



**U.S. Department of  
Transportation**  
Office of the Secretary of  
Transportation  
Office of Inspector General

# Memorandum

Subject: **INFORMATION:** Audit Announcement—  
Audit of Implementation of NAFTA Cross-Border  
Trucking Provisions  
Project No. 11M3003M000

Date: April 14, 2011

From: Joseph W. Comé   
Assistant Inspector General  
for Highway and Transit Audits

Reply to JA-40  
Attn. of:

To: Federal Motor Carrier Safety Administrator

On April 13, 2011, the Federal Motor Carrier Safety Administration (FMCSA) published in the Federal Register<sup>1</sup> its proposal for the initiation of a United States-Mexico cross-border trucking pilot program. The pilot program is part of FMCSA's implementation of the North American Free Trade Agreement (NAFTA) cross-border trucking provisions. As such, it would permit Mexico-domiciled motor carriers to operate beyond commercial zones at the border (long-haul operations).<sup>2</sup>

Legislation passed in fiscal year 2007<sup>3</sup> requires the Office of Inspector General (OIG) to review FMCSA's implementation of pilot programs for granting long-haul authority to Mexico-domiciled motor carriers. Before FMCSA grants authority to carriers under a pilot program, the legislation requires that the OIG provide an initial report to the Secretary of Transportation and Congress verifying FMCSA's compliance with conditions Congress established in 2001.<sup>4</sup> The audit will determine whether the Secretary has established sufficient mechanisms to apply and ensure compliance with Federal motor carrier safety laws and regulations to Mexico-domiciled motor carriers that are granted long-haul authority. Additionally, legislation requires that the Secretary take action as necessary to address any issues raised in our initial report and submit a report to Congress detailing such actions.

<sup>1</sup> Federal Register Notice, 76 FR 20871, Pilot Program on NAFTA Long-Haul Trucking Provision, April 13, 2011.

<sup>2</sup> Commercial zones generally extend from 3 miles to 25 miles north of United States border municipalities (or 75 miles within the State of Arizona).

<sup>3</sup> Pub. L. No. 110-28, Title VI, Ch. 9, § 6901 (2007).

<sup>4</sup> Department of Transportation and Related Agencies Appropriations Act, Pub. L. No. 107-87, Title I, § 350(a) (2001).

Accordingly, our overall audit objective is to assess FMCSA's policies, procedures, and processes for granting operating authority to Mexico-domiciled motor carriers under the pilot program and for monitoring and ensuring the carriers' compliance with U.S. laws and regulations. The specific scope of the review and the timing for reporting our findings will be based on the provisions in the 2007 legislation.

We plan to begin this audit immediately, and conduct it at FMCSA Headquarters and at selected locations. We will contact your audit liaison to schedule an entrance conference and to provide further details of the audit. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

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cc: Audit Liaison, FMCSA  
Audit Liaison, OST