

**IMPLEMENTATION OF COMMERCIAL  
VEHICLE SAFETY REQUIREMENTS AT  
THE U.S.-MEXICO BORDER**

*Federal Motor Carrier Safety Administration*

*Report Number: MH-2002-094*

*Date Issued: June 25, 2002*



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: ACTION: Implementation of Commercial  
Vehicle Safety Requirements at the  
U.S.-Mexico Border  
MH-2002-094

Date: June 25, 2002

From: Kenneth M. Mead  
Inspector General

Reply to  
Attn. of: JA-40

To: The Secretary

## INTRODUCTION

On December 18, 2001, the President signed the Fiscal Year (FY) 2002 Transportation and Related Agencies Appropriations Act (the Act), which provided \$140.1 million to fund Federal and State border safety inspection operations at the U.S.-Mexico border. However, the Act prohibits the Federal Motor Carrier Safety Administration (FMCSA) from using funds to process applications of Mexican-domiciled motor carriers (Mexican motor carriers) seeking to operate in the United States until certain safety requirements and preconditions at the U.S.-Mexico border are met.

Before FMCSA may process an application by a Mexican motor carrier for authority to operate beyond the U.S. commercial zones,<sup>1</sup> the Act calls for FMCSA to:

- Require a safety exam of Mexican carriers prior to granting provisional operating authority.<sup>2</sup>
- Require a safety compliance review and a satisfactory safety rating for Mexican carriers before granting permanent operating authority.<sup>3</sup>
- Require the Mexican carrier to provide proof of insurance with a U.S. licensed company.

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<sup>1</sup> Commercial zones at the U.S.-Mexico border *generally* extend from 3 to 20 miles north of U.S. border cities.

<sup>2</sup> Authority is provisional because it will be revoked if the motor carrier does not receive a "satisfactory" safety rating following a compliance review conducted during the 18-month monitoring period.

<sup>3</sup> If, at the end of the 18-month monitoring period, the carrier's safety rating is satisfactory as a result of a compliance review, the authority becomes permanent.

- Assign each Mexican long-haul carrier a distinctive U.S. Department of Transportation (DOT) number so that inspectors can easily differentiate them from Mexican carriers operating within the U.S. commercial zones.
- Require safety inspectors to verify electronically the status and validity of the license of commercial drivers of Mexican long-haul carriers.
- Require State inspectors who detect violations of Federal motor carrier safety laws and regulations to enforce them or to notify Federal authorities of the violations.
- Require a valid inspection decal (Level 1 inspection indicating a full inspection of the vehicle and driver) on all long-haul commercial vehicles. (Each Mexican truck must be inspected and have a valid inspection decal, which is good for 90 days from the inspection date.)
- Require commercial vehicles operated by a Mexican motor carrier to enter the United States only at a commercial border crossing<sup>4</sup> when a certified safety inspector is on duty, and where adequate capacity exists to perform vehicle safety inspections and place unsafe vehicles out of service.
- Equip each border crossing with scales suitable for enforcement actions, and equip 5 of the 10 crossings with the highest volume of commercial traffic with Weigh-in-Motion scales.
- Publish several rulemakings and policies, such as rules that establish minimum requirements for motor carriers to ensure they are knowledgeable about Federal safety standards.

The Act also requires that commercial vehicles operated by Mexican motor carriers carrying hazardous materials in a placardable quantity may not operate beyond the commercial zones until an agreement has been reached between the United States and the Government of Mexico that requires Mexican drivers to meet substantially the same requirements as U.S. drivers for carrying hazardous materials.

The Act directs the Office of Inspector General (OIG) to conduct a comprehensive review of border operations within 180 days of passing the Act to verify whether safety requirements are in place. The Act did not require the OIG to verify whether FMCSA had met requirements to begin processing applications for Mexican long-haul carriers. The Secretary is to address the OIG's findings on

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<sup>4</sup> At 2 of the 27 commercial border crossings, Falcon Dam and Fabens, Texas, FMCSA determined that the combination of low traffic volume (482 truck crossings in FY 2001 combined) and bridge weight restrictions did not warrant full-time inspection coverage. To comply with the Act's requirements, FMCSA entered into a Memorandum of Understanding with the U.S. Customs Service on April 29, 2002. The memorandum requires U.S. Customs Service inspectors to detain any commercial vehicle with a U.S. DOT number signifying authority to operate beyond the commercial zones until a Federal safety inspector can be contacted and the truck and driver inspected. This report addresses the inspection staff and inspection facilities for the remaining 25 commercial border crossings.

safety requirements and certify in writing that the opening of the border does not pose an unacceptable safety risk.

## VERIFICATION OBJECTIVES

Our audit objectives respond to the Act's Section 350 (c)(1)(A) through (H) provisions, which require the OIG to *verify* that (emphasis added):

1. *All new inspector positions funded under the Act have been filled and the inspectors have been fully trained.*
2. *Each inspector conducting on-site compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in Part 385 of Title 49, Code of Federal Regulations, is fully trained as a safety specialist.*
3. *The requirement of conducting a full safety compliance review before the carrier is granted permanent operating authority to operate beyond the commercial zones has not been met by transferring experienced inspectors from other parts of the United States to the U.S.-Mexico border, undermining the level of inspection coverage and safety elsewhere in the United States.*
4. *Adequate capacity exists at each U.S.-Mexico border crossing used by Mexican motor carrier commercial vehicles (long-haul) to conduct a sufficient number of vehicle safety inspections and to accommodate vehicles placed out of service.*
5. *FMCSA has implemented a policy to ensure compliance with U.S. hours-of-service rules by Mexican long-haul carriers.*
6. *Mexico's information infrastructure is sufficiently accurate, accessible, and integrated with that of U.S. law enforcement authorities to allow authorities to verify the status and validity of commercial driver's licenses (CDL), vehicle registrations, operating authority, and insurance of Mexican long-haul carriers while operating in the United States, and that adequate telecommunications links exist at all U.S.-Mexico border crossings used by Mexican long-haul carriers and in mobile enforcement units operating adjacent to the border to ensure easy and quick verification of this information.*
7. *An accessible database exists containing sufficiently comprehensive data to allow for the safety monitoring of all Mexican motor carriers and drivers that apply for long-haul authority.*
8. *Measures are in place to enable U.S. law enforcement authorities to ensure the effective enforcement and monitoring of license revocation and licensing procedures of Mexican motor carriers.*

## RESULTS

As of June 20, 2002, FMCSA has made substantial progress toward meeting the Act's requirements to hire and train inspectors (verification objective 1), establish inspection facilities (verification objective 4), and develop safety processes and procedures for Mexican long-haul carriers (verification objectives 5, 6, 7 and 8).

In commenting on a draft of this report, the Secretary of Transportation noted the progress made by FMCSA and the border States in establishing a robust enforcement regime for Mexican carriers that will operate in the United States. He also noted that the report makes useful suggestions for the completion and enhancement of that safety regime. The Secretary concluded that while the Department still has some work to do, he fully expects to be in a position this summer to certify to the President that the border can be opened.

FMCSA has a number of important actions in process and planned that will require aggressive follow-through to meet the Act's requirements.

The following actions are especially important:

- (1) complete the hiring and training of safety inspectors, complete the training of auditors, and implement the plan for hiring and training investigators and administrative staff;
- (2) finish improvement projects to provide adequate inspection facilities and parking for trucks placed out of service;
- (3) provide Federal and State inspectors electronic access to Mexican and U.S. databases on driver, vehicle, and carrier information and complete development of the safety monitoring system for Mexican carriers.

By July 31, 2002 FMCSA plans to have filled 198 of the 214 new inspector positions assigned to the U.S.-Mexico border and 171 will be trained. By June 30, 2002, facilities should be adequate for inspectors to enforce the Act's requirements at 23 of the 25 commercial border crossings. Negotiations are underway to secure inspection facilities at the two remaining low volume crossings, which FMCSA expects to finalize by June 30, 2002. At 11 crossings, accounting for 51 percent of total traffic, the out-of-service space will have increased by 100 percent or more. By June 30, 2002, Federal and State inspectors at the border crossings and mobile enforcement units operating adjacent to the border, should have access to Mexico and U.S. databases to check commercial driver's licenses, vehicle registrations, insurance, and operating authority.

We have reviewed FMCSA's plans for addressing these issues and believe they are credible and achievable within the established timeframes. The Act requires us to conduct another audit using the same criteria within 180 days after this report, and at least annually thereafter. The subsequent audits will be important to verify the successful implementation of the plans and processes that FMCSA has developed in anticipation of the border opening. It will also be important for the Department to have a process for reevaluating overall resource requirements and inspection facilities at the U.S.-Mexico border as long-haul traffic materializes.

