Under the same North America Umbrella: Cross Border Challenges and Opportunities

Ministry of Communications and Transportation
Underministry of Transportation
Federal Motor Carrier Administration
Miguel Elizalde

Milwaukee, Wisconsin. August 22nd, 2011
1. Motor Transport Importance in North America

2. Motor Transport: Challenges and Competitiveness

3. Cross-Border Long Haul Trucking Program for USA & Mexico

4. Work Agenda SCT/DGAF – AAMVA

5. XXIV World Road Congress Mexico, 2011
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Despite North America’s economic structure has a tendency towards the tertiary sector, transportation for primary needs remain /1

<table>
<thead>
<tr>
<th>Country</th>
<th>Primary Sector (%)</th>
<th>Secondary Sector (%)</th>
<th>Tertiary Sector (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>4</td>
<td>35</td>
<td>61</td>
</tr>
<tr>
<td>USA</td>
<td>1</td>
<td>21</td>
<td>78</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
<td>32</td>
<td>66</td>
</tr>
</tbody>
</table>

Overland trade has increased 15.7% in North America, reaching an economic value of 77 thousand 300 million dollars in July 2011, compared to July 2010, when it reported a value of 66 thousand 805 million dollars.

Note: Transportation includes rail, truck and pipeline between USA and Mexico.
Main ports of entry for cross-border trucking in North America /1

<table>
<thead>
<tr>
<th>Port</th>
<th>USA-CANADA</th>
<th>Imports (Mill USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit, MI</td>
<td>64,141</td>
<td>50,967</td>
</tr>
<tr>
<td>Bufalo-Niagara Falls, NY</td>
<td>31,938</td>
<td>26,917</td>
</tr>
<tr>
<td>Port Huron, MI</td>
<td>18,642</td>
<td>18,884</td>
</tr>
<tr>
<td>Champlain-Rouses Point, NY</td>
<td>6,784</td>
<td>9,748</td>
</tr>
<tr>
<td>Blaine, WA</td>
<td>8,110</td>
<td>5,460</td>
</tr>
<tr>
<td>Alexandria Bay, NY</td>
<td>4,743</td>
<td>7,453</td>
</tr>
<tr>
<td>Sweetgras, MT</td>
<td>5,619</td>
<td>3,725</td>
</tr>
<tr>
<td>Highgate Springs-Alburg, VT</td>
<td>2,354</td>
<td>3,159</td>
</tr>
<tr>
<td>Sumas, WA</td>
<td>1,067</td>
<td>1,551</td>
</tr>
<tr>
<td>Derby Line, VT</td>
<td>461</td>
<td>1,993</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Port</th>
<th>MEXICO-USA</th>
<th>Imports (Mill USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laredo, TX</td>
<td>34,414</td>
<td>44,088</td>
</tr>
<tr>
<td>El Paso, TX</td>
<td>18,709</td>
<td>23,528</td>
</tr>
<tr>
<td>Otay Mesa, CA</td>
<td>9,938</td>
<td>18,660</td>
</tr>
<tr>
<td>Hidalgo, TX</td>
<td>8,253</td>
<td>11,668</td>
</tr>
<tr>
<td>Nogales, AZ</td>
<td>5,106</td>
<td>8,038</td>
</tr>
<tr>
<td>Calexico East, CA</td>
<td>4,666</td>
<td>6,626</td>
</tr>
<tr>
<td>Brownsville, TX</td>
<td>5,818</td>
<td>8,360</td>
</tr>
<tr>
<td>Eagle Pass, TX</td>
<td>1,879</td>
<td>2,720</td>
</tr>
<tr>
<td>Del Río, TX</td>
<td>1,476</td>
<td>1,638</td>
</tr>
<tr>
<td>Tecate, CA</td>
<td>571</td>
<td>621</td>
</tr>
</tbody>
</table>

/1: U.S. Department of Transportation, Research and Innovate Administration, Bureau of Transportation Statistics, Transborder Freight Data, 2009.
Nuevo Laredo III International Bridge Cross Border Statistics

Aforo Semanal del Puente Internacional de Nuevo Laredo III 2010-2011

Número de vehículos

Número de semanas

2010 2011

Promedio Semanal 2011: 27,423
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The relationship between transport and its competitiveness is framed in a systemic context.

