

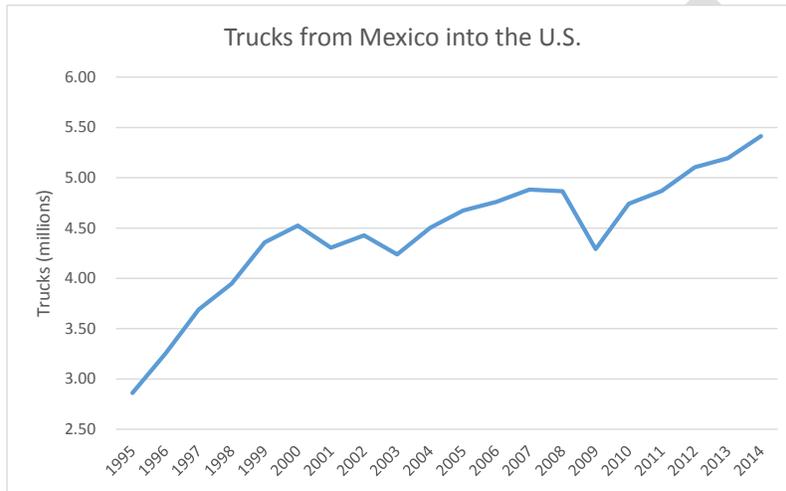
Advisory Committee on Supply Chain Competitiveness

Trade & Regulatory Subcommittee

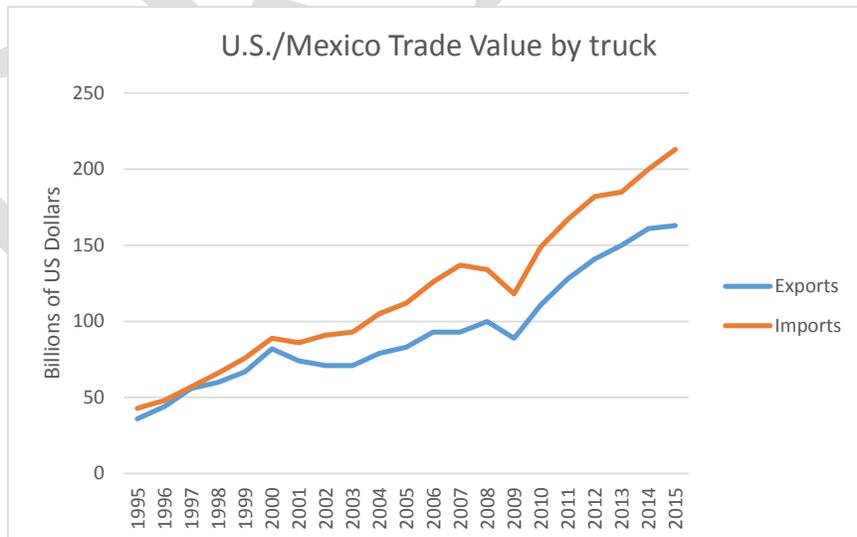
U.S. - Mexico Truck Border Issues

Background

Commercial traffic at the U.S.-Mexico border has increased substantially since the implementation of the North American Free Trade Agreement (NAFTA). According to the U.S. DOT, Bureau of Transportation Statistics (BTS), the number of trucks crossing from Mexico into the U.S. by land ports of entry increased from 2.86 million in 1995 to 5.41 in 2014. This is an increase of 90% in 19 years.



Several U.S./Mexico supply chains are highly integrated and intermediate products cross the border multiple times before a final product is exported. The total value of U.S./Mexico trade by truck increased from \$79 billion in 1995 to 376 billion in 2015. This is an increase of 4.75 times in 201 years.



Advisory Committee on Supply Chain Competitiveness

Trade & Regulatory Subcommittee

U.S. - Mexico Truck Border Issues

Commercial Vehicle Crossing Procedures

Despite the growth in trade value and number of trucks crossing the border, the border crossing process is inefficient and increases the cost of trade between the U.S. and Mexico. The border crossing process involves multiple stakeholders from public and private sectors, in two countries and sometimes with different objectives.

The northbound border crossing procedure requires three potential inspections: at the Mexican export lot, at the federal compound in the U.S. and at the state vehicle safety inspection facility. At the federal compound, U.S. Customs and Border Protection (CBP) performs security inspections, while other Federal agencies such as the Federal Motor Carrier Safety Administration (FMCSA) and Food and Drug Administration (FDA) have personnel and facilities to perform other inspections when required.

Drayage at the border is still a common practice. When documentation has been filed to export a truck load into the U.S., a Mexican drayage tractor picks up the load at a yard in the Mexican side of the border and drives to the land port of entry, where the three potential inspections takes place. The loaded trailer is dropped at a yard in the U.S. side of the border, where a U.S. long haul tractor picks the load to final destination.

For the southbound movement, a similar process takes place, with fewer inspections at the border. However, a Mexican licensed customs broker needs to file documentation before the load enters Mexico.

Issues for Subcommittee discussion

- **Wait times.**

Crossing and wait times are extremely high, and most important the variability is very high. It is difficult to plan shipments when travel time is unreliable.

- **Drayage**

Despite the “opening of the border” for Mexican-domiciled carriers, drayage at the U.S./Mexico land border crossings is common practice, adding cost and time to the cross-border operations.

The drayage operation requires multiple ‘empty’ trips to reposition equipment, creating congestion, requiring CBP to spend time inspecting empty containers and increasing vehicle emissions.

- **Others?**