

Shipping from Mexico and Canada to the United States

Cross-border trucking is the backbone of North American economic cooperation. In 2024, U.S. freight with Canada and Mexico totaled over \$1.6 trillion in cargo value, with trucks representing over 65% of total freight volume moved between the countries.¹ Demand post-pandemic has also soared, with the value of freight in March 2025 increasing 50% compared to 2020. As the demand for truck transportation increases, so does the need to understand the regulatory framework governing cross-border operations.

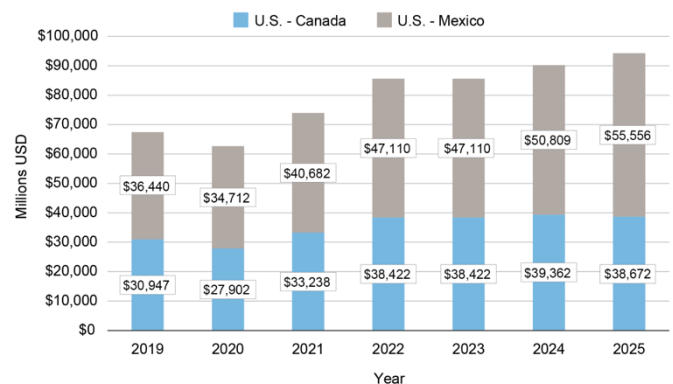
The Federal Motor Carrier Safety Administration (FMCSA) oversees trucking regulations that Mexican and Canadian carriers and drivers must navigate while operating on U.S. roadways. From English-language enforcement, cabotage restrictions, and visa requirements, truck drivers and companies must comply to legally operate on U.S. roadways.

¹ <https://www.bts.gov/data-spotlight/march-2025-marks-record-value-us-freight-canada-and-mexico>

The Cross-Border Trucking Process

It is legal for a Mexican truck with a Mexican driver to drive a load directly to the final destination in the U.S., provided the driver meets the English-speaking and safety requirements. However, the driver may not pick up or deliver any other loads within the U.S. But instead of driving directly to its destination, the cross-border trucking journey involves three separate trucks and drivers.

Figure 1: Value of U.S. Truck Freight with Canada and Mexico, March 2019-2025



Source: <https://www.bts.gov/data-spotlight/march-2025-marks-record-value-us-freight-canada-and-mexico>

The journey begins in Mexico, where a Mexico-domiciled truck and driver pick up the load at the shipper's location, such as Mexico City, and transport it to a border city like Nuevo Laredo or Matamoros. Most Mexican drivers and trucks typically do not possess the special documentation and permits needed to drive across the border into the U.S.² Because of this, the freight is transloaded to a permitted drayage company and permitted driver to drive across the border.

At the Mexican border city, the freight is handed off to a Mexican drayage driver and truck. Drayage trucks are Mexican-domiciled trucks that have registered with the FMCSA to obtain a Commercial Zone Operating Authority Registration to operate within the commercial border zone (about 25–35 miles on each side of the border).³ Mexican drivers need to hold a B-1/B-2 visa, speak English, and follow all Department of Transportation (DOT) regulations once they cross into the U.S.⁴ These drayage companies are explicitly licensed for short-haul crossings. Drayage drivers rarely leave the border zone.⁵ Their job is to move the freight from a Mexican facility at the border to a U.S. customs facility or cross-dock facility on the U.S. side.

Once the load is cleared at the US facility – typically a warehouse or cross-dock facility in a border town like Laredo or San Diego – a U.S.-domiciled truck and driver take over. Unless they have special licensing, Mexican trucks and drivers are banned from taking a load past the commercial border zone.⁶ Finally, the U.S.-domiciled and licensed truck driver can deliver the freight anywhere in the country.

