



Mexico/USA Trucking and Cross-Border

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Trucking from Mexico to the USA is an integral part of the cross-border trade between the two countries. It plays a vital role in facilitating the transportation of goods, fostering economic growth, and strengthening the ties between Mexico and the United States. These ties have become even stronger and more critical following the rollout of the USMCA program, and subsequent increase in reshoring activities by US companies.

The trucking industry serves as a vital link, connecting manufacturers, suppliers, and consumers on both sides of the border. Thousands of trucks transport a wide range of goods, including automotive parts, electronics, agricultural products, and manufactured goods, across the expansive network of highways that span Mexico and the United States.

BORDER CROSSING POINTS

To facilitate the movement of goods, various border crossings serve as gateways between Mexico and the USA. Major border crossings such as Laredo, Nogales, and El Paso are bustling with truck traffic as they handle a significant volume of cross-border trade. These crossings have dedicated commercial lanes and customs facilities, streamlining the customs clearance process for trucks.

CUSTOMS

Customs procedures play a significant role in cross-border trucking. Trucks are subjected to inspections at the border to verify the cargo's contents and ensure compliance with customs regulations. This process aims to prevent the smuggling of contraband goods and to promote trade security.

On every shipment there is a Mexican Customs Broker and a US Customs Broker involved. Each of them is responsible for filing import or export declarations to their corresponding authority. Both brokers need to work in coordination to ensure a correct and timely customs clearance.

Critically, and specifically for Southbound shipments (going from the US into Mexico): Only the Mexican company can designate and empower the Mexican Customs Broker. The relationship between an Importer and their Customs Broker is similar to that of a doctor or a lawyer. It is very sensitive and there will be many cases where the importer will refuse to work with any Customs Broker other than their own.

TRANSLOAD

Different trailers (Dry Vans, Reefers, Flatbeds) are utilized for the Mexican and US portion of the transportation. The cargo is transloaded from one trailer to the other in a secure facility at the US side of the border.

This model works very well for cargo that can be handled with a forklift: pallets, slip sheets, crates, and cargo that can be moved with clamps.

The main advantages of the transload model are:

- Equipment availability is greater compared to the Direct Trailer option
- Price is generally lower than the Direct Trailer option
- Transload serves as an intermediate point of inspection to ensure the shipment is moving OK, and to exactly determine where an incident might occur involving loss or damage. This is very important for insurance purposes.

DIRECT TRAILER

One trailer (Dry Van, Reefer, Flatbed) is used on both the Mexican and US portions of the transportation. Cargo will generally remain untouched at the border (unless there's an inspection performed by Customs Authorities and/or Customs Broker).

This model works best for cargo that cannot be handled with a forklift: floor-loaded cartons, furniture. It is also desirable for cargo that is very fragile and

could be damaged during a transload, or for certain machinery that is calibrated very precisely.

The main advantage of the direct trailer model is:

- Cargo is generally not handled during transit. Valuable for fragile/sensitive cargo and commodities not able to be handled with a forklift.

SECURITY CERTIFICATIONS

Carriers involved in cross-border trade can apply for security certifications such as CTPAT and AEO. Customers with such certifications may request to work with carriers that are also certified. Cubeship can comply with this requirement and work only with certified carriers for specific business.

INSURANCE

US Law requires carriers to be liable for the cargo they transport. This is not the case for Mexican Law. The liability of the Mexican Carriers is limited by Mexican Law to a fixed amount of around \$170 USD per ton of cargo. That means that a full 45,000 lbs truckload has a limited liability from the carrier of a little below \$3500 USD.

We strongly suggest all customers to buy Transportation Insurance for their Mexico-related shipments, and can offer competitive rates and coverage.

SECURITY ESCORT

Certain commodities that are High Value or are targeted by criminal organizations (i.e. Consumer Goods, Alcoholic Beverages, Tobacco) will benefit from using a Security Escort. Cubeship can offer both Armed and Non-Armed security options. These companies will accompany the shipment all the way during their transit in Mexico. They will continuously monitor the shipment and report any incident to the Mexican Law Enforcement Agencies.

In certain cases, based on cargo value or commodity, the Insurance Underwriter will require the use of Security Escort to accompany the shipment.

Conclusion

Despite on-going industry challenges, the trucking industry continues to thrive, playing a crucial role in the bilateral trade between Mexico and the USA. It serves as a lifeline for businesses, enabling the timely delivery of goods and the development of strong commercial relationships. The ongoing collaboration and continuous improvements in infrastructure, technology, and regulatory frameworks contribute to the growth and success of the cross-border trucking industry.

Trucking from Mexico to the USA is an essential component of the international supply chain. It serves as a bridge, connecting the economies of both countries and supporting the flow of goods and services. With its vital role in facilitating trade, cross-border trucking continues to contribute significantly to the economic prosperity and cooperation between Mexico and the United States.