

WHITE PAPER



*7 Questions Companies Should Ask About*  
**SHIPPING FREIGHT ACROSS  
THE U.S.-MEXICO BORDER**

How shippers can effectively leverage  
the powerful U.S.-Mexico trading environment with  
a solid logistics and transportation plan.



**A**s one of the United States' top trading partners, Mexico presents an abundance of opportunity for companies looking to expand their cross-border operations, reach new markets, and leverage the strengths of this neighboring country. Totaling roughly \$557 billion in 2017, U.S. trade in goods with Mexico includes a high volume of exports (about \$263 billion in total) and imports (approximately \$314 billion)—numbers that rank the country as the U.S.' third largest goods trading partner worldwide, according to the U.S. Census Bureau.

For shippers, importing to and exporting from Mexico presents a unique set of challenges. From security measures to regulatory requirements to capacity constraints, the list of potential hurdles is long but manageable. After all, the sheer volume of trade that takes place between the two countries on an annual basis is proof of the opportunity and potential.

### 7 KEY QUESTIONS TO ASK

With 80 percent of Mexico's exports currently coming to the U.S., and with so many companies having their own Mexican entities for building or supplying components, the overall supply chain between the two countries has become very integrated, making cross-border trade a significant part of the logistics market for both countries.

**HERE ARE SEVEN QUESTIONS THAT ALL U.S.-BASED SHIPPERS SHOULD ASK AS THEY START OR EXPAND THEIR CROSS-BORDER TRADE OPERATIONS:**

- How difficult is it to manage the regulatory environment?
- How can we make sure we'll have capacity for freight moving in and out of Mexico?
- Why is freight security so critical when handling cross-border shipments?
- What are the difficulties of maintaining freight visibility in Mexico?
- How can we navigate the challenges of shipping time-sensitive freight across the border?
- What do we need to know about getting heavy or specialized freight over the border?
- Should we pick one provider to handle all of our cross-border logistics?

## How difficult is it to manage the regulatory environment?

Working with customs can be a daunting and time consuming process for shippers. All cross-border shippers need to understand that their freight is going to be handed over to federal agencies on each side of the border for a certain amount of time, in some cases 24 hours or more—a reality that can impact expected or promised delivery timetables. The United States and Mexico are both strict on imports but U.S. customs typically takes longer to clear than Mexico customs.

To make the process as painless as possible, companies should pay close attention to the required paperwork, file it at least 24 hours in advance, and make sure that all loads are properly documented. Some of the main documents required for any southbound shipment are the invoice, driver/pre-trip inspection report (FMCSA Regulation 396.13), driver vehicle/post-trip inspection report (FMCSA Regulation 396.11), bill of lading, packing list, shipper's export declaration, import

pedimento and NAFTA certificate of origin. These same documents are required for northbound shipments in addition to the export pedimento and the forms and processes for U.S. clearance.

Additional document requirements vary based on commodity type such as hazardous materials, ammunition, and agricultural products. The sooner a shipper can complete these steps and the more the shipper communicates with customs, the quicker this process will be. Ignore these steps and your load could be stopped at customs or at the customs broker for an undetermined amount of time.

It's important that shippers choose a transportation provider that offers customs brokerage services to confirm that each load is processed efficiently. The carrier should have a good, long-standing relationship with the government and customs. This experience and knowledge will make the customs process as seamless as possible for the shipper. Plus, having a good record with these federal agencies and consistently communicating is beneficial when customer questions arise or there's a regulatory change.

