

# Mexican Truck Pilot Program “A JOB-KILLING SAFETY HAZARD”

## Background

On January 6, 2011, Department of Transportation Secretary Ray LaHood announced he would resume talks with Mexico over a cross-border trucking program. The program would allow Mexican trucks to operate anywhere in the United States beyond the currently permitted commercial zones.

LaHood's announcement came less than two years after Congress voted to shut off funding for a similar program that had been initiated by the Bush Administration. Lawmakers were concerned that Mexican trucks and drivers would not meet all U.S. safety requirements.

Mexico retaliated with tariffs on \$2.4 billion worth of U.S. products that were exported to Mexico. Those tariffs have now been in effect for two years this March. The Teamsters urged the U.S. Trade Representative to challenge the tariffs as excessive before the NAFTA Tribunal. The Obama Administration instead decided to reintroduce this ill-advised program.

On March 3, President Obama and Mexican President Calderon announced more details of the plan. Mexico agreed to lift half of the tariffs when the program starts. The program would give Mexican trucking companies “permanent operating authority” in the U.S. after 18 months in the pilot program. That permanent authority would not be rescinded were Congress or the Administration to terminate the Mexican truck pilot program. U.S. Rep. Peter DeFazio, D-Ore., questioned DOT's legal authority to implement a permanent program.

## U.S. Job Loss

Currently, Mexican trucks off-load cargo in border commercial zones, leaving the delivery of cargo into the interior of the U.S. to U.S. drivers. As a result, a significant warehousing operation evolved along the Border States, pumping millions of dollars into local economies. Now is the worst possible time to allow long-haul Mexican trucks to travel throughout the U.S. Unemployment is officially at 8.9 percent and job creation is painfully slow. This cross-border program will potentially kill thousands of U.S. truck driving and warehouse jobs and destroy the local economies at the border.

## A One-Way Street

The cross-border trucking program is supposed to allow U.S. carriers to operate in Mexico, as trade agreements are supposed to benefit both parties. But the drug violence in Mexico won't allow any U.S. carriers to risk the safety of its drivers or the value of its equipment and cargo to operate in Mexico. This proposal is a “one-way street” for Mexican carriers. So the loss of U.S. trucking and warehousing jobs will not be offset by new jobs created by cargo moving south to Mexico.

## Drug Cartel Violence

The viciousness of Mexican drug cartels cannot be overstated. There are daily reports of beheadings, kidnappings, mass killings and torture. A U.S. drug agent murdered in February was only

the latest American victim of violence in Mexico. DOT officials – who will not be allowed to carry firearms under Mexican law – should not be required to travel to Mexico to inspect Mexican trucks, as they did under the previous Bush-era program.

The U.S. serves as the major source of weapons for the Mexican drug cartels. As trucking is the preferred mode of smuggling drugs from Mexico into the U.S., and with so little drug interdiction at the border, this program would actually make transport and distribution of drugs into the U.S. much easier and create an even greater problem for the Drug Enforcement Agency.

Drug cartels have been known to use everything from bogus ambulances to sham school buses. Even more disturbing is the use by drug traffickers of fake versions of U.S. company vehicles such as the recent “cloning” of a Wal-Mart truck and a FedEx van.

## U.S. Taxpayers Foot the Bill

At a time of record budget deficits and proposed cuts in essential programs, it is impossible to justify spending more money on a program that has already cost \$500 million. U.S. taxpayers are being asked to pay for overseeing the safety of Mexican trucks because Mexico has not taken the necessary steps to bring its safety regime up to U.S. standards.

After nearly 20 years, Mexico still has no lab that can be certified for drug and alcohol testing. Samples must be sent to the U.S. for analysis, where U.S.-paid contractors will apparently observe Mexican truckers taking a drug test. But chain of custody will be challenging if not impossible to guarantee.

Mexico does not enforce of hours-of-service for truck drivers. The DOT proposal would have the U.S. paying for Electronic On-Board Recorders (EOBRs) and GPS devices for every Mexican truck to ensure compliance with hours-of-service regulations and to prevent violation of U.S. cabotage laws. The U.S. taxpayer should not have to foot the bill for a program that will destroy U.S. jobs.

## Safety Standards

Mexico simply doesn't have the ability to guarantee the safety of its drivers.

Mexico's standards for issuing its Commercial Drivers License are suspect. Its data bases of truck drivers' traffic violations are inaccurate and incomplete. Even U.S. data bases don't have complete records of Mexican truck drivers' traffic violations, according to the DOT inspector general.

Because hours-of-service enforcement in Mexico is non-existent, the U.S. will rely on EOBRs to monitor Mexican drivers operating under an hours-of-service regime for the first time. But inspection personnel and facilities at the border cannot guarantee the close inspection of Mexican trucks and drivers to ensure that they meet all U.S. safety standards.

**International Brotherhood of Teamsters**

