



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement—  
Follow-up Audit on Implementation of the  
North American Free Trade Agreement  
Cross-Border Trucking Provisions  
Federal Motor Carrier Safety Administration  
Project No. 12M3003M000

Date: August 30, 2012

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

Reply to  
Attn. of: JA-40

To: Federal Motor Carrier Safety Administrator

Under the 1994 North American Free Trade Agreement (NAFTA), the United States and Mexico agreed to long-haul cross-border transportation of cargo and passengers between the two countries. Appropriations law, first passed in 2001,<sup>1</sup> prohibits the Federal Motor Carrier Safety Administration (FMCSA) from processing Mexico-domiciled motor carrier applications to operate beyond United States commercial zones<sup>2</sup> until certain requirements related to the safe operation of these carriers are met. These requirements, set forth in Section 350(c) of the legislation, include having adequate capacity to conduct meaningful inspections of trucks and buses at the border.

The appropriations legislation also requires the Office of Inspector General (OIG) to periodically conduct follow-up reviews of FMCSA's compliance with the safety requirements, including the extent to which adequate personnel, facilities, and safety processes are in place. Our most recent follow-up report, issued in August 2009,<sup>3</sup> found that while FMCSA had continually taken actions to address our

<sup>1</sup> Department of Transportation and Related Agencies Appropriations Act, Pub. L. No. 107-87 (2001).

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

<sup>3</sup> OIG Report Number MH-2009-068, "Follow-Up Audit On The Implementation of the North American Free Trade Agreement's (NAFTA) Cross-Border Trucking Provisions," August 17, 2009. OIG reports are available on our Web site at <http://www.oig.dot.gov/>.

recommendations for improving the border safety program, it still faced challenges in performing safe and efficient bus inspections at border crossings.

Given recent legislation and attention to motor coach safety,<sup>4</sup> our objectives for this mandated NAFTA follow-up audit will be to determine whether (1) FMCSA continues to comply with the safety requirements set forth in Section 350(c) and (2) FMCSA has taken sufficient action to implement our prior recommendations for improving its capacity to perform bus inspections at United States–Mexico border crossings. This audit will be separate from our audit work on the NAFTA pilot program.

We plan to begin this audit immediately, and conduct it at FMCSA Headquarters and selected border crossing 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: FMCSA Audit Liaison, MC-PRS  
DOT Audit Liaison, M-1

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<sup>4</sup> Motorcoach Enhanced Safety Act of 2012, Pub. L. No. 112-141 (2012), §§ 32701-32711.