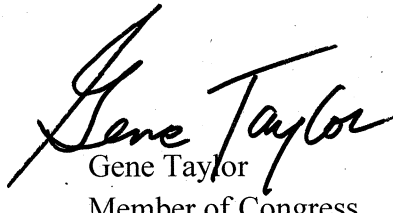
Sincerely,



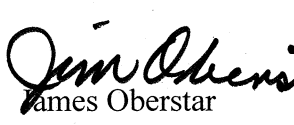
Peter DeFazio
Member of Congress




Duncan Hunter
Member of Congress



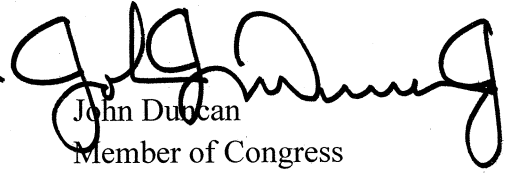
Gene Taylor
Member of Congress




James Oberstar
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Brad Sherman
Member of Congress




John Duncan
Member of Congress



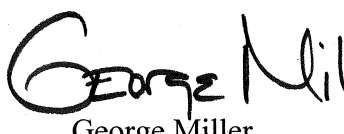
Ed Whitfield
Member of Congress




Gene Green
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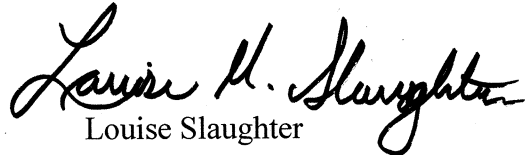
Walter B. Jones
Member of Congress




George Miller
Member of Congress





Thaddeus McCotter
Member of Congress

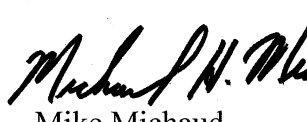



Louise Slaughter
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Ted Poe
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Collin Peterson
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Barney Frank
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Mike Michaud
Member of Congress

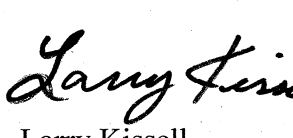

Jim Marshall
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Phil Hare
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Jerry Costello
Member of Congress

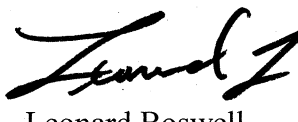

Charlie Melancon
Member of Congress



Bob Filner
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Larry Kissell
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Tim Holden
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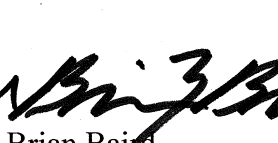

Steve Kagen
Member of Congress



Leonard Boswell
Member of Congress

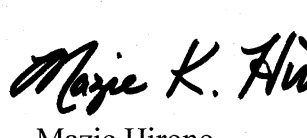

Mike Doyle
Member of Congress

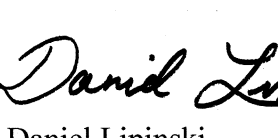

Betty Sutton
Member of Congress

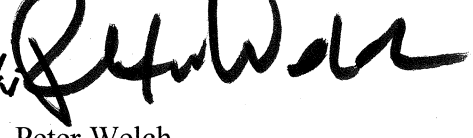

Mark Schauer
Member of Congress

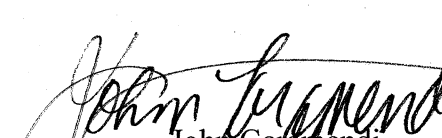

Brian Baird
Member of Congress

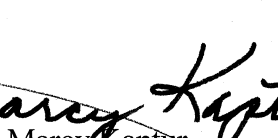

Tim Bishop
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Mazie Hirono
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Daniel Lipinski
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Peter Welch
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John Garamendi
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Nick Rahall

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Barbara Lee

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Michael Capuano

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