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U.S., Mexico Sign Cross-Border Trucking Agreement

Pact Aimed at Ending NAFTA Dispute; OOIDA 'Fuming'

The United States and Mexico Wednesday signed a cross-border trucking agreement under which the U.S. will open its roads to Mexican trucks, while Mexico will suspend about $2 billion in tariffs on U.S. goods.

Under the agreement, signed by U.S. Trade Representative Ron Kirk and his Mexican counterpart in Mexico City, Mexico will suspend 50% of its tariffs within ten days, according to a statement by the U.S. Department of Transportation.

Mexico will suspend the remainder of the tariffs within five days of the first Mexican trucking company receiving its U.S. operating authority, the statement said. The two countries said they would issue their first trucking permits in August.

Mexico had set retaliatory tariffs on U.S. goods for not allowing its trucks access to U.S. roadways, after the Obama administration suspended a previous pilot program shortly after President Obama took office in early 2009.

Under the Bush administration, the Federal Motor Carrier Safety Administration had run a pilot cross-border trucking program under provisions of the North American Free Trade Agreement. The new agreement would end trucking-related NAFTA disputes between the two countries.

Mexican tariffs currently range from 5% to 25% on certain U.S. agricultural and industrial products.

Currently, most Mexico-domiciled motor carriers are allowed to operate only within the border commercial zones of about 25 to 50 miles into the United States, according to the official 79-page agreement.

Every year, Mexico-domiciled trucks cross into the United States about 4.5 million times. Mexico granted reciprocal authority to 10 U.S.-domiciled motor carriers to operate throughout Mexico during DOT's previous pilot program, the agreement said.

Reaction to the agreement was swift, and negative, from the Owner-Operator Independent Drivers Association, which said in press release that independent truckers were "fuming" about the pact.

It "seems like the [Obama] administration is dead set on caving to Mexico's shakedown regardless of the costs to the American public and our tax coffers." said OOIDA President Jim Johnston said. "Why not let the public see the details before signing the agreement?"

OOIDA said it has "adamantly opposed opening the border because Mexico has failed to institute regulations and enforcement programs that are even remotely similar to those in the United States and because there would be no relevant corresponding reciprocity for U.S. truckers."

But DOT said the agreement would ensure safety, that Mexican trucks will be required to comply with U.S. safety standards and that they must have electronic monitoring systems to track hours-of-service compliance.

FMCSA, which is part of DOT, said earlier this year that it would pay for electronic onboard recorders on Mexican trucks to ensure their compliance with U.S. regulations. The decision to pay for the EOBRs with U.S. funds brought criticism from many in the U.S. trucking industry.

By Transport Topics