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U.S. Pilot Plan Would Allow Full Entry to Some Mexican Trucks

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In late February, the US government announced a pilot program to allow some Mexican trucks full access to US roads and highways. The decision is another step toward resolving a longstanding dispute between the two countries and could move the US closer to compliance with the transportation provisions of the North American Free Trade Agreement (NAFTA). The issue is far from settled, however, as labor organizations, citizen groups, and other opponents who blocked such efforts in the past have vowed to do so again.

The US Department of Transportation (DOT), which will administer the pilot program, will initially allow 100 Mexican trucking companies full access to US highways, effective April 23. Mexican truck drivers are currently allowed to transit only 20 miles into US territory. If successful, the program could later be expanded to include additional trucking companies.

Program sets strict guidelines

As part of the pilot program, the DOT has developed a set of strict guidelines for trucking companies wishing to participate. US inspectors will require drivers to produce a valid commercial license, insurance documents, and proof of a clean driving record. In addition, drivers will be interviewed to ensure they are able to read and speak English. Inspectors will also examine trucks to verify that they are in good operating condition and that the trucking companies are insured by US-licensed firms.

The guidelines are modeled after similar proposals worked out by President George W. Bush's government and Congress in 2001. Those regulations were developed after a NAFTA disputeresolutions panel ruled that the US was obligated to open its roads to Mexican truck drivers (see SourceMex, 2001-01-24, 2001-02-14 and 2001-12-05). \

Under terms of NAFTA, the US was scheduled to open its highways to Mexican truckers in January 1995. But former US President Bill Clinton's administration decided not to comply with this provision, arguing that a wide difference between Mexican and US truck guidelines could compromise the safety of US roads (see SourceMex, 1994-02-23, 1996-01-17, and 1997-02-05). In 1998, the Mexican government requested the creation of the NAFTA panel (see SourceMex, 1998-09-23 and 2000-01-19).

Although the NAFTA panel ruled in favor of Mexico, the US did not take immediate steps to open its roads to Mexican trucks other than to announce the safety guidelines. The delay came in part because of a lawsuit filed by a coalition of labor, industry, and environmental groups, which asked that any opening be postponed because the administration had failed to conduct an environmental-impact study (see SourceMex, 2002-12-11).





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The coalition comprising the International Brotherhood of Teamsters, the Environmental Law Foundation, and Public Citizen was supported by a US Circuit Court of Appeals, which ruled that the Bush administration must conduct an environmental-impact study before allowing Mexican trucks deeper into US territory. The Bush administration then brought the matter to the US Supreme Court, which overruled the lower court's decision (see SourceMex, 2004-05-12 and 2004-06-09).

Even with the favorable ruling from the high court, the Bush government delayed any action on truck access, partly because US officials had already decided to place a higher priority on security measures along the US-Mexico border following the attacks on the World Trade Center in New York and on the Pentagon in 2001 (see SourceMex, 2001-09-26) and the US invasion of Iraq in 2003 (see SourceMex, 2003-04-02).

The Bush government finally decided to act in early 2007, following a series of consultations with Mexican President Felipe Calderon, who took office in December 2006. Bush and Calderon will further discuss the transportation issue at a summit in Mexico City on March 12-14, said the Mexico City business newspaper El Economista.

In announcing the pilot program in February, the Bush administration cited the benefits to the US and Mexican business sectors, which will now be able to ship their goods on a single carrier instead of having to transfer shipments in US border cities. "This program will make trade with Mexico easier and keep our roads safe at the same time," said US Transportation Secretary Mary Peters.

The maquiladora industry and other US and foreign companies that require imports of Mexican goods by land are expected to benefit the most. "[The current restriction] means that more investment is going toward shipping items from Point A to Point B than is necessary," the Wall Street Journal said in an editorial. "Lifting the ban and giving these vehicles full access to the US will streamline the process and reduce costs."

Mexican truckers slow to embrace program

The Camara Nacional del Autotransporte de Carga (CANACAR) said, however, that Mexican companies have been slow to announce their interest in participating. In the week since the program was announced, only one company, which owns 10 trucks, said it planned to ship goods into the US. The Secretaria de Economia (SE) and the Secretaria de Comunicaciones y Transportes (SCT) will assist in identifying additional companies to participate, said CANACAR.

Trucking companies will also receive guidance from the Consejo Empresarial Mexicano de Comercio Exterior (COMCE), which will work with a sister organization in San Antonio, Texas, to help trucking companies obtain the necessary documents and certifications to travel into the US. Still, CANACAR president Jose Refugio Munoz said the program only shows a "good intention" if US and Mexican authorities cannot resolve a much larger problem, which is the amount of time it takes for cargo to cross the border into the US. "As long as our trucks have to wait six or more hours to cross into the US, we won't feel that there is a real opening," said Munoz.