There are two areas where FMCSA's planned completion dates extend beyond the *next 60 days*. The two areas are (1) complete the hiring and training of investigators to conduct compliance reviews, and (2) complete training of any supervisors who are not already trained safety investigators.

FMCSA does not plan to begin hiring safety investigators (verification objectives 2 and 3) until July because the Act provides up to 18 months before a compliance review is required for granting permanent authority so there will be a history of operations against which to judge compliance. This differs from the immediate need for inspectors and auditors, who will perform vehicle and driver inspections and safety exams for Mexican long-haul carriers. Compliance reviews assess the safety performance of a carrier's operations and its regulatory compliance. If the border were to open mid-summer, it is not likely that the need for regularly scheduled compliance reviews would surface until October or November 2002 at the earliest, and more regularly beginning in January 2003. FMCSA will have the first class of trained investigators available to begin compliance reviews on September 27, 2002.

An exception that could require a compliance review before a history of operations is established is if a carrier commits one or more of a specific set of safety violations that triggers an immediate compliance review. If this occurs, FMCSA plans to use the one safety investigator currently assigned to the border or the director of the Transborder Office<sup>5</sup>, who is also trained to conduct compliance reviews.

FMCSA has not yet hired five supervisors it plans to place at the border to oversee the activities of investigators, auditors, and inspectors. Instead, FMCSA will rely on existing crossing supervisors and FMCSA State directors to provide supervisory guidance until all five supervisory positions are filled and trained. FMCSA plans to fill all five supervisory positions by July 15, 2002. However, supervisors will be required to attend the 9-week investigator training if they have

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<sup>5</sup> The Transborder Office was established in San Diego to process applications for long-haul operating authority.

not already been trained as safety investigators. The first investigator class begins July 29, 2002, and concludes September 27, 2002.

One matter that we want to call to your attention and that of Congress is the fact that, according to FMCSA, only two States—Arizona and California—have enacted legislation authorizing their enforcement personnel to take action when they encounter a vehicle operating without authority. The other States' enforcement personnel do not enforce operating authority. However, enforcement personnel in all States perform safety inspections of commercial vehicles and drivers operating on the Nation's highways. States are authorized to remove drivers and vehicles from service for serious safety violations, such as operating without a valid CDL or operating a vehicle with defective brakes. Operating without valid operating authority is currently not considered a safety violation. In 1999, we reported that at least 52 Mexican motor carriers operated improperly in 20 States beyond the 4 border States. Roadside inspection data throughout the United States show this has continued.

In March 2000, FMCSA issued a rule requiring States to enforce operating authority requirements as a participating qualification under the Motor Carrier Safety Assistance Program. If it is not implemented, FMCSA can withhold funding beginning with the FY 2004 program. The States have until the end of fiscal year 2003 to enact legislation, but the importance of the other States enacting such legislation needs to be reinforced by the Department and Congress. In order to provide a mechanism to enforce operating authority in the absence of State laws, FMCSA issued a policy memorandum in November 2001, encouraging the States to contact FMCSA if State inspectors encountered a commercial vehicle operating without authority.

The Act subjects long-haul vehicles entering the United States at the U.S.-Mexico border to a Level 1 inspection at least every 90 days, which will include verification of operating authority if performed by U.S. inspectors. However, the Act does not require periodic inspections for carriers authorized to operate only in the commercial zones. If these carriers do not have authority to operate within the zones, or have commercial zone authority but continue *beyond* the zones, States other than California and Arizona do not have authority to put them out of service.

If Congress and the Department want to accelerate the ability of the States to enforce operating authority, there may be several ways to accomplish this. One option might be a Federal law conditioning States' receipt of Federal funding on the enactment of State laws to enforce operating authority. Alternatively, the Department could include operating authority violations among the safety criteria for placing vehicles out of service. States are already authorized to place vehicles

out-of-service for safety violations, but operating authority is currently not considered a safety violation.

## **Commercial Traffic and Out-of-Service Rates**

The number of commercial trucks entering the United States at the Mexico border increased from 2.4 million in FY 1993 to 4.3 million in FY 2001.<sup>6</sup> In 2001, the top 10 border crossings<sup>7</sup> accounted for 92 percent (3.9 million) of the truck crossings into the United States from Mexico. These truck crossings primarily represent the drayage industry operating within the U.S. commercial zones. This industry involves trucking firms that haul goods across a border from one country to another within the commercial zones. The growth in the number of truck crossings is attributable to increases in international trade. However, the volume of truck crossings declined from 4.5 million in FY 2000 to 4.3 million in FY 2001.

It is a matter of great speculation as to how many carriers will apply to operate long-haul vehicles beyond the commercial zones. This decision will be affected by a number of factors, including economic conditions and the need to comply with U.S. safety regulations. As long-haul commercial traffic materializes, FMCSA will require a process for reevaluating and adjusting the overall resources at the border, including the number of inspection staff and the adequacy of facilities at each border crossing.

FMCSA began accepting applications from Mexican carriers on May 3, 2002, and as of June 11, 2002, had received 20 applications requesting long-haul authority. According to FMCSA, 13 of the carriers indicated that they intended to operate a combined total of 59 long-haul commercial vehicles. The other seven applications were incomplete and did not provide information on the number of commercial vehicles the carriers plan to operate long-haul in the United States.

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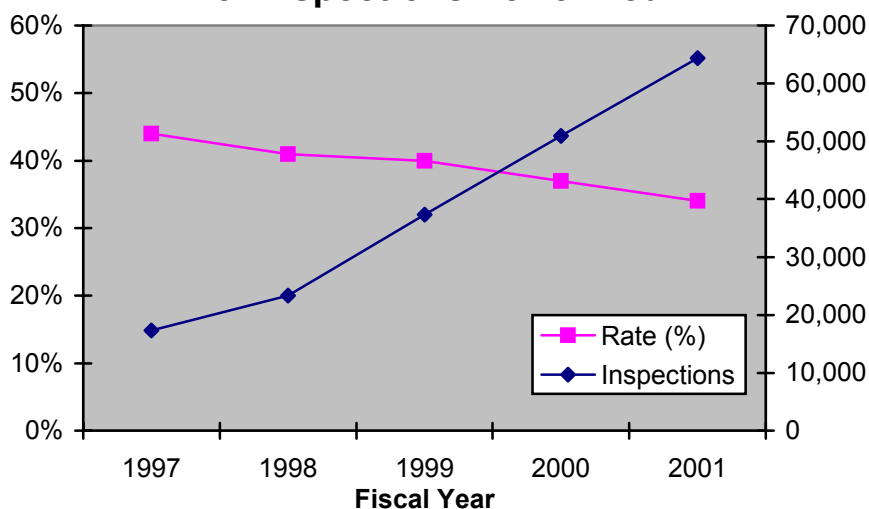
<sup>6</sup> The truck crossings represent the total number of trips through U.S. Customs made by commercial trucks, both U.S. and Mexican, and could include multiple trips by the same truck.

<sup>7</sup> The 10 highest volume crossings in FY 2001 were (in descending order): World Trade Bridge (Laredo), TX; Otay Mesa, CA; Pharr, TX; Columbia Solidarity Bridge (Laredo), TX; Bridge of the Americas (El Paso), TX; Ysleta (El Paso), TX; Calexico, CA; Nogales, AZ; Veterans Bridge (Brownsville), TX; and Eagle Pass Bridge, TX.



There is a direct correlation between the condition of Mexican trucks entering the United States and the level of inspection resources at the border. That is, the more likely the chance of inspection, the better the condition of the vehicle. As shown in Figure 1, the out-of-service rates for Mexican trucks seeking to enter the U.S. commercial zones has declined. The out-

**Figure 1: Mexican Vehicle Out-of-Service Rates Compared to Number of Inspections Performed**



of-service rate declined from 44 percent in FY 1997 to 34 percent in FY 2001 as the number of inspections increased. The out-of-service rate for all trucks inspected nationwide in the United States has been about 24 percent since 2000.

### **Hiring and Training Inspectors (Verification Objectives 1, 2 & 3)**

The Act provided about \$14 million to hire and train 214 new Federal “inspectors” for the U.S.-Mexico border and \$18 million to be divided among the four border States to hire border safety inspectors. The law referred generically to all of the positions as “inspectors,” but in practice the 214 Federal positions will be comprised of inspectors, auditors, and investigators responsible for a full range of safety enforcement functions, including performing driver and vehicle safety inspections, safety exams, and compliance reviews and investigations. The State inspectors are necessary to staff border crossings where the Federal presence is minimal or non-existent, and to ensure inspection coverage during all hours the commercial crossings are open.