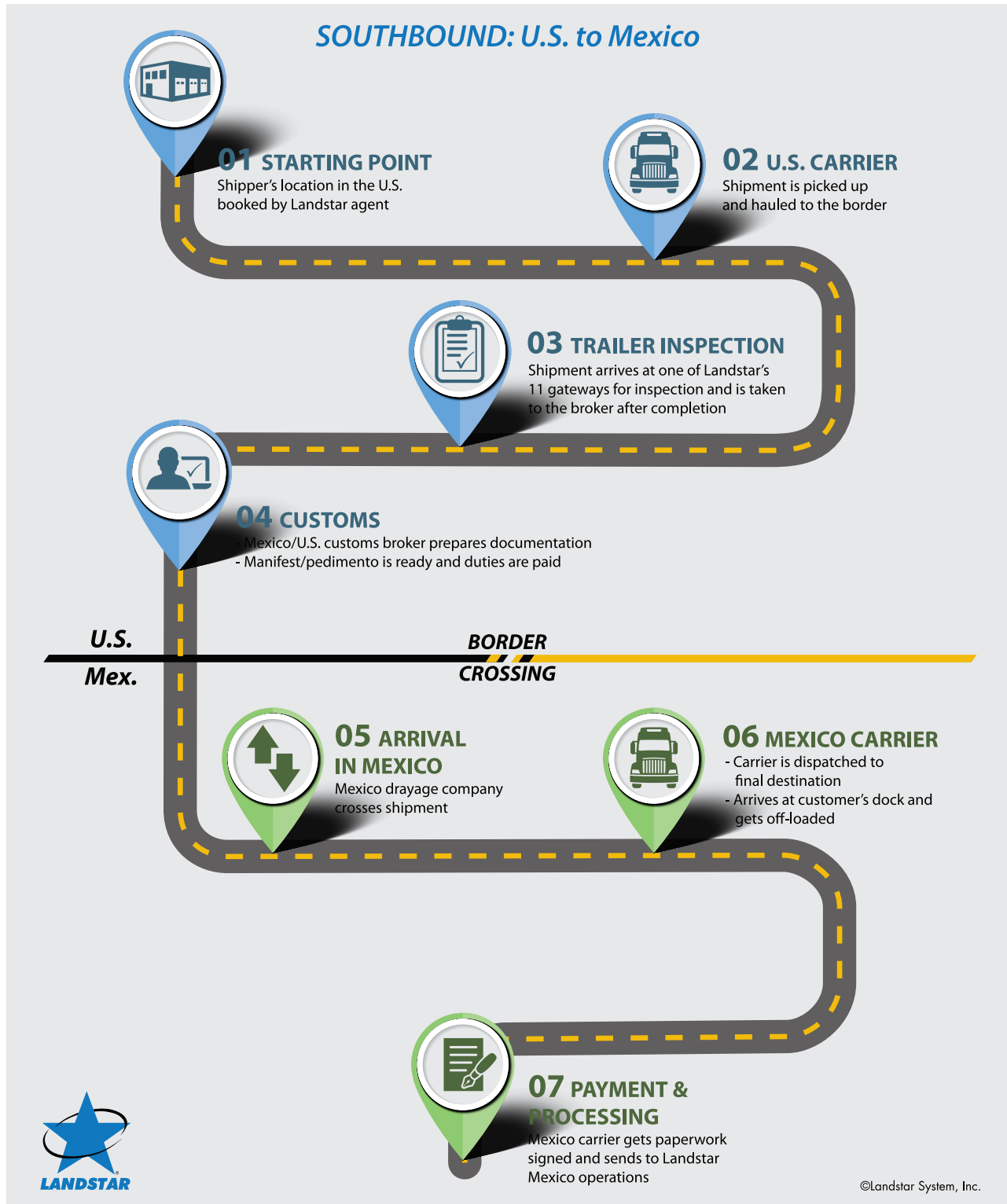
### KEY TAKEAWAY:

Handing over a load of freight to a customs broker and/or meeting regulatory requirements of cross-border shipments can present unique challenges, but companies that do their homework and work with a reliable logistics provider can minimize potential issues.