The Canadian Case

The Canadian-U.S. trucking process is more straightforward than the Mexican model. Just as with Mexican drivers and trucks, a Canadian truck and driver can pick up a load in Canada, cross the border, and deliver it anywhere in the U.S. as long as they do so without transloading the freight to another truck or transferring the freight at an intermediate location.⁷ Canadian drivers and trucks cannot pick-up and deliver any loads within the U.S. – just like the Mexican drivers and trucks. These restrictions are called Cabotage laws. Cabotage laws prohibit Canadian drivers from hauling freight between two U.S. points. For example, a Canadian driver can legally deliver a load from Toronto to Nashville, but cannot then pick up a domestic load in Cincinnati on their drive back to Canada.

Canadian drivers do not need a U.S. work visa to cross the border. This allows Canadian carriers to operate throughout the U.S., as long as they adhere to FMCSA safety standards and the driver carries a valid photo ID, bill of lading, commercial invoice, proof of delivery, and a certificate of origin.

The ease of transport is the reason why over 80% of U.S.–Canada freight is moved by Canadian fleets, compared to the more fragmented, multi-step system on the U.S.–Mexico border.⁸

CABOTAGE LAWS

Cabotage laws prohibit foreign drivers and trucks from hauling freight between two U.S. points. For example, a Canadian or Mexican driver and truck can legally deliver a load from Toronto to Nashville, or Guadalajara to Los Angeles, but cannot then pick up a domestic load in Cincinnati and deliver to another U.S. location

Regulatory Area	Mexico Trucking	Canada Trucking
Visa Requirements for Drivers	B-1 visa for cross-border operations	No visa requirements
Cabotage Rules	Prohibited	Prohibited
Border Operating Zones	B-1 drayage drivers are generally restricted to commercial zones near the border unless part of the FMCSA long-haul pilot program.	Canadian drivers can travel freely within the U.S. for the delivery of international loads.
FMCSA Long-Haul Authority	Requires special FMCSA operating authority; a limited number of Mexico-domiciled carriers are approved.	Not required; Canadian carriers can operate anywhere in the U.S. under existing authority (Cabotage restrictions apply).
English Language Proficiency Requirement	Must meet FMCSA English proficiency standards. ~70% of Mexican drivers are at risk of not passing	Most Canadian drivers already meet the requirements.
Market Participation Issues	Labor shortages due to wage disparities; concerns about illegal B-1 visa use for domestic hauls.	Strong integration with the U.S. freight market.

² <https://www.fmcsa.dot.gov/international-programs/cross-border-operating-requirements-mexico-domiciled-motor-carriers#:~:text=A1:%20Yes,.point%20operations%20within%20the%20U.S>

³ <https://www.dhs.gov/xlibrary/assets/policy/dhs-cross-border-trucking-guidelines.pdf>

⁴ <https://www.sandiegouniontribune.com/2011/11/26/short-haul-truckers-work-the-border/>

⁵ <https://www.fmcsa.dot.gov/international-programs/cross-border-operating-requirements-mexico-domiciled-motor-carriers#:~:text=A1:%20Yes,.point%20operations%20within%20the%20U.S>

⁶ <https://www.factorloads.com/can-canadian-truck-drivers-work-in-the-usa/>

⁷ <https://www.factorloads.com/can-canadian-truck-drivers-work-in-the-usa/>

What Mexican Carriers Cannot Do

Similar to their Canadian counterparts, Mexican drivers and carriers are prohibited from point-to-point freight transport within the U.S. Following the Canadian example, a Mexican driver can pick up a load in Monterrey and deliver it to Houston, but that same Mexican trucker cannot pick up freight from Houston and deliver it to Dallas or deliver goods in Houston and then pick up another U.S.-based load headed to California. Nevertheless, drivers are allowed to deadhead their trailer to another location within the US, and they can carry a full load back to Canada or Mexico.⁹

Despite this restriction, some U.S. companies have been accused of attempting to bypass the cabotage restriction by hiring B-1 visa holders to haul domestic freight. In these cases, American trucking companies hire Mexican drivers under B-1 visas, then keep them in-country to run domestic freight for significantly lower wages than American drivers. With rates pushed as low as \$1 per mile on specific trips, American drivers are unable to compete with the cost of hiring B-1 drivers. The American Trucking Associations (ATA) has publicly criticized the misuse of B-1 visas. The ATA's Chief Economist Bob Costello identified B-1 abuse as a contributing factor to freight market weakness.¹⁰

In Mexico, carriers are losing experienced drivers to the U.S. labor market, where wages of \$5,000 - \$6,000 a month far outstrip the \$1,500 Mexican wages.¹¹ This wage gap, combined with improved work conditions, exacerbates the labor shortage in Mexico's trucking sector.