FMCSA allocated the 214 new Federal positions funded by the Act into the following categories:

- 84 safety inspectors bringing the total number of safety inspectors to 144;
- 67 auditors to perform safety exams, which are reviews of a carrier’s safety management practices and safety performance prior to being granted provisional operating authority;

- 53 investigators to perform compliance reviews, which cover a carrier's safety management controls, safety performance, and regulatory compliance, and which generally occur after a carrier has operational experience; and
- 10 administrative staff to supervise border activities and provide administrative support.

The status and plans to complete hiring and training by each category are discussed below. FMCSA's plans include exceeding its hiring goals for auditors with the expectation that some may be selected as investigators or supervisors and some may be eliminated during the employment process or training classes. Some inspectors have already been selected as auditors, and additional movement by individuals between positions is anticipated. The progression from border inspector to auditor to investigator to supervisor provides greater pay. Higher pay is justified because the knowledge, skills and abilities required increase from inspecting vehicles and drivers, to performing safety exams and compliance reviews of motor carriers' operations and safety performance, to supervising these activities. When FMCSA begins to fill the vacant investigator and supervisor positions, it is likely that FMCSA will need to backfill inspector and auditor positions to maintain an adequate pool of trained staff.

**SAFETY INSPECTORS.** Safety inspectors are stationed at the commercial vehicle crossings and perform vehicle and driver safety inspections to ensure commercial vehicles entering the United States comply with U.S. safety rules. Before the Act was passed, FMCSA was authorized 60 border inspectors. As of June 20, 2002, all but 6 of the 84 new inspectors had been hired<sup>8</sup> and 54 were fully trained to perform Level 1 inspections. To bring the total complement of trained border inspectors to FMCSA's hiring goal of 144, 6 additional inspectors must be hired and 30 inspectors must be trained. We found credible plans to complete training by July 26, 2002, for all but one inspector hired as of June 20, 2002. That inspector is not scheduled to come onboard until August and will complete training in October.

When the border opens, FMCSA plans to fill inspector vacancies with trained auditors that can perform vehicle and driver safety inspections until all inspectors are hired and trained. Since auditors are also qualified as inspectors and FMCSA is hiring auditors in excess of its goal, we believe this plan is reasonable.

**AUDITORS.** Auditors conduct safety exams of carriers before carriers are granted provisional authority to operate in the United States. Safety exams evaluate basic safety management controls to determine if the carrier is able to operate safely in

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<sup>8</sup> Hired means that FMCSA made offers of employment to individuals who accepted but may not yet have reported for duty (onboard).

interstate commerce. Safety exams also include performing inspections of commercial vehicles that will be used in long-haul operations but do not have a valid inspection decal.

As of June 20, 2002, 91 auditors have been hired, which is 24 greater than the 67 FMCSA established as its goal. Of the 91 auditors, 50 are fully trained, 38 are in training with graduation dates scheduled throughout July, and 3 are scheduled for a class that concludes August 23, 2002. Seventeen more auditors must be trained to bring the total to FMCSA's goal of 67 fully trained auditors. We found credible plans to complete training for the 17 auditors by July 12, 2002.

**INVESTIGATORS.** Investigators conduct compliance reviews and assign safety ratings to motor carriers based on safety performance data generated during a carrier's operations. The Act requires Mexican carriers to undergo a compliance review within 18 months of receiving provisional authority to operate beyond the commercial zones and before permanent authority is granted. Compliance reviews are intended to assess available data from a carrier's operations to determine operational safety performance and regulatory compliance. Thus, they are not performed until a history of operations has been established. If the border were to open to long-haul traffic by mid-summer, regularly scheduled compliance reviews could reasonably begin in October or November at the earliest, and more regularly beginning in January 2003.

One exception that may necessitate a compliance review before a history of operations is established is that FMCSA requires an immediate compliance review if a carrier commits certain safety violations such as operating a motor vehicle without insurance or using drivers that do not have a valid CDL. If such a review is triggered, FMCSA plans to use the one safety investigator it already has onboard and trained, or the director of the Transborder Office, who is also trained to perform compliance reviews.

We found that FMCSA had a credible plan to begin hiring the remaining 52 safety investigators in July 2002. The training plan for investigators is to complete the first scheduled training class in September 2002, and the last one in November 2002. As part of our mandated follow-on review, we will verify the Act's provision that transfers of safety investigators from other parts of the country do not occur. We will also verify that the hiring and training plans materialize.

**ADMINISTRATIVE.** The administrative positions consist of five support staff and five regional supervisors. The supervisors will oversee the border inspectors, auditors, and investigators, and coordinate activities at the border. As of June 20, 2002, four of the five support staff have been hired, and none of the five supervisors. FMCSA plans to have the fifth support staff position filled by July 31, 2002 and the five supervisory positions filled by July 15, 2002.

Candidates selected to become supervisors must receive safety investigator training and FMCSA plans to assign any supervisors who are not trained safety investigators to the first training class, which will graduate September 27, 2002. Until all supervisors are hired and trained, FMCSA will use crossing supervisors and the four FMCSA State Directors to manage border operations.

**STATE SAFETY INSPECTORS.** State safety inspectors are stationed at commercial vehicle crossings with Federal inspectors or in some cases operate in lieu of a Federal presence. The Act provided \$18 million for the four border States to hire border inspectors. The States plan to hire 187 new inspectors and by June 30, 2002, the four States will have hired 94 of the 187 inspectors. Until the remaining positions can be filled and trained, all four States have plans to provide inspection coverage at the crossings when Mexican vehicles begin to operate beyond the commercial zones. States plan to use existing inspectors operating within the commercial zones and/or temporarily assign inspectors from elsewhere in the State.

FMCSA and the four border States entered into agreements to provide inspection coverage at border crossings and ensure the Act's safety requirements are met. All four States have developed work schedules for each crossing to coordinate coverage between Federal and State inspectors. According to Federal and State officials, these schedules will be implemented when the border opens to long-haul commercial traffic and updated as needed to reflect any changes to crossing hours and additional crossings that may need to be covered due to long-haul bus traffic.

An exception is the crossing at Sasabe, Arizona, with 2,215 annual commercial vehicle crossings, where inspectors will not be on duty during the hours on Sundays that the crossing is open to commercial traffic. According to an FMCSA official, because of the low truck volume, the State of Arizona has an agreement with the U.S. Customs Service at Sasabe to detain Mexican long-haul trucks until an inspector can be notified and the truck and driver inspected.

#### **Significant Improvements to Facilities Will Enable Inspectors to Enforce Requirements; Adequacy Will Need to Be Continuously Reevaluated as Data Become Available on Long-Haul Commercial Traffic (Verification Objective 4)**

Until earlier this year, FMCSA had not attempted to procure its own facilities or seek improvements to space it had borrowed from the U.S. Customs Service on General Services Administration (GSA)-owned or leased facilities. As a result, FMCSA did not have dedicated space to inspect vehicles and place vehicles out of

service.<sup>9</sup> The space FMCSA had been occupying in many cases was not sufficient to support the level and quantity of inspections necessary to satisfy the Act's requirements, and to maintain sufficient coverage of commercial traffic entering the United States to operate in the commercial zones.

For example, in 2001, we found that at:

- 17 of the 25 crossings, Federal inspectors had space to inspect only 1 or 2 trucks at a time, and
- 12 of the 25 crossings, Federal inspectors had only 1 or 2 spaces to park vehicles placed out of service. Also, the out-of-service space was the same as the inspection space at the majority of these crossings.
- 18 of the 25 crossings, Federal inspectors did not have dedicated telephone lines to access databases, such as those for validating CDLs.

*This situation changed in 2002.* The Act provided FMCSA \$2.3 million to procure and improve Federal inspection facilities. FMCSA has entered into agreements with the GSA to obtain dedicated inspection and out-of-service space and to make necessary improvements. Improvements are ongoing at 19 of the 25 commercial border crossings, all with estimated completion dates by June 30, 2002. Existing facilities at four of the remaining six crossings are sufficiently adequate without improvements to enforce the Act's requirements and the improvements needed at two low-volume California crossings-Tecate and Andrade-have not yet been determined. However, negotiations are underway to obtain inspection facilities at Tecate and Andrade, and FMCSA anticipates finalizing the plans by June 30, 2002.

