

Free trade advocates fear increased protectionism could threaten KC customs project

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Rick Alm - The Kansas City Star, Mo.

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Nov. 7--Optimism and fear collided this week at the fourth annual North America Works international conference on free trade in Kansas City.

Brian Crowley, president of a Canadian trade think tank, told nearly 160 government and trade industry attendees from the U.S., Canada and Mexico there is optimism that, by 2030, Kansas City's growing warehouse and land transportation network can emerge as a "global inland port" and international trade crossroads.

But Crowley and others expressed fear that America's historic role as the engine of international trade might be diminished under a Barack Obama presidency and a Democratic Congress that are increasingly skeptical of free trade.

"NAFTA is now regarded with deep suspicion by powerful elements of the new Congress and administration in Washington," said Crowley of campaign threats to dismantle the 1994 North American Free Trade Agreement, which has streamlined international cooperation and trade.

Public and political backlash to the rapidly changing international trade landscape has stalled initiatives such as the proposed Mexican customs clearinghouse in Kansas City, which is seen as a vital cog in the inland port concept, he said.

"The fear is the new government will be more protectionist," said Jose Somoza, manager of Mexican and Latin American affairs for Kansas City's International Affairs and Trade Office, which co-sponsored the conference with a trade group.

Kansas City businessman Dave Burdick said NAFTA opened doors for his cargo logistics industry, but said he now worried "whether there is going to be a NAFTA."

His firm, Priority Logistics Inc., manages more than 300 truckloads of cargo a week moving through Kansas City to Mexican ports and other U.S. and Canadian destinations.

"If we lose NAFTA, or any element of it, the U.S. suffers, and the U.S. consumer pays more," Burdick said.

Mexican entrepreneur Hector Mora agreed. "We really hope the new government will appreciate what we are doing" in increasing trade and creating jobs, he said.

Mora, the chief executive of Mexican cargo logistics firm Grupo Hemas and a partner in Kansas City-based Confidence Tech LLC, also views NAFTA as a remedy for illegal immigration to the U.S. by providing more jobs in Mexico.

"We'd rather export goods than people," he said in an interview.

Crowley said backlash in the U.S. stemmed from fear over lost sovereignty and resentment over lost jobs to Mexico.

But he said American critics of NAFTA fail to take notice of "what's being built all around us" in the form of new industries and new jobs -- especially in the Kansas City area where intermodal truck and rail cargo ports are being built in Kansas and Missouri suburbs.

The plan for a Mexican customs facility in Kansas City, the first on U.S. soil, has shown no sign of life for more than two years.

The Mexican government must take the next diplomatic step if the project is to proceed, but Jacob Prado, Mexican consul in Kansas City, said the matter "has not been discussed for some time now" by his government.

Under a pending agreement first proposed in 2003, Mexico-bound American and Canadian freight would be inspected by U.S. and Mexican border authorities in Kansas City and then sealed for movement directly to Mexican destinations, with fewer costly delays at border choke points such as Laredo, Texas.

Mexican shippers and deepwater port operators in Manzanillo, Lazaro Cardenas and other Pacific ports would then complete cargo trade links to Asia and other destinations.

Mexican authorities in 2006 complicated the issue by pressing for a counterpart U.S. customs operation on Mexican soil that would similarly hasten the flow of Mexican goods to U.S. and Canadian markets.

Unresolved site issues in Kansas City, continued international tensions over illegal immigration, and presidential elections in Mexico and the U.S. have shoved the customs project to back burners in both nations.

"We're still waiting for Mexico to take that next step," said Chris J.F. Gutierrez, president of Kansas City's nonprofit SmartPort Inc. trade group, which brokered the deal.

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