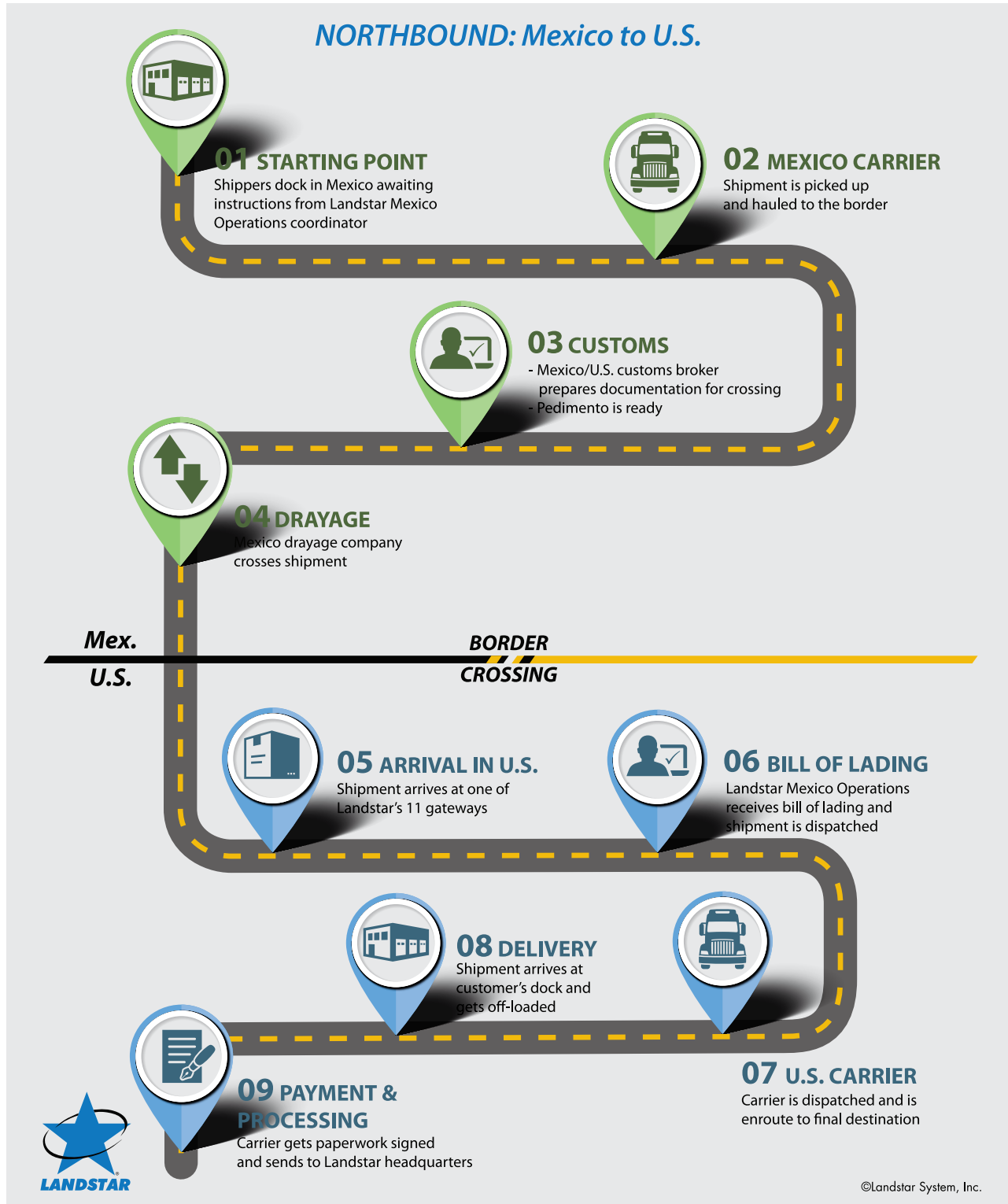
### LANDSTAR ADVANTAGE

**CUSTOMS BROKERAGE** Landstar is a licensed customs broker with access to a worldwide network of international trade professionals who are well-versed in the local rules and regulations of import/export compliance. We have an excellent track record with government agencies. Our experts can manage the documentation preparation so shipments are cleared without unnecessary delay upon shipment entry. Landstar has the experience to find a solution to nearly any obstacle a shipper may face at the border.