The most significant improvements are at the high-volume crossings, where the lack of facilities has hindered the ability of inspectors to monitor and enforce safety regulations. At 11 crossings, accounting for 51 percent of total traffic, the out-of-service space will have increased by 100 percent or more. For example, at the Pharr, Texas crossing, which had the third highest-volume of commercial traffic in 2001, inspectors had access to two inspection spaces and five out-of-service parking spaces. The new facilities will provide FMCSA with 4 inspection spaces and 15 out-of-service parking spaces, which is more than double the original space.

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<sup>9</sup> Trucks are removed from service because of serious safety violations, including inoperative and defective brakes, defective frames and steering systems, and bad tires. Drivers are placed out of service for reasons that include: not having valid CDLs, not complying with hours-of-service rules, or not having logbooks to document the number of hours they were on duty.

Figure 2 identifies the status of facilities at each crossing between June 17 and June 20, 2002. A “green light” indicates that new or existing space and/or facilities are consistent with identified needs. A “yellow/green light” indicates work is progressing steadily on improving or securing adequate space and facilities. We expect these will become “green lights” by June 30 when FMCSA projects that all improvements will be complete. A “yellow light” indicates that improvements have not yet been started. These facilities are not likely to be complete by June 30, but are likely to be complete within 60 days.

**Figure 2: Status of Inspection Facilities by Commercial Crossing Between June 17 and June 20, 2002**

<b>BORDER CROSSING</b>	<b>FY01 Truck Traffic</b>	<b>Inspection Space</b>	<b>Out-of-Service Space</b>	<b>Office Space</b>	<b>Telecom Links</b>	<b>FY01 Vehicle Out-of-Service Rate (%)</b>
Laredo-WTB, TX	1,072,445	●	●	●	●	44
Otay Mesa, CA	700,453	●	●	●	●	26
Pharr, TX	367,991	●	●	●	●	31
Laredo-Columbia, TX	346,720	●	●	●	●	38
El Paso-BOTA, TX	332,439	●	●	●	●	32
El Paso-Ysleta, TX	323,818	●	●	●	●	33
Calexico, CA	259,174	●	●	●	●	33
Nogales, AZ	251,474	●	●	●	●	36
Veterans Bridge, TX	199,135	●	●	●	●	35
Eagle Pass, TX	100,983	●	●	●	●	21
Tecate, CA	62,243	●	●	●	●	10
Del Rio, TX	59,286	●	●	●	●	23
Los Indios, TX	56,096	●	●	●	●	35
San Luis, AZ	39,908	●	●	●	●	24
Douglas, AZ	34,054	●	●	●	●	40
Santa Teresa, NM	30,612	●	●	●	●	24
Rio Grande City, TX	26,391	●	●	●	●	36
Progreso, TX	16,649	●	●	●	●	42
Roma, TX	11,806	●	●	●	●	48
Naco, AZ	9,976	●	●	●	●	29
Presidio, TX	7,562	●	●	●	●	10
Lukeville, AZ	4,271	●	●	●	●	10
Columbus, NM	4,239	●	●	●	●	29
Sasabe, AZ	2,215	●	●	●	●	10
Andrade, CA	1,727	●	●	●	●	10

<sup>10</sup> According to FMCSA’s Motor Carrier Management Information System, records of inspections performed did not specify whether the inspections were done at border crossings or within commercial zones adjacent to crossings. Therefore, a rate for the crossing could not be determine.

Given the status of the ongoing efforts to improve existing facilities, the inspection, out-of-service, and office space should be sufficient at 23 of the 25 crossings by June 30, 2002.

Currently, at two California crossings—Tecate and Andrade—there is no space dedicated for inspectors to conduct inspections and place vehicles out-of-service. At Tecate, State inspectors conduct inspections along the road just beyond the U.S. Customs Service facilities, and out-of-service vehicles are either turned back to Mexico or parked along the shoulder of the road. According to FMCSA and California State officials, negotiations are underway for facilities at each crossing, and agreements are expected to be finalized by June 30, 2002. FMCSA expects to complete any improvements necessary at these crossings to support the Act's requirements within 60 days.

### **Ensuring Compliance With U.S. Safety Rules (Verification Objectives 5, 6, 7 and 8)**

Several provisions in the Act are intended to ensure that Mexican carriers and drivers comply with U.S. safety rules. Specifically, that (1) a policy is implemented to ensure that Mexican carriers comply with U.S. hours-of-service rules; (2) information in Mexico's database is accurate and integrated with U.S. databases in order to provide inspectors with timely and accurate driver, vehicle, and motor carrier information when they conduct safety inspections; (3) comprehensive safety performance data for Mexican drivers and carriers are monitored; and (4) measures are in place to enable law enforcement officials to enforce carrier operating authority.

- FMCSA issued a policy on April 3, 2002, to ensure Mexican carriers comply with U.S. hours-of-service rules. We cannot verify that the hours-of-service policy is implemented until Mexican long-haul carriers are granted authority to operate beyond the commercial zones. However, based on observations of current practices for Mexican carriers operating in the commercial zones, we believe that inspectors will be prepared to implement the hours-of-service policy for Mexican long-haul carriers.
- There are two components to ensuring Mexico's information is accurate and integrated—drivers and motor carriers. Mexican and U.S. databases are intended to provide inspectors with real-time access to accurate driver and carrier information when they conduct their inspections of Mexican long-haul carriers. We determined that Mexico's CDL and vehicle registration databases are sufficiently accurate.

However, we found that inspectors at 6 of the 25 commercial border crossings could not access Mexico and U.S. databases to verify Mexican CDLs, license plates, authority to operate in the United States, or U.S. insurance coverage. Further, only 1 of the 17 mobile enforcement units we tested operating adjacent to the border could access insurance and operating authority data, and none could access vehicle registration information. A mobile enforcement unit is any vehicle used by an agency to enforce laws and regulations pertaining to commercial motor vehicle safety in Federal Motor Carrier Safety Regulations and Federal Hazardous Materials Regulations, and whose enforcement activities are eligible for funding under the Motor Carrier Safety Assistance Program. FMCSA officials told us that they plan to provide Federal and State inspectors at all commercial border crossings electronic access to Mexico and U.S. databases by June 30, 2002. FMCSA also plans to provide mobile enforcement units operating adjacent to the border access to Mexico and U.S. databases by June 30, 2002.

- FMCSA and its contractor developed an information system to monitor Mexican commercial *drivers* operating in the United States. The system is operational and provides FMCSA with the capability to track, monitor, and withdraw U.S. driving privileges of Mexican commercial drivers convicted of certain moving traffic violations in the United States. The system provides the status of Mexican CDLs to law enforcement officers when checked.

FMCSA is currently developing an automated safety monitoring system for Mexican *carriers* and plans to have the system fully operational by July 1, 2002. FMCSA's planned Mexican carrier monitoring system will review a carrier's safety performance data over an 18-month period when the carrier has provisional authority. Certain safety violations will trigger an immediate compliance review or a letter requiring that the carrier take corrective action. A carrier that has an "unsatisfactory" compliance review rating or has not corrected a safety violation can have its authority to operate in the United States suspended by FMCSA.

- FMCSA issued a policy memorandum to its staff on November 16, 2001, providing guidance for enforcing operating authority requirements, which relies heavily on State inspectors for monitoring and enforcement. The guidance asks FMCSA personnel in its State offices to encourage their State counterparts to contact them if Mexican carriers are found operating without authority so that FMCSA can initiate enforcement actions.



## SUMMARY OF RECOMMENDATIONS

We recommend that the Secretary direct the FMCSA Administrator to:

- Provide weekly status reports on the actions required to complete the eight provisions required by the Act, along with estimated milestone dates and any obstacles expected or encountered. Specifically, the status report should cover:
  - Training of Federal inspectors and auditors, hiring and training of Federal investigators and administrative personnel, and hiring and training of State border inspectors.
  - Completing facility improvements and securing adequate inspection space.
  - Providing Federal and State inspectors and mobile enforcement units access to U.S. and Mexico databases and implementing the automated safety monitoring system for Mexican carriers.
- Provide periodic reports that reevaluate overall resource requirements for the U.S.-Mexico border, including levels of inspection staff and facility requirements at each border crossing based on actual and projected vehicle crossings for long-haul and commercial zone traffic. This is necessary because the number of Mexican carriers applying for authority to conduct long-haul operations in the United States is not currently known.

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One matter that we want to call to your attention and that of Congress is the fact that, according to FMCSA, only two States – Arizona and California – have enacted legislation authorizing their enforcement personnel to take action when they encounter a vehicle operating without authority. In 1999, we reported that at least 52 Mexican-domiciled motor carriers operated improperly in 20 States beyond the 4 border States. Roadside inspection data throughout the United States show this has continued.

