



Open Roads Pilot program allows drivers clear path between the U.S and Mexico

President Barack Obama and Mexican President Felipe Calderón met in March to negotiate a solution to the border discrepancy affecting commercial transportation flow between both countries. The controversy started when stipulations, made between the trucking industries of both countries in the 1994 North American Free Trade Agreement (NAFTA), were not implemented by the U.S. After a period of unrest, both presidents agreed that the solution needs to be based on a program of reciprocity, safety and efficiency of the system.

The conflict was set in motion when NAFTA granted Mexican truck drivers access to U.S highways with minimum restrictions. The United States felt that the Mexican truck fleet was not held to the same safety standards as U.S trucks and decided to impose restrictions on the circulation of Mexican haulers within U.S. borders. A federal policy was put in place that required Mexican trucks to unload their cargo into warehouses within 25 miles from the border, and reload them onto U.S. trucks for final delivery. Mexico decided this was a violation of NAFTA and, in retaliation, taxed the U.S. on anything they brought over the border to cover its losses.

On April 8, the U.S Department of Transportation released the details of a gradual long-haul, cross-border trucking program between the United States and Mexico. The Federal Motor Carrier Safety Administration (FMCSA) was charged with developing

the program and came up with a plan that prioritizes safety, while satisfying the United States' international obligations, as established by NAFTA. It also builds upon the progress announced by Obama and Calderón in March.

The goal of this program is to test and demonstrate the ability of U.S and Mexican motor carriers to operate safely in the United States and Mexico, beyond the municipalities and commercial zones along the border. This program will be implemented over a three-year span, and it will eventually allow Mexican carriers to take their loads from Tijuana to Seattle or U.S drivers to haul their goods from Chicago to Mexico D.F. without unloading and reloading the merchandise at a middle point. It is a reciprocal program and both countries will have to comply with all applicable laws and regulations from the other country, including safety, immigration, vehicle registration and fuel taxation.

The delay in opening U.S markets to Mexican truckers costs American consumers \$200-\$400 million annually because of higher transportation expenditures, according to the National Center for Policy Analysis. The savings in shipping costs for companies that transport products across the border will be significant, which will translate into lower prices for the end consumer. This will have an obvious positive impact in the economy of both countries.

For companies like Interlake Mecalux, with branches on both sides of the border, the positive effects will be doubly warranted. 