

Mexican Trucking Program Promised by NAFTA Defies Efforts to Kill It, Though Pulse is Far from Strong

Transportation Dept. Extends Program for Two Years Over Congressional Objections; Light Participation from Carriers Thus Far; What Happens in November?

SCDigest Editorial Staff

Despite the efforts of a number of legislators in Washington to kill the program, the US Department of Transportation last week extended a "demonstration" project initiated in 2007 that lets a limited number of US and Mexican trucks operate across the border.

The so-called "cross border" trucking has been the subject of much political controversy from both the left and the right, with concerns about loss of US jobs and potential safety issues from Mexican truckers operating in the US. The plan for allowing cross border access was promised all the way back in 1994 under the original NAFTA free trade agreement, but for a variety of political reasons no action was taken until 2007 with the demonstration program. (See [What's the Likely Impact of First Steps Towards Allowing Mexican Trucking Companies to Operate in the U.S.?](#))

Outside that program, Mexican trucks are only allowed to operate within a 25-mile "commercial zone" across the US border. In practice, this means that goods coming into the US from Mexican factories, and vice-versa, have to exchange loads with trucking firms of the importing country for ultimate delivery.

Under the demonstration program, up to 100 Mexican trucking companies (and a total of 500 trucks) and a similar number of US firms were allowed to extend that reach with full access to each others roadways to deliver the goods. But thus far, participation has actually been very limited.

Federal Motor Carrier Safety Administration adminis-

Given the uncertainties of the 2008 presidential campaign, it is unlikely that the extension for now will lead many additional trucking companies on either side to join the demonstration program. A change in White House support for the program would effectively kill it for now.

trator **John Hill** recently said that only 10 U.S. companies have chosen to participate in the program, running 55 trucks south of the border. Only 27 Mexican companies are participating, operating 107 trucks in the US.

Hill said that uncertainty about the program's future was a barrier to carrier participation in both countries. The two-year extension, Hill said, should convince more trucking companies to join the program and make it possible to review and evaluate the project with more comprehensive data.

"A number of potential companies have been unwilling to invest the time and resources necessary to participate due to uncertainties concerning the project's longevity," Hill said in a statement.

In addition to being promised under the NAFTA treaty generally, proponents of the plan believe it will lead to supply chain efficiencies and lower costs for consumers, and could help the often cited

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problem with a truck driver shortage in the US.

But it has faced opposition from a wide variety of courses, in some respects becoming the poster child for those opposed to globalization and further increases in "free trade."

"They are playing a game of Russian Roulette on America's highways," Teamsters Union **James Hoffa** said in 2007, warning that poorly maintained trucks coming out of Mexico will lead to huge safety dangers.

Unions and US trucking companies have lobbied hard to prevent the program, which is why it took so long after NAFTA to even reach a trial project phase.

Several Democratic members of Congress have tried various measures to kill the program, such as not authorizing any funding for the trial. But Hill went ahead with the program extension anyways.

Senator **Byron Dorgan**, D-ND, called the extension a "reckless arrogance for the law" by the Bush administration, similar to objections made by other legislators, including Rep. **James L. Oberstar**, D-Minn., chairman of the powerful House Transportation and Infrastructure Committee.

Oberstar stated that "When Congress recon-



venes in September, I intend to have the full House of Representatives approve our bill as quickly as possible, and make certain that the voice of Congress is heard loud and clear at the Department of Transportation and that this program is finally shut down."

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