# Landstar's U.S.-Mexico Cross-Border Procedures



# Landstar's U.S.-Mexico Cross-Border Procedures



## How can we make sure we'll have capacity for freight moving in and out of Mexico?

**C**ross-border capacity not only includes trucks, but also the ability to manage trailer capacity. The latter is important due to the trade imbalances that occur between the U.S. and Mexico markets, namely that there are more loads coming into the U.S. than going out.

There are, for instance, several states within Mexico that have outbound freight to the U.S. but very few inbound shipments coming back. Shippers attempting cross-border transportation on their own have to know how to manage the imbalances, and how to figure out solutions that enable the trucks to return to the border. One way to tackle this challenge is to work with a transportation provider with experience in handling this imbalance.

The company a shipper chooses to work with should offer transloading, or transferring cargo from one truck to another, and shipment consolidation capabilities. Transloading makes capacity

more accessible by leveling the imbalance between the truck, the trailer and the load. When a less-than-truckload (LTL) shipment heading southbound reaches a logistics service center on the border, such as Laredo, Texas, it's consolidated with other LTL shipments to move into Mexico as a full truckload. By consolidating the freight moving south, this frees up truckload capacity to handle more deconsolidated shipments moving northbound.

As capacity continues to tighten, or as there's less capacity available in the marketplace, shippers are more apt to find other solutions to get their freight picked up and delivered. If your shipment doesn't require a full trailer, LTL consolidation can serve as a cost-effective solution to cross-border freight challenges when time is not critical. Additionally, a qualified cross-border carrier should be able to provide a shipper with alternate modes of transportation if a truck is not the best solution for your freight.

### KEY TAKEAWAY

Transloading, freight consolidation, and LTL help shippers manage capacity issues when moving goods in and out of Mexico.

### LANDSTAR ADVANTAGE

**CROSS DOCK** Cross-dock facilities allow for increased trailer asset and capacity utilization, which provides customers more options to get their products safely through the border and to the ultimate destination. Landstar's U.S.-Mexico Logistics Service Center in Laredo, Texas has a 30-bay cross-dock and our yard can hold 450 trailers.



## Why is freight security so critical when handling cross-border shipments?

**C**ross-border trade with Mexico is extremely regulated and includes a high number of touchpoints for shipments that are crossing the U.S.-Mexico border. There are customs requirements to adhere to, product and shipment security measures to take, and carrier qualification processes to put into place.

The Customs Trade Partnership Against Terrorism (C-TPAT) oversees product security and makes sure security requirements are met on both sides of the border. Shippers should work with a C-TPAT compliant carrier to trust that their freight is handled in the safest possible manner and to adhere to these security requirements and processes.

Security also comes into play as trucks and trains move throughout Mexico, where using a lesser traveled road in areas with dense populations could create

complications. The road infrastructure in Mexico isn't as robust as it is in the U.S., which is why a high number of shippers use Laredo, Texas as a gateway to help reduce traveled miles in the interior of Mexico.

No matter what side of the border your shipment is on, cargo theft is always a concern. Advancements in technology have allowed carriers to be more proactive in avoiding potential threats especially for southbound freight. Carriers in Mexico are equipping both trucks and trailers with 24/7 GPS tracking devices. Shippers also are including tracking devices in high-value freight, just in case the shipment is ever separated from the truck or trailer.

To minimize security risk, companies shipping cross-border should stay on top of changing security regulations, stay up to speed on the latest technology advancements, and look for a logistics service provider that is C-TPAT compliant and has experience moving freight successfully across country borders.

### KEY TAKEAWAY

Product security should be top of mind for all companies that have cross-border shipments.

