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BTA

Border Trade Alliance / Alianza del Comercio Fronterizo
Alliance du Commerce Transfrontalier

May 9, 2001

Docket Management Facility
U.S. Department of Transportation
Dockets Management Facility
Room PL-401
400 Seventh Street, SW
Washington, DC 20590-0001

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A public-private coalition of individuals, entities and companies conducting business across U.S. borders/
Una coalición de individuos, entidades y compañías que comercian através de las fronteras de los Estados Unidos/
Un regroupement de personnes, de compagnies et d'autres entités qui traitent des affaires transfrontalieres avec les États-Unis

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RE: Docket No. FMCSA-98-3298 - 9

To Whom It May Concern:

This letter represents official comment by the Border Trade Alliance (BTA) in support of the proposed regulations and revisions suggested for Forms OP-1 (MX) and OP-2.

Since the inception of NAFTA, the BTA has supported both the goals and the mechanism of the NAFTA Agreement. BTA's support for the credentialing of both short haul and long haul Mexican carriers is consistent with this view.

Now that there has been resolution of the NAFTA trucking issue, we want to reiterate our support for the creation of conditions successfully leading to the full implementation of the trucking provisions.

Requiring Mexican short haul trucking firms to participate in this system will reduce the market anomalies that have encouraged them to develop in the first place. Further, we expect that the requirement that they be subject to the U.S. Department of Transportation's Safety Compliance Review will provide for the development of a safer, more efficient, and financially sound trucking transportation system into the future.

Further we would encourage US DOT to work closely with Mexican counterparts to improve the quality and timeliness of information that is available for inspection and compliance purposes.

We appreciate the opportunity to comment on the regulations.

Sincerely,

A. Joe Harper
Chair

Garry Kyle
Transportation Committee Chair



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BORDER TRADE ALLIANCE SUPPORTS IMPLEMENTATION OF NAFTA TRUCKING ARTICLES

The Border Trade Alliance position:

- BTA strongly endorses the finding of the NAFTA Arbitration Board that the United States must comply with the transportation provisions of the agreement.
- The BTA favors implementation of the NAFTA timeline for opening the United States and Mexican Border State and national markets.

Background:

- The North American Free Trade Agreement (NAFTA) provided for the reciprocal access for North American motor carriers to the United States and Mexico.
- Initially, Mexican motor carriers would be authorized initially to operate on an ingress/egress basis within the Southwest Border States of the U.S. Domestic cartage within the United States would still be prohibited.
- After five years, Mexican carriers would be authorized to operate Mexican equipment with Mexican drivers, provided equipment and drivers comply with U.S. transportation regulations.

Where we are now:

- The United States failed to comply with the transportation terms of NAFTA by limiting Mexican trucks to transshipment zones near the border.
- A NAFTA Arbitration Board ruled that the United States must comply with the transportation provisions of the agreement.

Safety concerns

- U.S. Department of Transportation surveys report that thirty-five percent of Mexican trucks crossing the international border are out-of-compliance with U.S. safety standards.
- This number refers to “local haul” trucks, not over-the-road vehicles.
- The figure applies only to Mexican “shuttle” carriers whose trucks transport trailers across the international boundary between U.S. and Mexican border communities. These are not the trucks that would be used by Mexican over-the-road carriers for operations beyond the U.S. border communities.
- On a given day, twenty-eight percent of U.S. over-the-road trucks are out of compliance with U.S. safety standards.
- Mexican trucks manufactured since the mid-to-late 1980s are manufactured to U.S. safety equipment standards.

Implementation is a benefit to consumers:

- Eliminates the need to transship trailers at the border. U.S. and Mexican motor carriers will be able to provide direct service, without transshipment services being required, for delivery to warehouses, manufacturing plants, distribution centers or retail stores.



BTA

Border Trade Alliance / Alianza del Comercio Fronterizo
Alliance du Commerce Transfrontalier

May 7, 2001

President George W. Bush
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear President Bush,

The Border Trade Alliance strongly endorses the finding of the NAFTA Arbitration Board that the United States must comply with the transportation provisions of the agreement. Subject to our recommendation outlined below, we favor the immediate implementation of the NAFTA rules on trucking.

The North American Free Trade Agreement (NAFTA) provided for the phasing-in of and reciprocal access for, North American motor carriers to the United States and Mexico. Specifically, Mexican motor carriers would be authorized initially to operate on an ingress/egress basis within the border states of the United States with Mexico. Domestic cartage within the United States would still be prohibited. After five years, Mexican carriers would be authorized to operate Mexican equipment with Mexican drivers, provided equipment and drivers comply with U.S. transportation regulations. In addition, Mexican motor carriers would be authorized to operate U.S. transportation companies for national distribution using U.S. equipment and drivers. The Border Trade Alliance supports the reinstatement of this phase-in schedule and reciprocal access of NAFTA regulations. That is, the BTA favors initial access to the border states of the United States and Mexico and national operating authority after five years.

Mexican motor carrier compliance with U.S. safety standards is critical to the implementation of the NAFTA rules. Unfortunately, the media, special interest groups and the government, have misrepresented the Mexican compliance issue. For example, U.S. Department of Transportation surveys report that thirty-five percent of Mexican trucks crossing the international border are out-of-compliance with U.S. safety standards. Two points must be made. One, on a given day, twenty-eight percent of U.S. over-the-road trucks are out of compliance with U.S. safety standards. And second, the thirty-five percent noncompliance reported for Mexican trucks applies to "local haul" trucks, not over-the-road vehicles. The figure applies only to Mexican "shuttle" carriers whose trucks transport trailers across the international boundary between U.S. and Mexican border communities. These are not the trucks that would be used by Mexican over-the-road carriers for operations beyond the U.S. border communities. Further, Mexican over-the-road carriers operate newer trucks of Mexican manufacture that comply with U.S. safety equipment standards. Mexican trucks manufactured since the mid-to-late 1980s are manufactured to U.S. safety equipment standards.

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A final issue is safety inspection. NAFTA trucking rules have nothing to do with safety inspection. NAFTA applies to access rights, while safety inspection is addressed by federal and state laws covering operating authorities, safety equipment standards and other issues. Any Mexican truck crossing into the United States must possess a federal Certificate of Registration operating authority. This authority stipulates that the truck must comply with U.S. safety equipment standards, is covered by appropriate insurance and that the carrier will pay U.S. Highway Use taxes for annual miles traveled in excess of 5000. The federal Motor Carrier Safety Assistance Program (MCSAP) provides funds to states to enforce U.S. safety regulations including inspections. In addition, the state of Texas has adopted the federal code of regulations as state law. In Texas, state and local officials are mandated to enforce the federal safety standard.

Implementing the NAFTA trucking rules has an obvious benefit for U.S. consumers; that is, consumer products imported from Mexico will cost less. NAFTA's rules will, over time, eliminate the need to transship trailers at the border. U.S. and Mexican motor carriers will be able to provide direct service, without transshipment services being required, for delivery to warehouses, manufacturing plants, distribution centers or retail stores. The new rules will encourage inter-line agreements, joint ventures and operational efficiencies such as just-in-time inventory and customs documentation in international trade.

For these reasons, the Border Trade Alliance supports the immediate implementation of the NAFTA trucking rules. We urge you to support our compliance with the North American Free Trade Agreement.

Sincerely,

A. Joe Harper
Chair

Garry Kyle
Chair, Transportation Committee