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U.S. Congress Blocks Bush's Plans to Expand Access to Mexican Trucks

by LADB Staff

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Just as Mexico was making the final preparations for some of its truckers to finally gain access to US highways, the US Congress blocked the plan. Under a pilot program developed by US President George W. Bush's administration, certain Mexican truck companies that met strict safety and training requirements would be allowed to haul freight into the US, effective the beginning of September.

The Bush plan, announced in early February (see SourceMex, 2007-02-28), was intended to end a 12-year impasse regarding a provision in the North American Free Trade Agreement (NAFTA) that allowed truckers from the US, Canada, and Mexico to travel freely throughout the region.

The Bush government implemented the pilot program during the first week of September, after a federal US court rejected a petition from the International Brotherhood of Teamsters to block the move to allow Mexican trucks to haul freight beyond a 40-km zone along the US-Mexico border.

Funding for pilot program eliminated

On Sept. 11, just days after the US Department of Transportation (DOT) officially launched the pilot program, the US Senate voted overwhelmingly to support an amendment to remove funding for the program in the transportation bill.

The US House of Representatives approved a similar measure earlier this year, almost ensuring that it will be in the final bill, which provides nearly US\$106 billion to fund transportation and housing programs for the new fiscal year beginning Oct. 1. Bush has threatened to veto the bill, but he will have to convince a large number of legislators to switch their vote. The measure was approved by a 74-24 margin in the Senate, more than the two-thirds majority needed for an override.

The move to restrict funding for the pilot program was also approved by a large margin in the House. Safety concerns remain at forefront Most senators who voted for the amendment questioned whether Mexican truckers would meet the strict US standards for safety. "This is about safety," said Sen. Byron L. Dorgan (D-ND). "We don't have equivalent standards between this country and Mexico. Not yet."

As an example of Mexico's safety problems, Dorgan pointed to the accident in Coahuila state on Sept. 9, when a truck carrying explosives collided with a pickup truck, killing 37 people. The Bush administration has answered those criticisms by pointing out that the pilot program is limited to only those trucking companies whose vehicles and drivers meet strict safety standards. But Dorgan

questioned how the US government could certify Mexican drivers and trucks when Mexico does not keep a database of accident reports, driver violations, and vehicle inspections.

Some opponents to the pilot program agreed that participants could well meet the US standards but questioned whether the results should be used to open US highways fully to the Mexican trucking industry. "The participating companies have been handpicked to demonstrate success," said Sen. Dianne Feinstein (D-CA). "This will tell us nothing about how the program would operate if it is expanded to include the broad range of Mexican trucking companies." As expected, the Teamsters welcomed the Senate's action. "The American people have spoken, and Congress has spoken," said Teamsters General President James Hoffa. "Now it's time for the Bush administration to listen. We don't want to share our highways with dangerous trucks from Mexico."

A handful of senators who support the pilot program criticized their colleagues for taking a protectionist step. "This is not about safety....It's apparently about protectionism....It's fear of free trade," said Sen. John Cornyn (R-TX). Under terms of NAFTA, the US was obligated to allow full access to Mexican trucks in 1995, but the opening was delayed because of questions about whether Mexico could meet safety, environmental and insurance standards (see SourceMex, 2000-01-19, 2001-12-05, 2002-12-11, 2004-06-09).

Since 1982, a dozen years before NAFTA went into effect, Mexican trucks have been able to haul freight within a 40-km zone along the US-Mexico border. Any cargo going farther than the border zone had to be transferred to a US carrier.

Pilot program would have tested feasibility of full opening

Under the Bush administration's one-year pilot program, which was created to allay safety and other concerns, as many as 100 Mexican carriers would be able to haul cargo to their final destination in the US. On the return trip, they would be allowed to pick up cargo at US locations for shipment into Mexico. The program was to be evaluated in August 2008 to determine whether Mexican trucks would be allowed full access.

The DOT had planned to implement the program in four stages, with as many as 25 Mexican companies receiving permits to haul cargo into the US by the end of September. Another 25 would be added each month in October, November, and December. All in all, 1,000 Mexican trucks would be allowed in the US during the pilot program. The first Mexican trucking company to take advantage of the pilot program was Nuevo Leon-based Transportes Olympic, which owns two US-manufactured trucks that qualify for the program. On Sept. 6, the company received a permit to haul equipment to a construction company in Wilson, North Carolina.

On the return trip, the truck was scheduled to collect steel products in Alabama and Arkansas for shipment to Monterrey. "This project will allow us to demonstrate in practice that door-to-door cargo shipments without intermediaries at the border will lower costs...and increase our country's competitiveness," Mexican Transportation Secretary Luis Tellez said, after Transportes Olympic completed its trip to North Carolina. The program would also require Mexico to allow about 100 US carriers full access to Mexican roads. Some US companies had already penetrated the Mexican market by acquiring interest in Mexican trucking firms (see SourceMex, 2000-10-11).

Court rejects appeal from Teamsters union

Opponents and proponents of opening access to Mexican trucks were surprised by the quick decision handed down by the 9th US Circuit Court of Appeals in San Francisco to the Teamsters' motion to block the Bush administration from implementing its pilot program. The Teamsters Union had filed the motion at the end of August, and the court handed down its decision at the beginning of September, just days before the pilot program was to take effect.

There had been strong concern in Mexico that the elimination of restrictions on Mexican trucks would have been set back further if the court had ruled in favor of the Teamsters. "[This court action] could delay access for Mexican truckers to US highways by about four to six months," Oscar Moreno, director of the Camara Nacional del Autotransporte de Carga (CANACAR) told reporters on the day the Teamsters filed the motion.

Without making any statements, the three-judge panel rejected the Teamsters' request. Even with the congressional action to block funding for the program, the Teamsters are expected to file legal appeals. "We believe this program clearly breaks the law," Hoffa said. "We will continue to fight for safety and national security in the courts and in Congress."

On the day the pilot program was to go into effect, dozens of truckers converged at Mexican border crossings in California and Texas to express their opposition. However, the Federal Motor Carrier Safety Administration, which oversees the program, lauded the US court decision as "welcome news for US truck drivers anxious to compete south of the border and US consumers eager to realize the savings of more efficient shipments with one of our largest trading partners."

There was no immediate reaction from the Mexican government to the US Senate decision. But Mexican officials have been saying all along that they believe the Mexican trucking industry can meet the US standards. "Contrary to US arguments, Mexican trucking companies are prepared and have the capacity to travel US roads under safe and efficient conditions," said Tellez.

-- End --