

DOC HASTINGS

4TH DISTRICT, WASHINGTON

COMMITTEE ON

NATURAL RESOURCES

RANKING REPUBLICAN MEMBER



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Congress of the United States House of Representatives

April 15, 2010

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

The Honorable Gary Locke
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

The Honorable Ron Kirk
Ambassador
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Secretary LaHood, Secretary Locke, and Ambassador Kirk:

I am writing to once again request that you take immediate action to resolve the ongoing dispute with Mexico that has resulted in harmful tariffs on 90 U.S. products including potatoes. On March 24, 2010, I was notified that ConAgra Foods, Inc. will be closing their potato processing plant in Prosser, Washington. With the \$28 million loss in Washington state potato exports to Mexico over the past year, there is no question that these tariffs are a contributing factor to the plant closure.

This plant closure means that 250 people in my district are now out of a job, representing almost five percent of the town of Prosser. The loss of this plant will also harm Washington potato growers who sell their potatoes to ConAgra – resulting in even more job losses in rural communities throughout the state. The continued inaction of the Administration to negotiate a solution with Mexico is unacceptable.

In an *Inside Trade* article dated March 19, 2010, an unnamed Administration official was quoted as saying that the U.S. Trade Representative, U.S. Department of Transportation, and the Department of Commerce are “finalizing” a proposal on how to resolve this dispute with Mexico. I would welcome an update on this proposal.

I have enclosed a letter from the Washington State Potato Commission detailing the financial impact these tariffs have had on growers. We have passed the first year anniversary of the tariffs introduction, and the United States must act now to prevent any further job losses in the 90 industries that are affected. Once again, I strongly urge you to reach a workable solution that eliminates these tariffs and keeps our roadways safe.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Doc Hastings'.

Doc Hastings
Member of Congress



WASHINGTON STATE POTATO COMMISSION
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March 9, 2010

The Honorable Doc Hastings
United States Congress
1203 Longworth House Office Building
Washington, DC 20515

Dear Congressman Hastings,

I am writing to thank you for your strong and ongoing support of the potato industry in Washington State and to again express the concerns of the Washington State Potato Commission about tariffs on U.S. exports to Mexico.

As you know, the North America Free Trade Agreement (NAFTA) required the U.S. to allow Mexican trucks to operate in the U.S. and offered the same access to U.S. trucks in Mexico. The cross-border trucking pilot program ran successfully for almost two years without any major safety incidents – from September 2007 through March 2009. Then, in its Fiscal Year 2009 Omnibus Appropriations Act, Congress eliminated funding for the program. In response, Mexico applied tariffs to \$2.4 billion worth of U.S. manufacturing and agricultural goods, including frozen processed potatoes.

The 20 percent tariff placed on U.S. frozen potato products is rapidly resulting in a loss of the \$80 million Mexican potato market. Mexico has been the third largest market for U.S. frozen potato exports following Japan and Canada. The value of frozen potato products sent to Mexico from Washington State alone reached \$40 million in 2008, half of the entire county's potato trade with Mexico. A loss of 42 percent of the U.S. frozen potato export share to Mexico has occurred beginning in the month April through December 2009, representing a value loss of over \$28 million.

The Washington State Potato Commission is grateful for your leadership on this issue and appreciates your signing a letter to U.S. Department of Transportation Secretary Ray LaHood and U.S. Trade Representative Ron Kirk urging the U.S. government to find a solution that will result in the lifting of these harmful tariffs. Please let me know if there is anything the Commission can do to assist your efforts.

Sincerely,

A handwritten signature in cursive script that reads "Chris Voigt".

Chris Voigt, Executive Director
Washington State Potato Commission