Legislation passed in fiscal year 2007\(^1\) required our office to review the Federal Motor Carrier Safety Administration’s (FMCSA) pilot program for granting long-haul authority to Mexico-domiciled motor carriers, part of the Agency’s implementation of the North American Free Trade Agreement’s (NAFTA) cross-border trucking provisions. The Department granted provisional authority to the first Mexican-domiciled carrier on October 14, 2011, formally initiating the pilot program. According to the legislation, the ongoing pilot program must be completed within 3 years, or by October 2014.

The 2007 legislation requires our office to provide initial, interim, and final reports to Congress and the Secretary. We issued the initial report on August 19, 2011,\(^2\) and the interim report on August 16, 2012.\(^3\) Our interim report noted issues with low participation and inadequate oversight mechanisms to ensure compliance with program requirements.

Consistent with the legislation, the objectives for the final audit will be to determine whether (1) the Department has established sufficient mechanisms to determine whether the pilot program is having any adverse effects on motor carrier safety,
(2) Federal and State monitoring and enforcement activities are sufficient to ensure that participants in the pilot program are in compliance with all applicable laws and regulations, and (3) the pilot program consists of a representative and adequate sample of Mexico-domiciled carriers likely to engage in cross-border operations beyond the United States municipalities and commercial zones on the United States-Mexico border.

We plan to begin this audit immediately and will coordinate with your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please contact me at (202) 366-1995 or Kerry R. Barras, Program Director, at (817) 978-3318.

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cc: FMCSA Audit Liaison, MCPRS
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