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WHY STRICTER STANDARDS ON MEXICAN TRUCKS WILL HURT OUR NEIGHBOR AND OURSELVES

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A double standard in U.S.–Mexico trade, which the Clinton Administration allowed to stand, could become much worse if President Bush does not veto a bill making its way to his desk. Currently, U.S. truckers have complete access to Mexican highways, but Mexican trucks are confined to a 20-mile zone north of the border. For deliveries beyond that zone, the goods they carry must be transferred to U.S. trucks. Not only is this a double standard, but it violates both the letter and the spirit of the North American Free Trade Agreement (NAFTA), which opened U.S. borders for motor carrier access.

The House voted in June to retain the current limits on Mexican trucks, which the Clinton Administration, bowing to union pressure, had allowed to stand after signing NAFTA in 1993. Last week, the Senate approved an amendment to the transportation bill (H.R. 2299) to impose harsh restrictions on Mexican trucks under the guise of safety concerns. Some of these unwarranted restrictions are tougher than the standards imposed on U.S. and Canadian trucks. If enacted into law, these unfair restrictions would violate NAFTA. A NAFTA arbitration panel already has ruled unanimously that the United States has violated its NAFTA commitments. This sends the wrong message to America's current and potential trade partners.

In order to assure the world that America honors its trade agreements, the President should not sign a non-NAFTA-compliant H.R. 2299 when it reaches his desk. Doing so would enshrine a double standard in law, ignore evidence on the safety of Mexican trucks that does not justify these restrictions, and violate America's commitment to NAFTA.

The Double Standard. In testimony before the House Subcommittee on Highways and Transit, Secretary of Transportation Norman Mineta said, "we will not accept enforcement requirements that create a *de facto* system that unfairly discriminates against Mexican drivers and carriers." Yet, according to an article in *The Washington Post* on August 2, Senator Patty Murray (D-WA) "acknowledged that some of the restrictions are more stringent for Mexico than for U.S. or Canadian trucks." Perhaps Canadian trucks have not been given the same intense scrutiny to

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which Mexican trucks have been subjected because over 1 million members of the Teamsters Union reside in Canada.

Safety Concerns. Despite the claims of those who want the tougher restrictions on Mexican truckers, the failure rate for Mexican trucks is not significantly higher than that of U.S. trucks. The Inspector General of the U.S. Department of Transportation reports, for example, that the failure rate for Mexican trucks in California during 2000 was 27 percent, which is close to the national failure rate for U.S. trucks of 24 percent. Additionally, the Inspector General reports that the failure rate for Mexican trucks decreased overall last year.

Congress appears to be hiding behind safety concerns to promote protectionism. Indeed, Teamsters President James Hoffa has declared, "We cannot close our eyes, let unsafe Mexican trucks cross the border and hope everything turns out all right." However, his concerns are not justified. Everything would "turn out all right" if Mr. Hoffa would step aside so that the Mexican trucks could enter the United States in accordance with the NAFTA agreement. As U.S. Trade Representative Robert Zoellick points out, not doing so "violates the spirit of NAFTA by holding Mexico to a different standard than it holds to Canada or the United States."

Undermining Trade Agreements. Thanks to NAFTA, the amount of U.S.–Mexico trade is gargantuan. According to *Time*, the daily volume of U.S.–Mexican trade includes 1 million barrels of oil; 432 tons of bell peppers; 238,000 light bulbs; 166 Volkswagen Beetles; 16,250 toasters; and \$51 million worth of auto parts. The U.S. Department of Commerce reports that, "During NAFTA's first five years, U.S. merchandise exports to Mexico increased 90 percent." And in a speech to the National Foreign Trade Council, USTR Zoellick stated:

In the seven years since NAFTA's implementation, U.S. exports to Mexico and Canada now support 2.9 million American jobs—900,000 more than in 1993. Such jobs pay wages that are 13 to 18 percent higher than the average American wage.

The benefits of trade with Mexico include higher-paying jobs and more exports for both Americans and Mexicans. Opening U.S. highways further to Mexican trucks can only increase prosperity.

Trade with Mexico is not something to be taken for granted. Actions reap consequences; and according to Mexico, what goes around will come around. During an August 2 news conference, Mexican President Vicente Fox stated that, "If there continues to be resistance and there is no agreement, it will simply mean Mexican trucks will not go over there because they are not permitted or wanted. But neither will there be American trucks here."

This would be a political embarrassment for the United States. Worse, it would mean economic deprivation for those U.S. and Mexican citizens whose jobs rely on exports. Duane Acklie, chairman of the American Trucking Association (ATA), emphasized this point in his testimony before the House Subcommittee on Highways and Transit in July. "ATA supports the North American Free Trade Agreement," he said, "because it represents increasing trade flows, which translates into more business for trucking companies, and the creation of more jobs and opportunities for our industry."

Conclusion. To be taken seriously in the global marketplace, the United States must avoid saying one thing while doing another. Congress's recent and unfortunate decision forces other countries to question whether America can be trusted in its trade agreements. Treating Mexico and Canada differently, in addition to being unfair, sets a precedent that will cause potential trading partners to hesitate before signing an agreement with a country that could discriminate against them later.

The United States has no business treating its second largest trading partner and neighbor with such disrespect. In July, the White House sent a letter to Senate leaders stating that, "if legislation preventing NAFTA motor carriers access were presented to the president, his senior advisors would recommend that he veto the bill." The President should veto the transportation bill when it reaches his desk, both to keep America's promises to Mexico and to ensure economic prosperity.

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