### LANDSTAR ADVANTAGE

**FACILITY SECURITY FEATURES** Cargo safety and security is always Landstar's top priority. Our state-of-the-art transload facility in Laredo, Texas is C-TPAT compliant. It also has many features that give shippers peace-of-mind knowing their freight is secure.



- Full-coverage video surveillance
- 24/7 guards/inspectors
- Fence intrusion detection
- Cross-dock/office ID system

## What are the difficulties of maintaining freight visibility once in Mexico?

Supply chain visibility is at or near the top of every shipper's "must have" list. While there may be a brief time period of limited visibility as customs or other regulatory bodies take possession of cross-border shipments, visibility over the end-to-end supply chain is both doable and attainable for companies conducting business in Mexico. For cross-border shipments, having visibility over all equipment is crucial.

Access to data has facilitated better visibility and a qualified cross-border carrier should be able to provide shippers with shipment tracking even after their freight crosses into Mexico. Many large Mexican carriers use satellite tracking on their equipment to support 24/7 visibility. This tracking can then be relayed to the shipper as notifications, alerts and milestones about their freight.

Tracking and tracing is a big deal for cross-border shippers, mainly because they know they're already going to lose sight of their shipments during the customs process. Maintaining good visibility from origin to destination is a security measure and should be common practice for any carrier.

### KEY TAKEAWAY

Access to data is helping companies attain higher levels of visibility of their freight once it moves across the border.

### LANDSTAR ADVANTAGE

**TRACKING & VISIBILITY** Shippers that work with Landstar do not lose visibility of their shipment once it crosses the U.S.-Mexico border. Landstar's technology allows shippers to receive alerts via email with an estimated delivery time, notices of possible delays and notifications once the cargo has arrived at the border. Our commitment to safe and reliable deliveries is why shippers trust Landstar with their cross-border shipments.





## How can we navigate the challenges of shipping time-sensitive freight across the border?

Consumers have come to expect quick delivery times and good end-to-end visibility when tracking a shipment. This expectation has transferred into the business-to-business world. To achieve these goals in the cross-border environment, shippers have to stay proactive with their tracking and tracing, and work with a logistics service provider that has the data, experience and connections needed to get time-sensitive shipments from Point A to Point B quickly and claim-free.

A shipment traveling from the U.S. to a destination in Mexico, for instance, will probably require multiple legs (i.e., U.S. to Laredo, Laredo to Nuevo Laredo, etc.), and be handled by several entities (a drayage carrier in the U.S., the Mexican customs broker, and then a drayage carrier in Mexico). Maintaining a smooth transition between these entities requires good coordination and detailed pre-trip planning which is particularly critical for time-sensitive shipments. Shippers should seek out a provider that's an expert in the process of dealing with customs and that offers the solutions and expertise necessary to get the shipments where they need to be on-time. If any aspect of the customs requirements or pre-trip planning is not done properly or timed accurately, it can delay shipments by hours, if not days.

### KEY TAKEAWAY

Good end-to-end visibility and coordination is critical when shipping time-sensitive goods across the U.S.-Mexico border.

### LANDSTAR ADVANTAGE

**REPUTATION & RELIABILITY** Landstar has solid relationships with carriers throughout Mexico upholding to our reputation of safe, reliable, on-time transportation services. These long-term relationships contribute to Landstar's history of seamless transitions between the carriers in Mexico and the carriers in the United States, especially when it comes to time-sensitive freight. Additionally, our customs brokerage located in our Laredo, Texas facility, allows us to manage these time-sensitive shipments from start to finish and minimize delays at customs.

## What do we need to know about getting heavy or specialized freight over the border?

**H** heavy or specialized loads present their own unique set of challenges for shippers handling cross-border trade. Pre-trip planning on this type of freight is critical. Each heavy or specialized haul requires a customized transportation strategy. For example, large construction equipment would not be handled the same way household appliances would be. Certain carriers specialize in these types of loads and have the capacity and market knowledge needed to move such freight back and forth across the border.