In March 2000, FMCSA issued a rule requiring States to enforce operating authority requirements as a participating qualification under the Motor Carrier Safety Assistance Program. The States have until the end of FY 2003 to enact legislation, but the importance of the other States enacting such legislation needs to be reinforced by the Department and Congress. If legislation is not implemented, FMCSA can withhold funding beginning with the FY 2004 program.

If Congress and the Department want to accelerate the ability of the States to enforce operating authority, there may be several ways to accomplish this. One option might be a Federal law conditioning States' receipt of Federal funding on the enactment of State laws to enforce operating authority. Alternatively, the Department could include operating authority violations among the safety criteria for placing vehicles out of service. States are already authorized to place vehicles out-of-service for safety violations, but operating authority is currently not considered a safety violation.

## **BACKGROUND**

With the signing of the North American Free Trade Agreement (NAFTA) in December 1992, Mexico and the United States agreed to cross-border trucking within both countries' border States starting no later than December 18, 1995, with cross-border operations to all points in the United States beginning January 1, 2000. For safety reasons, on December 18, 1995, the U.S. Government indefinitely delayed implementation.

In 1998, Mexico challenged the delay, contending that the United States' decision to deny further trucking, bus access and investment was in violation of NAFTA provisions. On February 6, 2001, a NAFTA tribunal unanimously concluded that blanket refusal to process applications of Mexican motor carriers seeking authority to operate beyond the commercial zones was in breach of the United States' NAFTA obligations. The tribunal recommended that the United States take steps to bring its cross-border trucking practices into compliance.

The President made a commitment to implement NAFTA provisions. On June 5, 2001, the President authorized the Secretary of Transportation to liberalize restrictions on investment by citizens of Mexico in U.S. truck and bus services. On December 18, 2001, the President signed the FY 2002 Transportation and Related Agencies Appropriations Act (the Act), which provided \$140.1 million to fund Federal and State border safety inspection operations as shown in Figure 3 on the following page.

**Figure 3: Funds Provided in the Act for Border Safety Enforcement Activities**

<b>Activity</b>	<b>Program/Funding Source</b>	<b>Amount (\$ in millions)</b>
Existing 60 border inspectors	Motor Carrier Safety (limit on administrative expenses)	\$4.0
214 new Federal inspector positions	Motor Carrier Safety (border funds)	\$13.9
Border assistance of northern and southern borders	Border Assistance (Motor Carrier Safety Assistance Program)	\$10.0
Southern border State Inspection Personnel and Training	State Border Operations (Revenue Aligned Budget Authority ([RABA])	\$18.0
Support for new requirements established by Section 350, includes \$7 million to purchase scales	Highway Trust Fund (Border Enforcement Program)	\$25.9
\$54 million for State border infrastructure and \$2.3 million for improvements to Federal facilities	Border Infrastructure (Federal Highway Administration ([FHWA] RABA)	\$56.3
Texas Border Inspection Facilities	FHWA-Borders and Corridors	\$12.0
<b>Total</b>		<b>\$140.1</b>

## SCOPE AND METHODOLOGY

To address the audit's eight verification objectives, we met with FMCSA, State and Mexican government officials, and we obtained and analyzed documents and data relating to our objectives. The activities we visited and contacted are listed in Exhibit A. In addition, we visited each of the 25 border crossings on several occasions to verify the number of inspectors, hours of operation, facility improvements, and inspector access to motor carrier safety and driver databases. Details of our audit scope and methodology are included in Exhibit B.

## DETAILS OF REVIEW

### Staffing Levels

*The Act requires the OIG to verify that all new inspector positions funded under the Act have been filled and the inspectors are fully trained.*

FMCSA requested and the Act provided \$13.9 million to FMCSA to hire and deploy 214 new Federal inspectors to the U.S.-Mexico border. The Act also provided \$18 million to be divided among the four border States to hire State inspectors for the border.

The 214 additional Federal positions, when filled, increase FMCSA’s total border inspection staff to 274 for the purpose of enforcing the requirements established by the Act. The Act referred to all funded positions as “inspectors,” although in practice the 274 inspector positions will be comprised of inspectors, auditors, and investigators responsible for a full range of responsibilities—driver and vehicle safety inspections, safety exams, and compliance reviews. FMCSA allocated the 214 Federal inspector positions into the categories identified in Figure 4.

**Figure 4: FMCSA’s Allocation of 214 New Inspector Positions Funded Under the 2002 DOT Appropriations Act**

Position Type	Number	Function
Inspector	84	Inspectors assigned to commercial crossings on the southern border for the purpose of <b>inspecting drivers and vehicles</b> and enforcing Federal Motor Carrier Safety Regulations. Added to the 60 inspector positions already assigned to the border, the inspector workforce would total 144.
Auditor	67	Inspectors assigned to conduct <b>safety exams</b> of carriers applying for long-haul authority. A safety exam, which entails a review of a carrier’s safety management practices and safety performance, is required before a carrier can obtain <i>provisional authority</i> to operate beyond the commercial zones.
Investigator	53	Inspectors assigned to conduct <b>compliance reviews</b> on carriers within 18 months of carriers being granted provisional long-haul authority. The reviews examine a carrier’s trucking operation to determine compliance with the Federal Motor Carrier Safety Regulations, and focus on carrier safety management controls, operational performance, and regulatory compliance. A compliance review is required before a carrier can be granted <i>permanent authority</i> to operate beyond the commercial zones.
Administrative	10	Supervisors (5) assigned to oversee the operations of border inspectors, safety auditors, and investigators in regions along the Southern border, and support staff (5).
<b>TOTAL</b>	<b>214</b>	

The Act provided funds for FMCSA to add 214 new inspectors to its existing border workforce of 60, for a total of 274 border enforcement personnel. As of June 20, 2002, FMCSA has hired staff to fill 234 of the 274 positions. All but 5 filled positions are represented by inspectors (138) and auditors (91). While this represents an “over-hiring” of 24 auditors, FMCSA expects that attrition will

occur—either by promotion to the higher-paid investigator or supervisor positions or by elimination during the employment or training process. FMCSA has not filled and does not plan to begin filling any of the 52 vacant investigator positions until July 2002. The Act requires a compliance review within 18 months of receiving provisional authority and before permanent authority is granted. FMCSA projects that the 10 administrative positions will be filled by July 31, 2002. Figure 5 identifies the projected staff levels for each of FMCSA’s designated inspector categories, assuming no attrition, through the end of the fiscal year.

**Figure 5: Current and Projected Hiring Status of Federal Inspectors**

Position	Goal	Jun 20	Jun 30	Jul 31	Aug 31	Sep 30
Inspectors	144	138	138	138	138	138
Auditors	67	91	91	91	91	91
Investigators	53	1	1	19	36	53
Administrative	10	4	4	10	10	10
<b>Total</b>	<b>274</b>	<b>234</b>	<b>234</b>	<b>258</b>	<b>275</b>	<b>292</b>

As of June 20, 2002, FMCSA had hired staff to fill 234 positions, but not all personnel were onboard, trained, and ready to assume the duties of their positions. Figure 6 identifies the number of trained inspectors by position that should be onboard through November 30, assuming no attrition.

**Figure 6: Current and Projected Trained Federal Inspectors Onboard**

Position	Goal	Jun 20	Jun 30	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30
Inspectors	144	114	114	137	137	137	138	138
Auditors	67	50	50	88	91	91	91	91
Investigators	53	1	1	1	1	19	36	53
Administrative	10	3	4	5	5	10 <sup>11</sup>	10	10
<b>Total</b>	<b>274</b>	168	169	231	234	257	<b>275</b>	292

<sup>11</sup> Assumes that the five candidates selected to become supervisors will need to attend the first safety investigator training class.

### ***Inspectors to Conduct Driver and Vehicle Safety Inspections***

As of June 20, 2002, FMCSA had a total of 136 border inspectors onboard. One additional inspector is scheduled to report for duty by June 30, 2002 and another is scheduled to report for duty by August 31, 2002. FMCSA will need to hire another six inspectors in order to achieve its goal of deploying 144 full-time inspectors to the U.S.-Mexico border.

Of the 137 inspectors projected to be onboard by June 30, 114 inspectors will be fully trained and ready to fulfill their responsibilities at the border on June 30, 2002, and 23 inspectors are scheduled for a training class that will end on July 26, 2002. The inspector scheduled to come onboard in August will not complete training until October 2002. When the border opens to long-haul commercial traffic, FMCSA plans to fill inspector vacancies with auditors who were former safety inspectors.