- **Competitiveness:**
  - Government strategies.
  - Demand conditions.
  - Related industries.
  - Local Resources.
  - External financing.

- **Improved economic performance:**
  - Growth.
  - Productivity.
  - Employment.
  - Investment.

- **Social cohesion:**
  - Equity
  - Connectivity
  - Order

- **Urban environment:**
  - Air quality
  - Public spaces
  - External image

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1: Banco Interamericano de Desarrollo, “Perspectiva Integral de la Competitividad y el Transporte” (2010).
Motor Carrier achievements regarding the Federal Government’s Main Ministerial Program for Transports and Communications 2007-2012/1

SUSTAINABILITY
As of June 2011, Mexico reached 133 verification centers of pollutant emissions, representing a 183% increase over 2010.

SAFETY
Mexico counts with 177 authorized verifications centers for physical and mechanical conditions, and 32 more are in the accreditation process.

INFRASTRUCTURE
From 2007 to 2010, investment in infrastructure increased to $216.4 million pesos, conformed by 80% of public investment and 20% of private investment.

MODERNIZATION
As of June 2011, 20,420 vehicles have been registered at the Scraping Project; and 42,079 vehicles have been funded.
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After signing the Memorandum of Understanding in Mexico City, last July 6 2011, Mexico and USA, respectively, issued the new rules that the motor carriers of the other part must meet to participate in the Cross-Border Long Haul Trucking Program.

The procedures and requirements to be met are clearly explained in the following sites:

Mexico’s rules:  
www.sct.gob.mx/transfronterizo

USA’s rules:  
http://www.fmcsa.dot.gov/forms/print/r-l-forms.htm
One of the **key objectives** of NAFTA is to facilitate the cross-border movement of goods and services between Mexico, the United States, and Canada.

The **facilitation of the efficient movement of goods** between the three countries **depends on having international transportation systems** to which the governments apply safety and security standards in a non-discriminatory manner;

**Endorses the common desire of the United States and Mexico** to fulfill their obligations as established in the NAFTA for international freight cross-border motor carrier services as a means to enhance the competitiveness and prosperity of North America;

**Reinforces the goal of safe, secure, and efficient** movement of commerce between the United States and Mexico
This Cross-Border Program expands the potential for mobilization of goods because the carrier will no longer be limited to commercial areas.

The Program allows importers and exporters to provide a “door to door” services and facilitates "just in time" processes for trade.

Transit time savings and lower operating costs for the benefit of the carriers.

Generates new business opportunities and strategic alliances in the region.
SCT/DGAF and AAMVA consider of great value, working together on identifying challenges and areas of opportunity to be proposed in the working Agenda 2011 - 2012, which would be complied taking coordinated actions.

**SCT/DGAF & AAMVA’S Agenda 2011 – 2012**

- Processes & Best Practices on DGAF-SCT
- Processes & Best Practices from DGPMPT-SCT
- Transversal Interaction (Federal-State)
- Mexico’s involvement on AAMVA’s meetings
- CCMTA’s model and probable implementation in Mexico.
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The program for this Congress will provide outstanding opportunities to enrich knowledge and experiences related to roads and road transport as well as foster relationships with specialists and decision makers from all over the world, through the technical sessions, the exhibition and technical visits offered during the event.

The main topic of the Congress is: **Mobility, Sustainability and Development**

**Strategic Themes**

In accordance with the strategic plan 2008-2011, the strategic topics will be:

- Sustainability of the Road Transport System.
- Improving Provision of Services.
- Safety of the Road System.
- Quality of Road Infrastructure.

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