



September 29, 2017

Ambassador Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

RE: Support for the Mexican Truck Program under NAFTA

Dear Ambassador Lighthizer:

The American Trucking Associations and our members are pleased to see the progress that you and your negotiators are making with the NAFTA trade talks. The U.S. trucking industry has been a major beneficiary of NAFTA. Today, trucking represents 70% of the value of surface trade on the northern border. On the southern border, the numbers are more impressive. Trucks haul 82% of the value of trade with Mexico. Truck transported trade with Mexico alone supports 26,000 U.S. trucking jobs, including more than 17,000 U.S. truck-driving jobs. This trade also generates at least \$3.7 billion in revenue for U.S. trucking companies. This analysis does not account for secondary benefits for other U.S. trucking-related industries, like truck and trailer manufacturers and truck stops.

As outlined in our comments to your office on June 12, 2017, ATA suggested changes to NAFTA that would help U.S. trucking companies well into the future. However, the main reason I am writing you today is in support of the Mexican truck program. Unfortunately, there are groups fearmongering about Mexican trucks driving beyond the commercial border zone. The Mexican trucking program is not an open door policy that permits any and all Mexican trucking companies to haul freight beyond the border zones. Mexican carriers undergo a case-by-case review process before the U.S. Department of Transportation grants them authority to operate. Today, the largest Mexican-domiciled carrier in the program, representing over half of all the Mexican drivers permitted to drive beyond the commercial trade zone, is actually owned by an American trucking company.

You might find it odd that ATA supports the Mexican truck program, but it is for good reason. NAFTA's trucking provisions help reduce border congestion. Congestion increases without NAFTA's trucking provisions because trailers often return empty after delivering freight across the border. Sometimes "Bobtails" (tractors without trailers) deliver a trailer only one-way across the border and return solo; and, bobtails and empties are also required to be inspected at the port of entry just like loaded trailers. The additional unnecessary equipment increases congestion, delays, "overhandling" of shipments, costs, and the potential for lost and damaged freight. As the industry looks well into the future, this provision will be more important as trade increases. It would be shortsighted to end the program now.

And, let me be very clear: we do not support unsafe motor carriers operating on our roads, whether American, Canadian, or Mexican. Mexican carriers operating beyond the commercial border zones have an excellent safety record. They are operating equipment similar to U.S. motor carriers and must adhere to all U.S. laws and regulations. If North America is going to compete with Asia, South America, and Europe in the world economy, we must have an integrated supply chain and that includes a safe and efficient transportation system to support it.

Thank you for the opportunity to comment on this important matter. Please let me know if you or your team has any questions regarding this issue.

Respectfully,

A handwritten signature in black ink, appearing to read 'Bob Costello', with a long horizontal flourish extending to the right.

Robert Costello
Chief Economist & Senior Vice President
American Trucking Associations