### ***Auditors Available to Conduct Safety Exams***

FMCSA designated 67 of the 214 new inspector positions as auditors to perform safety exams required by the Act as a prerequisite to providing carriers provisional authority to operate beyond the commercial zones. As of June 20, 2002, FMCSA had 89 auditors onboard with another 2 auditors scheduled to come onboard by July 31, 2002. The total number of auditors—91—exceeds the goal established by FMCSA. FMCSA officials explained that the decision to hire the extra auditors was made to ensure that staffing goals would be met in the event that not all candidates successfully complete the training class or if auditors are selected for a higher-paying investigator or supervisory position.

Of the 89 auditors onboard by June 30, 2002, 50 will have completed the required training class. Thirty-eight auditors will be attending one of three ongoing classes and are scheduled to graduate by July 31, 2002. Three auditors are scheduled for training that concludes August 23, 2002.

### ***Investigators Have Not Been Transferred From Other Parts of the United States***

*The Act requires the OIG to verify that each inspector conducting on-site safety compliance reviews has not been transferred from other parts of the United States, undermining the level of inspection coverage elsewhere in the United States, and that each inspector conducting compliance reviews has been trained as a safety specialist.*

FMCSA has not, to date, transferred staff from other parts of the country to fill inspector positions funded under the Act and has no plans to do so. FMCSA has

not yet begun hiring investigators that will be conducting compliance reviews on Mexican carriers who have been granted provisional authority to operate commercial vehicles beyond the U.S. commercial zones. The compliance reviews are required to occur within 18 months of a carrier receiving provisional long-haul authority and include an assessment of a carrier's safety programs and procedures, as well as its operations and safety record since receiving that authority. The Act requires a full safety compliance review before a carrier is granted permanent authority to operate beyond the commercial zones.

FMCSA currently has one Federal safety investigator assigned to the U.S.-Mexico border who was in place prior to the Act's passage. FMCSA does not plan to begin hiring the additional 52 safety investigators until July 2002 because compliance reviews are generally not performed until a history of safety performance data is established from a carrier's operations. The first 9-week training course for investigators will conclude September 2002.

One exception that may necessitate a compliance review sooner is that FMCSA safety monitoring policy requires an immediate compliance review when certain safety violations occur, such as using drivers who do not possess a valid CDL. FMCSA plans to use the one investigator already assigned to the U.S.-Mexico border to cover these reviews and the director of the Transborder Office, if necessary, to assist.

FMCSA plans to have all 53 investigators onboard and trained by the end of November 2002. As part of our mandated follow-on review, we will verify that the hiring and training plans materialize and that safety investigators have not been transferred from other parts of the country. It is essential that aggressive follow-through occur for hiring and training investigators to perform compliance reviews.

### ***FMCSA Plans to Fill Administrative Positions***

FMCSA designated 10 of the 214 new inspection positions as supervisory and support staff positions at the border. As of June 20, 2002, FMCSA has filled four of the five support staff positions but none of the five supervisory positions. FMCSA plans to have the five support positions filled by July 31 and the five supervisory positions filled by July 15. Candidates selected to become supervisors must receive safety investigator training. FMCSA plans to assign any supervisors that are not already trained as safety investigators to the first investigator class scheduled to begin July 29, 2002, and end on September 27, 2002.

### *State Inspectors Will Supplement Federal Coverage at the U.S.-Mexico Border*

The Act requires the OIG to verify that *all* inspector positions funded under the Act have been filled and that the inspectors have been fully trained. In addition to funding new Federal inspectors, the Act provided \$18 million for the four border States to hire State inspectors. State inspectors are necessary to staff crossings where the Federal presence is minimal, where State inspectors have sole responsibility (such as Sasabe and Lukeville, Arizona), where Federal resources need to be supplemented to ensure coverage of all hours that the commercial crossings are open, and where inspection coverage is needed for carriers operating in the commercial zones. The States have indicated that these funds will be used to add a total of 187 State inspectors to 24 of the 25 crossings along the U.S.-Mexico border. The remaining crossing—Roma, TX—will be staffed entirely by Federal inspectors.

Ninety-four of the 187 inspectors are expected to be hired by June 30, but only 3 will be fully trained and assigned full-time to the border by that date. Until the remaining inspectors are hired and trained, all four States plan to staff the crossings with temporary resources currently working within the commercial zones and other parts of the State. According to the States, these additional resources will be assigned to enforce the Act's requirements when the border is open to long haul traffic from Mexico. Permanent Federal inspectors will be assigned to cover all but two crossings in Arizona, and with the temporary State personnel, resources should be sufficient at each crossing to cover all hours the border is open to commercial traffic.

Texas has 5 inspectors stationed at El Paso's two border crossings and plans to deploy another 78 existing State inspectors to crossings in Texas. These inspectors will be temporarily stationed at the border until the new inspectors can be trained. Arizona plans to deploy up to 17 trained inspectors at its 6 crossings, and New Mexico plans to rotate 3 trained inspectors at its 2 crossings. California, with its 2 established State facilities at Otay Mesa and Calexico, already has a total of 44 full-time inspectors assigned to these crossings and will add 40 more to reach 84 inspectors.

FMCSA and the four border States entered into agreements to provide inspection coverage at border crossings and ensure the Act's safety requirements are met. All four States have developed work schedules for each crossing to coordinate coverage between Federal and State inspectors for all hours the crossings are open to commercial traffic. According to Federal and State officials, these schedules will be implemented when the border opens to long-haul commercial traffic and updated as needed to reflect any changes to crossing hours and additional crossings that may need to be covered due to long-haul bus traffic.



An exception is the crossing at Sasabe, Arizona, with 2,215 annual commercial vehicle crossings, where an inspector is not on duty on Sundays. However, an FMCSA official told us that because of the low truck volume, the State of Arizona has an agreement with the U.S. Customs Service at Sasabe to detain Mexican long-haul trucks until an inspector can be notified and the truck and driver inspected.

### **Facilities Should Be Sufficient at All 25 U.S.-Mexico Commercial Crossings Within 60 Days**

*The Act requires the OIG to verify that there is adequate capacity at each U.S.-Mexico border crossing used by Mexican motor carrier commercial vehicles to conduct a sufficient number of meaningful vehicle safety inspections and to accommodate vehicles placed out of service.*

The Act provided FMCSA with \$68.3 million in funds to improve inspection facilities along the Mexican border. Of the total provided, \$2.3 million was for improvements to Federal facilities, \$54 million was for new State border safety inspection facilities, and \$12 million was earmarked for Texas border infrastructure and inspection facilities. The funds provided to improve Federal facilities were intended to implement near-term improvements necessary to support the opening of the border, while the funds for States were intended to support longer-term construction of permanent facilities.

### ***Significant Improvements to Facilities Will Enable Inspectors to Enforce Safety Requirements but Adequacy of Facilities Will Need to Be Continuously Reevaluated***

In 2001, we reported that, at 17 of the 25 U.S.-Mexico commercial crossings, inspectors had space to inspect only 1 or 2 trucks at a time, and at 12 crossings, they had only enough space to place 1 or 2 vehicles out of service. In addition, inspectors had access to permanent office space or portable buildings at only nine crossings. This is changing substantially. Specifically, when facility improvements are complete, all but 2 crossings will have dedicated office space, and total inspection and out-of-service space will have increased by 100 percent or more at 11 crossings, which accounted for 51 percent of the cross-border commercial traffic.

The most significant improvements are at the high-volume crossings, where the lack of facilities hindered the ability of inspectors to monitor and enforce safety regulations. For example, at Laredo-World Trade Bridge, inspectors had access to a total of 10 spaces for inspections and out-of-service parking. Inspectors told us that two or three times each week, the spaces would fill and inspectors would have

to wait for out-of-service trucks to be repaired or removed before they could resume inspections. The new facilities, which are expected to be complete by June 30, will provide FMCSA with 12 inspection spaces and 12 spaces to park out-of-service vehicles.

The additional space and improved facilities are a significant improvement over the conditions that existed prior to the Act's passage. As long-haul traffic materializes, FMCSA will need to monitor the adequacy of the facilities closely and, if warranted, secure additional space.

### ***Improvements to Most Federal Facilities Are Expected to Be Complete by June 30, 2002***

FMCSA plans show that Federal inspectors will be stationed at Federal facilities at 19 of the 25 U.S.-Mexico commercial border crossings. At the remaining six crossings, FMCSA will be operating at State facilities or the crossings will be staffed entirely by State inspectors. FMCSA, through the GSA, has invested \$3.2 million in improvements at Federal facilities. This exceeds the \$2.3 million provided by the Act, but according to FMCSA officials, was necessary because of changing estimates of needs. FMCSA had anticipated occupying space at State facilities in Texas that will not be complete and has pursued additional improvements to space on Federal property to compensate.