A crane is used to transload heavy/specialized freight from one truck to another. If the facility the freight is passing through does not have a crane, the shipper is billed for hiring one. Choosing a carrier with its own crane instead of working with a carrier that has to hire another company for the crane is the most cost-effective solution for a shipper. Plus, working with a transportation

service provider that is capable of handling all aspects of a heavy/specialized shipment means the freight will not be handed off from one company to another and it makes for an efficient move.

Obtaining permits is the biggest obstacle shippers face when moving heavy/specialized freight across the U.S.-Mexico border. Just as each state in the U.S. has different requirements for moving heavy or oversized loads, so do the states in Mexico. Not only are various permits needed for different states through both countries but there's more permitting required at customs. The transportation provider a shipper trusts with their heavy or oversized freight should be able to manage this entire process.

Shippers should find a logistics provider that can combine an understanding of transporting specialized freight all the way through from a U.S. point of origin to a destination in Mexico. They should not only have the knowledge of hauling it domestically, but also be able to provide equally capable carriers in the Mexican market to make certain that the freight is secure and managed properly on both sides of the border.

### KEY TAKEAWAY

Find a logistics provider that can effectively handle heavy/specialized freight, owns the equipment needed to lessen multiple hand-offs/companies, can assist with permitting and has expertise on both sides of the border.

### LANDSTAR ADVANTAGE

**120-TON BRIDGE CRANE** Landstar's Logistics Service Center in Laredo, Texas has a unique 120-ton, stand-alone bridge crane to transload oversize, heavy freight and is the only crane of its kind in Laredo. This crane has a clearance area of 35 feet high and 37 feet wide to accommodate the ability to transload many of the largest super loads. Landstar is a one-stop shop for moving heavy/specialized freight across the U.S.-Mexico border.



## Should we pick one provider to handle all of our cross-border logistics?

**A**s U.S. companies expand their presence in Mexico or increase trade with companies in Mexico, the need for reliable logistics providers that can successfully navigate the intricacies of such freight movements will only increase. Working with one provider that can handle the moves from origin to destination, or selecting providers on a piecemeal basis to manage certain aspects of a move, depends largely on the shipper's current infrastructure, its own internal expertise and knowledge of the market.

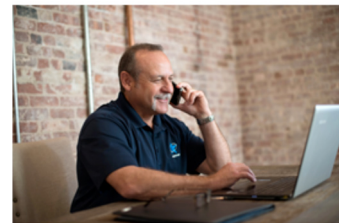
If you have employees who can manage multiple layers of the process, then you may be able to 'fill in' as needed with providers that specialize in certain aspects of the cross-border supply chain. A growing number of shippers are outsourcing all of their logistics requirements—from pickup to customs brokerage to delivery—and focusing instead on their core businesses. Shippers should work with a transportation provider that can offer a one-bill solution for all types of cargo crossing the U.S.-Mexico border.

### KEY TAKEAWAY

Choosing whether to work with a single logistics provider or multiple vendors depends on your company's own internal logistics and technology capabilities.

### LANDSTAR ADVANTAGE

**ONE POINT OF CONTACT** Independent Landstar agents serve as the shipper's single point of contact. Agents work directly with shippers and utilize Landstar's vast network to develop a personalized transportation solution, including finding capacity for each shipment.



Shipping freight across the U.S.-Mexico border is a complex operation and requires a trusted, reliable logistics provider. Landstar's unmatched capacity, dedication to safety, and knowledge of the complex regulatory environment provides shippers with a full-suite of cross-border service solutions.

## Landstar's Gateways On The U.S.-Mexico Border



For more information about Landstar's U.S.-Mexico cross-border transportation services, contact us at:

**WWW.LANDSTAR.COM**  
**MEXICOSOLUTIONS@LANDSTAR.COM**  
**800-872-9474**