Legislation passed in fiscal year 2007\(^1\) requires the Office of Inspector General (OIG) to review the Federal Motor Carrier Safety Administration's (FMCSA) implementation of pilot programs for granting long-haul authority to Mexico-domiciled motor carriers. On August 19, 2011, the OIG issued its initial report\(^2\) on FMCSA's pilot program to permit Mexico-domiciled motor carriers to conduct long-haul operations\(^3\) in accordance with the North American Free Trade Agreement.

Before FMCSA grants authority to carriers under a pilot program, the Secretary of Transportation must take action, as necessary, to address any issues raised in our initial report and submit a report to Congress detailing such actions. Under the 2007 legislation, the OIG must also provide interim and final reports on the pilot program to Congress and the Secretary once the pilot is initiated. On October 3, 2011, the Department provided a report to Congress addressing the issues raised in our initial report. On October 14, 2011, the Department granted provisional authority to the first Mexican carrier in the pilot. This action formally initiated the pilot.

\(^1\) U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, Pub. L. No. 110-28, Title VI, Ch. 9, § 6901 (2007).
\(^3\) Long-haul operations would be conducted beyond commercial zones that generally extend from 3 miles to 25 miles north of United States border municipalities (or 75 miles within the State of Arizona).
In accordance with the 2007 legislation, the specific objectives for the interim and final audits will be to determine whether: (1) the Department has established sufficient mechanisms to determine whether the pilot program is adversely affecting motor carrier safety, (2) Federal and State monitoring and enforcement activities are sufficient to ensure that participants in the pilot program are complying with all applicable laws and regulations, and (3) the pilot program consists of a representative and adequate sample of Mexico–domiciled carriers that are 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) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

cc: Audit Liaison, FMCSA
Audit Liaison, OST