By June 30, 2002, inspection, out-of-service, and office space should be sufficient at 23 of the 25 commercial crossings to allow Federal and/or State inspectors to enforce the Act's requirements for long-haul carriers and maintain inspection coverage of all commercial vehicles operating within the commercial zones. At two crossings in California—Tecate and Andrade—no dedicated inspection, out-of-service, or office space currently exists. Currently, when State inspectors inspect trucks entering the United States at these crossings, they use the shoulder of the road to conduct inspections and place trucks out of service. FMCSA officials told us that agreements would be reached before June 30, 2002, to secure necessary space and facilities for both crossings, and that any needed improvements would be made within 60 days.

### ***Funds for State Inspection Facilities Were Distributed and Construction Will Begin on Permanent Facilities This Year***

The Act provided \$54 million to be divided among the four border States for construction and development of permanent State inspection facilities. The State facilities are an important part of the capacity equation in that they will supplement and eventually replace the Federal inspection facilities at many of the commercial crossings.

The Federal Highway Administration and FMCSA received and evaluated the four border States' applications for the \$54 million Congress provided for State border inspection facilities. On June 5, 2002, the Secretary of Transportation announced the final decision on distribution to the four border States. Construction of facilities will begin in 2002, although the approved projects will extend beyond the current fiscal year. FMCSA requested \$47 million in its FY 2003 budget for construction of State safety inspection facilities at the border. Figure 7 shows the States' requests, the purpose of the requests, and the amount distributed to each State.

**Figure 7: Requests for Funding Provided in 2002 DOT Appropriations Act for State Infrastructure and Facilities**

State	Amount Requested (millions)	Amount Distributed (millions)	Purpose of Request (Not All Requests Were Funded)
California	\$98.5	\$8.9	New Commercial Vehicle Enforcement Facilities in Tecate and Andrade. Improvements to and expansion of existing facilities at Otay Mesa and Calexico. Construction of six lane freeway from I-805 to Otay Mesa Port of Entry and other street improvements.
Arizona	\$2.4	\$2.1	Completion of State Commercial Vehicle Enforcement Facility and access road in Nogales. Construction of Strategic Weigh and Inspection Facility to align with new truck route through Douglas.
New Mexico	\$2.2	\$2.2	Construction of permanent State inspection facility at Santa Teresa.
Texas	\$54.0	\$40.8	Begin construction of permanent inspection facilities at the eight busiest Texas crossings, estimated at \$12 million per crossing. Texas anticipates completion of facilities by 2004.

A full description of the planned State facilities is included in Exhibit C.

***Portion of Funds Earmarked for Texas Infrastructure Will Be Used in 2002 to Construct Eight Temporary Inspection Facilities***

Texas received an earmarked appropriation of \$12 million in the Act to fund construction of border inspection facilities. In anticipation of the border opening in June 2002, Texas is using \$3.2 million for the construction of temporary facilities at its eight highest volume crossings. The remaining funds (\$8.8 million) will be used to fund engineering activities for the development of the permanent facilities, expected to be complete by 2004.

FMCSA was expecting all eight temporary facilities in Texas to be complete by June 1, 2002, in time to supplement space available to Federal inspectors at the Federal Ports of Entry at each of these crossings. However, the temporary facility is complete at only one site—El Paso-Bridge of the Americas. Texas plans to complete four of the remaining seven temporary facilities by “early July,” the fifth by August, and the sixth by late summer. For the seventh facility, disagreements between the City of Laredo and Texas Department of Transportation concerning the placement of the facility at Laredo-World Trade Bridge could delay construction of that temporary facility beyond 2002.

FMCSA had intended to use space on these temporary facilities to inspect vehicles and park out-of-service vehicles when the border opens. Because of the delayed construction schedule, FMCSA secured additional space at the GSA-owned sites to ensure that adequate space for inspections and out-of-service parking is available without depending on these facilities.

### ***Requirement for Weigh-in-Motion Scales Has Been Met***

The Act requires FMCSA to ensure that 5 of the 10 highest volume crossings are equipped with Weigh-in-Motion (WIM) scales before it begins processing applications for long-haul authority and that the remaining 5 are equipped with WIM scales by December 18, 2002. It also requires all crossings to be equipped with scales suitable for enforcement.

During the first 2 weeks of May 2002, we confirmed that WIMs were operational at 5 of the 10 highest volume crossings. Specifically, we confirmed that WIMs were operational at Otay Mesa in California; Nogales in Arizona; and El Paso-Bridge of the Americas, Laredo-Columbia and Brownsville-Veterans Bridge in Texas, by observing inspectors using these scales for weight enforcement purposes. According to California Highway Patrol officials, the WIM at Calexico was repaired on June 21, 2002. Therefore, FMCSA had working WIMs at 6 of the 10 highest volume crossings. FMCSA plans to equip the remaining four crossings by December 18, 2002, as required by the Act. We also confirmed the availability of operable static or portable scales suitable for enforcement at the 25 commercial crossings. Figure 8 on the following page identifies the status of WIM installation at the 10 highest volume crossings.

**Figure 8: Presence of WIMs at 10 Highest Volume Crossings**

Port of Entry	Commercial Traffic Volume 2001	WIM in Place?	
Laredo - World Trade Bridge	1,072,445		NO
Otay Mesa	700,453	YES	
Pharr	367,991		NO
Laredo – Columbia	346,720	YES	
El Paso – Bridge of the Americas	332,439	YES	
El Paso – Ysleta	323,818		NO
Calexico	259,174	YES	
Nogales	251,474	YES	
Brownsville – Veterans Bridge	199,135	YES	
Eagle Pass	100,983		NO

### FMCSA Issued a Policy to Ensure Compliance With U.S. Hours-of-Service Rules

*The Act requires the OIG to verify that FMCSA has implemented a policy to ensure compliance with U.S. hours-of-service rules by Mexican motor carriers seeking authority to operate beyond the commercial zones (Mexican long-haul carriers).*

On April 3, 2002, FMCSA issued a memorandum to its staff establishing the policy that Mexican long-haul carriers must comply with the U.S. hours-of-service rules while operating in the United States. We could not verify that the hours-of-service policy is being implemented for Mexican long-haul carriers because FMCSA has not yet granted authority for carriers to operate beyond the commercial zones. However, for Mexican carriers currently operating in the commercial zones, during our visits to the border crossings we observed inspectors conducting safety inspections of vehicles and drivers and driver logs, when applicable. Therefore, we expect that inspectors will implement the hours-of-service policy for Mexican long-haul carriers. Figure 9 shows the U.S. hours-of-service rules.

**Figure 9: U.S. Hours-of-Service Rules**

Rule	Definition
<b>10 Hour Rule</b>	Driver shall not be permitted or required to drive more than 10 hours following 8 consecutive hours off duty.
<b>15 Hour Rule</b>	Driver shall not be permitted or required to drive for any period after having been on duty 15 hours following 8 consecutive hours off duty.
<b>60/70 Hour Rule</b>	Driver shall not be permitted or required to drive after being on duty more than 60 hours in 7 consecutive days or 70 hours in 8 consecutive days.

According to FMCSA officials, Federal and State inspectors will ensure compliance for long-haul carriers by checking driver logs during safety inspections at the border and during roadside inspections to determine if the allowable number of driving hours has been exceeded. Inspectors will be able to identify Mexican long-haul vehicles because the vehicles will have a U.S. DOT number with an “X” at the end. The “X” indicates that the vehicle is authorized to be operating beyond the commercial zones.

Currently, Federal and State border inspectors review driver logs for carriers operating in the commercial zones if the driver is operating beyond a 100 air-mile radius from their normal work reporting location. Our analysis of FMCSA’s Motor Carrier Management Information System inspection file shows that Mexican drivers of carriers operating in the commercial zones have been found to be in violation of hours-of-service rules. For example, 51 Mexican drivers were placed out of service at the border and within the commercial zones for hours-of-service violations in FY 2001 and 22 in the first 7 months of FY 2002. For driver log violations, such as not having a driver log, 1,562 Mexican drivers were placed out of service in FY 2001 and 621 in the first 7 months of FY 2002.