On August 21, the U.S. Secretary of State, Marco Rubio, announced that the Trump administration was immediately pausing the issuance of worker visas for commercial truck drivers, citing safety concerns and the impact on U.S. truckers' wages. The pause affects applicants under H-2B, E-2, and EB-3 classifications. Mexicans and Canadian B-1 visa holders, who may haul cross-border freight but are barred from domestic U.S. routes, are not affected by the pause. Additionally, for new visa appointments, applicants must display a high level of English proficiency.¹² It is up to each individual state to enforce these rules. The loss of low-cost drivers will result in higher trucking costs for consumers.

English Language Proficiency Rules

While English language requirements have existed for years, enforcement has drastically intensified since the start of the second Trump administration. Starting in June, the FMCSA and Commercial Vehicle Safety Alliance (CVSA) began enforcing stricter roadside protocols.¹³ Now, if drivers fail an English assessment, which consists of a spoken interview followed by a road sign recognition exam, they can be placed out of service immediately.¹⁴

This crackdown arrives amidst a drawn-out labor shortage. The ATA estimates the shortfall could top 160,000 drivers by 2030.¹⁵ Because around 70% of Mexico-based drivers may be unable to meet English proficiency standards, pulling even a fraction of drivers off the road risks deepening disruptions and higher freight rates.¹⁶

The heightened enforcement of English language proficiency standards represents a significant policy shift during a period of acute driver shortages. Regulations that now sideline drivers could worsen capacity shortages at a time when the industry can least afford it.

What is Next?

The regulatory differences for trucking between Canada and Mexico in relation to the US are a determining factor in the future competitiveness of North American supply chains. The US's current position of increased domestic production fails to consider the realities of integrated supply chains within the North American region. As companies consider reshoring and nearshoring strategies, the ability to move goods efficiently from Mexico into the United States is critical.

⁸ <https://www.ttnews.com/articles/canadian-trucking-tariffs> ¹ <https://www.tecma.com/guidelines-movement-u-s-mexico-freight/>

⁹ <https://www.freightcaviar.com/ata-flags-b-1-visa-misuse-in-trucking/>

¹⁰ <https://www.milenio.com/politica/comunidad/traileros-mexicanos-cotizan-alto-eu-mexico>

¹¹ <https://www.truckinginfo.com/10246235/trump-administration-pauses-truck-driver-visas>

¹² <https://apnews.com/article/truck-drivers-english-language-required-92c733048e85c34b1822cc4403eaf262>

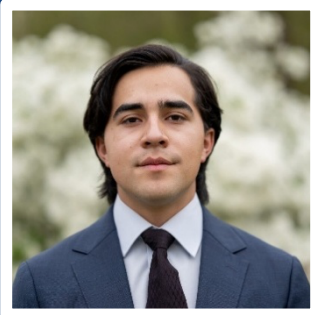
¹³ <https://www.truckinginfo.com/10242692/understanding-english-language-proficiency-requirements-for-drivers>

¹⁴ https://www.supplychainbrain.com/articles/42209-new-english-language-rules-for-truckers-threaten-to-deepen-staffing-crisis?oly_enc_id=113811763801E3V

¹⁵ https://www.supplychainbrain.com/articles/42209-new-english-language-rules-for-truckers-threaten-to-deepen-staffing-crisis?oly_enc_id=113811763801E3V

¹⁶ <https://www.averi.com/blog/b1-driver-enforcement-cross-border-impact>

ABOUT THE AUTHORS



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