

## U.S./MEXICO LONG-HAUL PROGRAM RECEIVES 2-YEAR EXTENSION

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Although the Department of Transportation's (DOT) one-year U.S./Mexico Border Long Haul Trucking Demonstration Program (Demo-Program) was set to self terminate on Sept. 6, the DOT announced that it will extend the Demo-Program for another two years.

The Demo-Program was originally developed as a means to collect safety and other statistical data in order to evaluate the future success of President Bush's intention of permanent implementation of the NAFTA long haul trucking provisions, which will allow free movement of trucking traffic between the United States and Mexico. When the DOT first announced the Demo Program, it was given a total shelf-life of up to three years, however, it determined that the sought-after information could be collected within one year. Accordingly, the Demo-Program was launched on Sept. 6, 2007 and set to terminate a year later.

During that time, the Demo-Program received staunch opposition and criticism from labor unions, environmental organizations and the U.S. Congress due to safety and environmental concerns. On July 31, 2008, John Hill, Administrator for the Federal Motor Carrier Safety Administration, announced that the DOT was planning of extending the Demo-Program for the remainder of the program's authorized shelf-life of two years.

In reaching that decision, the DOT explained that opposition to the Demo-Program created an environment of uncertainty regarding the length and viability of the Demo-Program, as well as a permanent implementation of same. This led to under-participation within the program by both United States and Mexican domiciled trucking firms. Consequently, the DOT has not been able to collect a sufficient amount of statistical data in which to determine the projected success of a permanent U.S./Mexico border opening.

According to the DOT, a large number of Mexican domiciled companies refused to participate in the program due to their reluctance to incur additional insurance and business-based expenses as part of such a highly contested program without more assurances that the program would eventually lead to future opportunities at the end of the Demo-Program. U.S. domiciled companies also hesitated to engage in the Demo-Program due to the expenses associated with maintaining an official legal representative within Mexico.

On Sept. 9, the U.S. House of Representatives voted 395-18 on H.R. 6630 to terminate the Demo-Program on the original self-termination date.

In response to the House vote, Mr. Hill, announced:

"At a time of surging exports and growing demand by U.S. truck drivers for new opportunities, it is simply irresponsible for Congress to deny American drivers the opportunity to compete in Mexico

and American shippers a more efficient and timely way of getting their goods south.”

Furthermore, the Mexican Embassy in Washington expressed its deep concern over the House vote and issued the following statement:

“Mexico has fulfilled its NAFTA obligations and expects the U.S. do the same. Should the bill be enacted into law, the government of Mexico will consider taking all the appropriate actions, including remedies or countermeasures under the North American Free Trade Agreement.”

The bill was submitted on Sept. 10 to the Senate’s Committee on Commerce, Science and Transportation. The U.S. Senate has not yet voted on this issue.

Further complicating matters is that the Ninth Circuit Court of Appeals has made a determination regarding the opposition’s request to halt the program by judicial intervention.

Although it is unclear as to how the court will rule, and as to how the Senate will vote on this issue, it is very clear that President Bush is set on vetoing any such bill. Accordingly, in order for the bill to override President Bush’s veto, the Senate will need to garner a two-thirds approval vote. That decision has not yet been published.

## Resources

The Notice of Extension can be found at:

<http://www.fmcsa.dot.gov/rules-regulations/administration/rulemakings/notices/E8-17946-Demonstration-Project-on-I>

H.R. 6630 can be found at:

<http://thomas.loc.gov/cgi-bin/bdquery/z?d110:HR06630:@@L&summ2=m&>

Also see:

<http://www.reuters.com/article/bondsNews/idUSN0934769920080910>

[http://www.signonsandiego.com/uniontrib/20080910/news\\_1b10mextruck.html](http://www.signonsandiego.com/uniontrib/20080910/news_1b10mextruck.html)

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