

Transport Topics **Online**

Updated:

Administration Takes First Step to Reopening Mexican Border

By Sean McNally, Senior Reporter

This story appears in the Jan. 10 print edition of Transport Topics.

The Obama administration last week took the first step toward reinstating commercial truck traffic between the United States and Mexico, although it said details would not be released for several months.

The Department of Transportation sent Congress a two-page outline that it called “an initial concept document for a long-haul cross-border trucking program that prioritizes safety, while satisfying the United States’ international treaty obligations.”

The administration has been searching for a solution to the border question since March 2009, when [Congress halted a pilot program](#) put in place by President George W. Bush after a little over a year, provoking nearly \$2 billion in punitive tariffs on U.S. goods by Mexico.

DOT said in its statement that the document “is a starting point for renewed negotiations with Mexico” and “addresses concerns” raised by U.S. industry, lawmakers and advocacy groups.

Since the United States shut down the pilot program, [Mexico has imposed tariffs](#) on U.S. exports ranging from frozen processed potatoes, yarn and peanuts to pork products, ketchup and cheeses (8-23, p. 1).

A spokesman for the Mexican Embassy in Washington made no mention of the tariffs, saying only that his government “will carefully evaluate the U.S. proposal to try to constructively move forward with the administration and the U.S. Congress towards a resolution that allows for a cross-border trucking system that, while operating under clear rules, provides certainty to transport companies, exporters, importers and consumers in North America, as established under NAFTA.”

Spokesman Ricardo Alday said resolving the dispute was “of the utmost importance to our bilateral trade relationship,” noting that nearly \$700 million in goods and services cross the border each day by land.

Under the North American Free Trade Agreement, Mexico was to have full access to U.S. delivery points, but a moratorium was enacted in 1994 shortly after the treaty was ratified. Since then, only operations in a narrow geographic band along both sides of the border have been permitted.

In 2007, the Bush administration announced it would open the border for a one-year test that featured early screening of participating fleets and enhanced tracking and inspection of Mexican trucks.

Observers said the new Obama proposal closely tracks with the Bush administration program.

“I’ve believed all along that the Bush administration was doing the right thing by going slowly and cautiously with the pilot program,” ATA President Bill Graves told Transport Topics on Jan. 6. “So, I think we’ve inflicted a certain degree of pain on

U.S. businesses by pulling the plug on the pilot program, so I can't say I'm surprised that we've come full circle to the apparent launch of a comparable pilot program."

"There are no details about the timeline for the proposal — is it for a 12-month program, three years or permanently — so that's an important piece that's missing," said Martin Rojas, ATA vice president of security and operations. "But the basic layout is what was established under the demonstration program and which we view as complying with the specific mandates Congress established" in 2001.

Those mandates include inspections of trucks and trucking companies in Mexico and reports on the state of Mexican trucking by the DOT inspector general.

"From the limited information we have, it certainly seems they are using the skeleton of the previous pilot program," said Rod Nofziger, director of government affairs for the Owner-Operator Independent Drivers Association. "It does seem that the department has taken into account some concerns that have been provided to them regarding a pilot program."

Nofziger pointed to provisions in the draft that allow the public to comment on the plan once it is drafted and include a review of the Mexican commercial driver license as evidence of DOT addressing concerns about cross-border trucking.

Doug Goudie, director of trade policy for the National Association of Manufacturers, told TT the new document was "the blueprints for the house," and through negotiations with Congress and Mexico, the details would be filled in.

The release of the plan is not expected to encourage Mexico to drop its tariffs, despite calls from Congress to do so.

"I am glad that the administration is moving forward with a plan to finally end the devastating Mexican tariffs on Washington State agricultural products," said Sen. Patty Murray (D-Wash.). "Now that this proposal has been put forward, I am strongly urging the Mexican government to end their harmful tariffs immediately and allow our farmers to once again compete on the level playing field they deserve."

Murray, chairwoman of the Senate Appropriations Committee panel overseeing the DOT budget, had been an opponent of the program when it was announced in 2007, but has been vocal about prodding the Obama administration to resolve the dispute in order to eliminate the tariffs.

Goudie said he believed the tariffs would stay in place until the United States and Mexico are closer to a formal agreement.

"That's the stick," he said.

Nofziger said that OOIDA opposes opening the border, and that the administration "seem[s] to [be] missing our primary objections," that Mexican trucks don't meet U.S. standards for safety.

Teamsters President James Hoffa said he was "deeply disappointed" by the proposal.

"Why would the DOT propose to threaten U.S. truck drivers' and warehouse workers' jobs when unemployment is so high," Hoffa said in a statement. "We continue to have serious reservations about DOT's ability to guarantee the safety of Mexican trucks. Mexican trucks simply don't meet the same standards as U.S. trucks."

Despite last week's announcement, it was expected to be some time before the border is reopened to cross-border trucking.

"I don't foresee them opening up the border tomorrow," ATA's Rojas said.

DOT said in its announcement that a formal proposal "is expected to be announced in the coming months."