

Transport Topics **Online**

Updated:

Tariffs, Safety Highlighted in Mexico Truck Remarks

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This story appears in the May 23 print edition of Transport Topics.

Public comments on a proposal to allow Mexican longhaul trucks on U.S. highways were largely divided among those who urgently want retaliatory Mexican tariffs ended and those who fear the move would make the nation's roads less safe and steal jobs from Americans.

Impassioned trucking industry representatives, from veteran truck drivers to large trade organizations and Teamsters union officials, commented on the wisdom of permitting longhaul Mexican trucks to carry freight beyond the 25-mile free-trade border zone.

The pilot program would fulfill a long-delayed requirement of the 1994 North American Free Trade Agreement.

From soup to nuts and apples to table grapes, trade associations for myriad U.S. products were overwhelmingly unanimous in their support of the pilot project — primarily to reopen export markets that have been battered by Mexican tariffs of up to 25% imposed as retaliation for the United States' ending a pilot program two years ago.

Among those urging that the United States allow Mexican truck deliveries was Swiss Valley Farms, a Midwestern dairy cooperative that manufactures specialty cheeses. It said that "the long-running NAFTA trucking dispute continues to have a negative impact on our business with Mexico since the retaliatory tariffs were imposed in August 2010. These tariffs have affected 60% of our business with Mexico, particularly our Swiss and cream-cheese exports."

Opposed to opening the border, truck driver Ronald Wadil of Stewartstown, Pa., wrote: "I implore you to rethink the position of letting this happen, not only for the sake of dwindling American jobs, but for the safety of your family and mine."

Several members of Congress have weighed in on the Federal Motor Carrier Safety Administration's proposal, the most recent critical letter coming from Jay Rockefeller (D-W.Va.), chairman of the Senate Commerce Committee.

"The cross-border longhaul trucking program must be done in a way that does not hurt U.S. companies or have a negative impact on safety," Rockefeller wrote on May 12. "I must feel confident that this new proposal has addressed all my concerns before I can support its implementation."

Congress cancelled funds for the last cross-border pilot program in 2009.

By the time the comment period closed on May 13, there were about 1,500 comments filed on the FMCSA website.

In written comments, American Trucking Associations said it supported the FMCSA's pilot project, but advised the agency to ensure that U.S. carriers get equal access to operate in Mexico and [drop its plan to purchase electronic onboard recorders for Mexican carriers](#).

ATA said the U.S.-Mexico agreement would “establish an operating environment in which motor carriers can, over time, improve cross-border efficiencies in North America in a safe and secure manner.”

However, FMCSA must work to ensure that Mexican carriers are not discouraged from participating in the project over the negative effect of such issues as border waiting times, the availability and supply of EPA emissions-complaint engines in Mexico and the difficulty of obtaining the necessary liability insurance, ATA said.

The FMCSA proposal requires that Mexico-based motor carriers participating in the pilot program maintain a certificate of insurance or surety bond on file with FMCSA that is underwritten by a U.S. insurance or surety bond company.

The California Trucking Association said it, too, supports the proposal but had concerns that it would allow Mexican carriers to operate in California without complying with the state’s on-road truck rule, emissions standards and state labor laws, including minimum wage and overtime provisions.

Although the FMCSA has said it will rigorously enforce U.S. standards on Mexican carriers that enter the United States, the Teamsters union, a longtime opponent of opening the border to longhaul Mexican trucks, said it feared that lax safety standards for Mexican trucks could endanger public safety on U.S. highways.

The union also argued that the program would fail to protect U.S. workers from losing their jobs and could even allow Mexican carriers to violate U.S. cabotage laws.

Union officials also expressed concerns that the pilot program would grant responsible Mexican carriers permanent operating authority in the United States before the pilot could be evaluated.

The Independent Owner Operator Drivers Association said it opposes the program for some of the same reasons as union officials.

Pennsylvania trucker Wadil, a 29-year veteran driver, said he has observed trucker safety issues firsthand, even among U.S. carriers, and that “it’s not a pretty sight.”

Like Wadil, dozens of other truck drivers said they were “dismayed and outraged” by the proposal.

On the other hand, trade associations representing U.S. fruit and vegetable growers, beef and pork producers, personal-care product makers, milk and cheese businesses and others cheered federal regulators in hopes that the Mexican government would quickly lift the tariffs that are hurting their bottom lines.

The proposal calls for Mexico to eliminate 50% of the tariffs when the agreement is signed and the remaining 50% when the first Mexican carrier is authorized to operate under the pilot program.

Many U.S. companies and growers said they have been badly hurt by the tariffs.

“The initial 20% tariff on U.S. frozen potatoes to Mexico reduced exports by 49% from March 2009 through July 2010, a drop of \$53 million,” the National Potato Council said in written comments. “The tariffs caused layoffs in the potato-processing sector which negatively impacted already hurting rural economies.”