

**Remarks by Michael Jackson**  
**U.S. Deputy Secretary of Transportation**  
**Before the NAFTA Land Transport Conference**  
**May 29, 2002**  
**Westin Riverwalk Hotel**  
**San Antonio, Texas**

**The NAFTA Effect**

On behalf of President Bush and Secretary of Transportation Mineta, I welcome all of our visitors from south and north of the border.

Almost ten years ago, Congress overwhelmingly approved the North American Free Trade Agreement, and NAFTA has far surpassed our expectations.

It is a pleasure to be here today and to speak with some of the people who have actually moved that robust trade and, in a very real sense, helped North America realize NAFTA's great promise.

Transportation is the linchpin of trade!! We have said it so often at the Department of Transportation that it has become a cliché. Yet it is truer today, in an era of increasingly integrated markets and interdependent economies than ever before.

You, the people that make the transport system work on a day-to-day basis know better than I that transportation can be a facilitator for trade, lowering costs for importers and exporters, reducing the time required for supplies to reach factories and finished products to reach markets.

The other side of the coin is equally true. Inefficient or inadequate transportation can be a barrier to trade, raising the bottom line costs for consumers and businesses, making it difficult or impossible for them to successfully compete in the international marketplace.

Since 1994, trade between the United States, Canada and Mexico has grown by 128 percent and has surpassed \$676 billion annually, or more than \$1.8 billion per day.

Investment among our three economies has also increased significantly, with total investment in NAFTA countries reaching \$1.3 trillion by 1999. As a result of the growth in trade and investment, millions of jobs have been created in all three countries.

More trade is projected among our three nations in the coming decades, but let's keep in mind a critical feature of that trade: 80 percent of it moves by truck. As a result, we can expect motor carrier and other traffic to grow both at border crossings and in our major trade corridors.

President Bush, Secretary Mineta and I truly value our close and productive relationship with Mexico and Canada, and we have appreciated your cooperation with us on initiatives to improve border security following the September 11<sup>th</sup> terrorist attacks.

Combined with our growing and dynamic bus industry that does so much to facilitate tourism and provide cross-border transportation services, one does not have to look far to realize how vital the truck and bus industries are to NAFTA's success.

### **Opening the Border and Ensuring Safety**

Despite the success of NAFTA, I'm sure I don't have to tell you of the difficulties under which transportation and trade with Mexico takes place today. Because of myriad restrictions on transportation across the border, shippers must plan on switching truck trailers at the border and trucking companies must negotiate interchange or interline agreements to move the trade away from the border. All of this costs time and money.

NAFTA was supposed to begin changing that back in 1995 and quite frankly, U.S. policy at that time did not do a very good job of living up to our obligations under the agreement. That is why when Presidents Bush and Fox met early in their administrations, they placed cross-border transportation high on their list of issues to resolve.

Here I want to acknowledge and thank the Government of Mexico for having the foresight to continue working with us over the last 6 years on this issue.

The determined efforts are now paying off as we are on the threshold of full implementation of the NAFTA access provisions.

In this dynamic environment of continuing trade growth at both our northern and southern borders, we can expect motor carrier and other traffic to grow both at border crossings and in our major trade corridors.

Increasing trade and the events of September 11<sup>th</sup> have put added pressure on the transportation departments of all three NAFTA countries as we strive to assure our shared number one priority: a North American transportation system that is safe and secure for all our citizens.

President Bush and Secretary Mineta are committed to the twin goals of opening the U.S.-Mexico border in accordance with the truck and bus provisions of NAFTA and ensuring that all vehicles engaged in the cross-border trade operate safely in the United States.

President Bush has said on a number of occasions that his goal is to fully implement the transportation provisions of NAFTA, and the actions he has taken since he became President illustrate his commitment.

Last fall, President Bush worked out a compromise with Congress that permits the border to be opened safely and provides a reasonable blueprint for implementing NAFTA's access provisions. Since then, nothing in the Department of Transportation, outside of our responses to the security issues raised by 9/11, has commanded a higher priority than satisfying the conditions of this blueprint.

This past March, our Federal Motor Carrier Safety Administration (FMCSA) issued a series of rules defining how Mexican motor carriers can apply for operating authority and procedures to ensure the safety of commercial vehicles and drivers operating in the United States.

In May, Secretary Mineta participated in the first graduation ceremonies for the FMCSA's border auditors, who will ensure that motor carriers crossing the border operate safely.

Our FMSCA has been completing work to fully open the border, including hiring inspectors and working to educate companies about complying with federal safety standards. The product of all this effort is that US DOT is currently

processing applications for Mexican motor carriers to operate throughout the U.S., and we expect to grant that authority sometime this summer.

In addition to providing information about NAFTA land transport provisions and motor carrier regulations, this week's conference also gives us an opportunity to exchange ideas for leading the border region into a new era of unparalleled economic prosperity.

President Bush helped to lead the border region toward greater prosperity when he liberalized restrictions on investment by Mexican citizens in U.S. truck and bus operations almost one year ago. Mexican-owned companies in the United States under this NAFTA provision will operate like any U.S. motor carrier.

Liberalizing investment opportunities in all three NAFTA countries will help to promote economic growth and to create new jobs in the transportation sector.

Above all today my message to you, the people who will make our border transportation system work, whether you be a Mexican truck operator, a Canadian shipper or a U.S. customs broker or insurer, is that your governments collectively see our efforts as a partnership. We in the United States are grateful for Mexico's and Canada's commitments to make the North American transportation system as supportive of the NAFTA as possible.

We have talked extensively on this subject and we will be diligent in our efforts to be responsive to problems and work out operational details as we proceed. We have dedicated ourselves to succeed as governments. We want the North American truck and bus industries to succeed as well. We will do, individually and collectively, whatever it takes to assure that success.

Government experts from all three NAFTA countries are here this week to explain the various operating requirements that apply to motor carriers operating outside their own countries. They also will be on hand throughout the week in the 'Information Room' to answer any questions you have about any of these requirements.

You may also leave written questions with your mailing or email address and someone will respond to you.

Thank you, and I look forward to a productive conference.