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Munoz also raised concerns about the potential negative impact on small companies on both sides of the border. About 600 microenterprises have participated in cargo-transfer functions in recent years. Opening the border could cause some of these companies to go out of business.

US trucking industry offers mixed reaction

There was mixed reaction from the US trucking industry. The American Trucking Association (ATA), which primarily represents the large commercial fleets, announced its conditional support for the pilot program. The ATA said it wants to ensure that Mexican truck companies adhere to the same standards required for their US counterparts. "We also are waiting to see that when US carriers are allowed to travel into Mexico the regulatory and permitting process that US carriers undergo is fair and transparent," the ATA said in a statement.

Organizations representing independent and smaller truckers, such as the Owner-Operator Independent Truckers Association (OOITA), decried the move, which they said could cause major financial problems for many of their members. The influx of Mexican truckers will not only result in some lost business but could drive earnings down. Mexican drivers earn 30% to 40% less than their US counterparts, who make an average of US\$40,000 annually, said The Wall Street Journal.

The OOITA said it would use any argument necessary to block the entry of Mexican truckers into the US, including concerns that Mexican trucks may not meet US safety standards. "We are going to raise this as a safety issue, because this is a problem for us," said Todd Spencer, executive vice president of the organization. The OOITA has the support of the Teamsters, which has said it would also bring up the safety issue during meetings with members of Congress. "We are on this thing, and we are going to be contacting members of Congress, because we are very concerned about highway safety," said union president Jim Hoffa. "There is such political pressure to do things to save money for big corporations."

Supporters of the Bush plan dispute the safety concerns. "According to the Transportation Department, 32% of Mexican trucks were pulled from the road for safety violations in 2001. Last year that number fell to 21%," said The Wall Street Journal. "Meanwhile, 21% of US trucks failed safety inspections in 2001, versus 23% last year. Mexican drivers are less likely than their US counterparts to be in violation of the law 1.2% in 2006, versus 7% for US truckers."

Still, some critics question whether the Bush plan is practical because it would require a large number of US inspectors. The US government is already having difficulty conducting inspections on US fleets because of a lack of personnel. "[The DOT] lacks the inspectors to conduct safety reviews of at-risk domestic carriers," said Debbie Hersman, a member of the National Transportation Safety Board (NTSB). "That situation only gets worse if resources are diverted to the border."

Furthermore, some critics contend that inspections will be meaningless because Mexican trucks lack the black boxes that record how long a driver has been behind the wheel. "They have no way of telling how many hours these truck drivers have been driving before they get to the US, let alone when they get here," said Public Citizen president Joan Claybrook. Critics of the Bush administration's decision have found a sympathetic ear in the US Congress. Sen. Patty Murray





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(D-WA), who chairs the Senate appropriations subcommittee on transportation, has scheduled a hearing for March 8 to determine whether the pilot program meets safety requirements.

In the House, Rep. Peter DeFazio (D-OR) chair of the House highways subcommittee, has promised that Congress will monitor the program very closely. California concerned about air pollution Beyond the questions about safety, environmental concerns have come to the forefront. Supporters of the plan point out that allowing goods to be shipped directly from Mexico to the US could reduce congestion and pollution along the US border.

Critics contend, however, that there is no guarantee that Mexican trucks meet the strict emissions standards required by states like California, especially since Mexico does not offer low-sulfur diesel fuel. The greatest concern in California is that a large influx of Mexican trucks could undermine the state's attempt to meet particulate health standards by 2015.

"Estimates vary widely on how much pollution would be generated by a sharp increase in the number of polluting diesel engines on the freeways," said the Los Angeles Daily News. "But one study predicted that Mexican trucks could add 50 tons per day of smog-forming emissions more than the pollution generated by the region's 350 biggest industrial sources combined."

The prospects of increased contamination from Mexican trucks have also raised a red flag among some members of the California congressional delegation. "This could have a major impact in terms of traffic, air quality, and the border. We're going to have to take a close look at it," said Scott Gerber, a spokesman for Sen. Dianne Feinstein (D-CA).

Still, California state legislators have been prepared for some time for the opening of US roads to Mexican trucks. In 2004, California assemblywoman Fran Pavley introduced a law requiring Mexican trucks to meet US pollution limits if they want to travel through the state. Although the bill was signed by Gov. Arnold Schwarzenegger, state officials said they were not clear what implications the law would have for the DOT's recently announced pilot program. [Sources: www.landlinemag.com (Land Line Magazine), El Economista, Spanish news service EFE, 02/20/07; Associated Press, 02/23/07; Los Angeles Daily News, 02/24/07; Reforma, 02/26/07; The Wall Street Journal, 02/24/07, 02/27/07; La Jornada, 02/25-27/07; La Cronica de Hoy, The Trucker, Contra Costa Times, Notimex, 02/27/07]

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