### **Mexico’s Databases Are Sufficiently Accurate, and Both Mexican and U.S. Databases Are Planned to Be Accessible to Federal and State Border Inspectors**

*The Act requires that the OIG verify that Mexico’s information infrastructure is sufficiently accurate, accessible, and integrated with that of U.S. law enforcement authorities to allow U.S. authorities to verify the status and validity of commercial driver licenses, vehicle registrations, operating authority, and insurance of Mexican long-haul carriers while operating in the United States, and that adequate telecommunications links exist at all U.S.-Mexico border crossings used by Mexican long-haul carriers and in mobile enforcement units operating adjacent to the border to ensure easy and quick verification of this information.*

This provision is intended to ensure that information from Mexico’s database is accurate and integrated with U.S. databases in order to provide inspectors with timely and current driver, vehicle, and motor carrier information when they conduct safety inspections of Mexican long-haul drivers and vehicles.

Mexico’s CDL and vehicle registration databases are sufficiently accurate and integrated. However, as of June 20, 2002, Federal and State border inspectors at 6 of the 25 border crossings did not have access to Mexico or U.S. databases to verify licenses, registration, operating authority or insurance. FMCSA officials

told us that they plan to provide Federal and State inspectors at the border crossings with electronic access to Mexico's and U.S. databases by June 30, 2002.

As of May 16, 2002, all 17 mobile enforcement units we tested operating adjacent to the border crossings could access Mexican driver license information, but none could access Mexican license plate information. Also, with the exception of California, none of the mobile units could access operating authority and insurance information. A mobile enforcement unit is any vehicle used by an agency to enforce laws and regulations pertaining to commercial motor vehicle safety in Federal Motor Carrier Safety Regulations and Federal Hazardous Materials Regulations, and whose enforcement activities are eligible for funding under the Motor Carrier Safety Assistance Program. FMCSA officials also told us that they will provide mobile enforcement units adjacent to the border access to Mexico and U.S. databases by June 30, 2002, to verify operating authority and insurance.

### ***Mexico's CDL and Vehicle Registration Databases Are Accurate and Integrated***

During our April 2002 visit to Mexico's Department of Transportation, we verified that Mexico's CDL database, the Licencia Federal Information System, and its vehicle registration database were sufficiently accurate. We validated the accuracy of the information entered into the CDL and vehicle registration databases by reviewing and tracing automated records for CDLs and permits issued to source documents and found information in both databases to be sufficiently accurate. For example, names, addresses, birthdates, medical information, and license status were recorded correctly in the CDL database.

Mexico's vehicle registration database contained information on commercial vehicles registered with the Mexican Federal government. The database includes vehicle license plate numbers and other carrier information, such as the carrier permit number. Before a license plate or permit number is issued, the commercial vehicle owner must provide the Mexican licensing office with an original copy of several documents, including the vehicle invoice, insurance, taxpayer identification card, and registration payment receipt.

### ***Access to Mexico's and U.S. Databases***

The Act requires the OIG to verify whether inspectors at the border crossings and mobile enforcement units operating adjacent to the border had adequate telecommunications links to easily access Mexico's and U.S. databases to verify the status and validity of CDLs, license plates, operating authority, and insurance. These verifications involve information on Mexican *drivers* and Mexican *motor carriers* contained in three databases: (1) Mexico's CDL database to verify the

status of a CDL, (2) Mexico's vehicle registration database to check the license plates of a Mexican commercial vehicle, and (3) U.S. Licensing and Insurance (L&I) database to verify that a Mexican carrier has authority to operate in the United States and has valid insurance.

The U.S. L&I database currently contains information on the operating authority and insurance status of Mexican carriers operating in the commercial zones and will also include such information for Mexican long-haul carriers when they are granted provisional authority to operate beyond the commercial zones.

From May 1 through June 20, 2002, we conducted tests at 25 commercial border crossings, and from May 1 through May 16, 2002, with 17 mobile enforcement units along the U.S.-Mexico border to determine whether U.S. law enforcement officials could access the three databases. Exhibit D presents a summary of Federal and State border inspection facilities' and mobile units' access to Mexican and U.S. databases.

***Access Tested at Commercial Border Crossings.*** We found that inspectors at 19 of the 25 border crossings, accounting for 98.04 percent of the FY 2001 truck traffic, had direct access to all three databases. At the remaining six crossings, we found that at:

- 2 crossings (Naco, Arizona and Columbus, New Mexico), accounting for 0.33 percent of the FY 2001 truck traffic, Federal inspectors were unable to access the databases because they did not have a password (Naco) and telephone lines were not yet installed at the Columbus inspection facility. However, FMCSA plans to have passwords assigned, new facilities completed, and utilities and equipment installed by June 30, 2002.
- 2 crossings (Lukeville and Sasabe, Arizona), accounting for 0.15 percent of the FY 2001 truck traffic, State inspectors did not have access to any of the databases because telecommunication links were not yet installed. FMCSA officials told us that by June 30, 2002, Lukeville and Sasabe will have access to all of the databases.
- 2 crossings (Andrade and Tecate, California), accounting for 1.48 percent of the FY 2001 commercial traffic, we were unable to conduct tests because inspectors were not yet onboard. According to the Federal and State staffing plans, when Mexican carriers can operate beyond the commercial zones, inspectors will be present at all crossings during all hours of operation. FMCSA officials told us that inspection facilities at both crossings will be secured by June 30, 2002, and any needed improvements made within 60 days.



*Access Tested With Mobile Enforcement Units.* All 17 mobile enforcement units, such as Texas Department of Public Safety officers in mobile units adjacent to the El Paso border crossing, were able to access Mexico's CDL database but not Mexico's vehicle registration database or the U.S. L&I database. The mobile units accessed the CDL database to check Mexican commercial driver's licenses by radioing dispatchers or inspectors at a permanent inspection facility.

However, neither the mobile enforcement units nor the dispatchers could access Mexico's vehicle registration database to check Mexican license plates, because Mexican license plates currently cannot be checked through law enforcement's telecommunication system. Also, except in California, none of the mobile enforcement units or the dispatchers in the other border States could access the U.S. L&I database to check a Mexican carrier's operating authority and insurance status.

We found credible plans to provide mobile units access to verify Mexican license plates. FMCSA and its contractor are working with the National Law Enforcement Telecommunication System officials to make the necessary system changes for license plate verification, and they expect completion by June 30, 2002. FMCSA officials told us that by June 30, 2002, they also plan to provide *mobile enforcement units operating adjacent to the border* access to the U.S. database to verify operating authority and insurance.

*FMCSA Plans to Provide Inspectors Easy and Quick Access to Mexican and U.S. Databases.* Currently, to access the three databases discussed above, three different queries are made. FMCSA officials told us that they plan to provide Federal and State border inspectors electronic access to Mexican and U.S. databases through Query Central, a web-based connection to the databases, by June 30, 2002. Query Central will serve as a single point of access to driver, carrier, and vehicle databases, including the three databases discussed above. FMCSA is currently testing Query Central at six border crossings.

In addition, by June 30, 2002, FMCSA plans to place 60 hand held computers at the border to expedite verification of Mexican CDLs. Mexico's CDL information will be uploaded on a weekly basis and stored on the hand held computer. Through a test demonstration, we observed that checking the status of a Mexican CDL using a hand held computer takes less than 10 seconds.

### **FMCSA's Safety Monitoring System for Drivers Is Operational and the System for Carriers Will Be Implemented by July 1, 2002**

*The Act requires the OIG to verify that there is an accessible database maintaining sufficiently comprehensive data to allow for the safety monitoring of*

*all Mexican drivers and motor carriers that apply for long-haul authority and that measures are in place to enable U.S. law enforcement authorities to ensure the effective enforcement and monitoring of license revocation and licensing procedures of Mexican motor carriers.*

This provision is intended to ensure that safety data for long-haul drivers and long-haul carriers are monitored, and that when appropriate, FMCSA takes action, such as revoking a Mexican driver's U.S. driving privileges or a Mexican carrier's authority to operate in the United States. To implement these provisions, FMCSA developed a monitoring system for Mexican drivers and is developing a monitoring system for Mexican carriers to enable law enforcement officials to effectively enforce driver and carrier licensing requirements.

### ***FMCSA's Safety Monitoring System for Mexican Commercial Drivers***

FMCSA's contractor established a system called the 52<sup>nd</sup> State to provide FMCSA the capability to track, monitor, and withdraw U.S. driving privileges of Mexican commercial drivers. Currently, there are 51 jurisdictions in the United States that remove driving privileges of U.S. commercial drivers: the 50 States and the District of Columbia. FMCSA's 52<sup>nd</sup> State will create a driver history and record traffic convictions received from the 51 U.S. jurisdictions and simultaneously transmit the convictions to Mexico's CDL database.

The 52<sup>nd</sup> State is programmed to flag a driver history when a recorded conviction breaches U.S. disqualifying violations such as driving under the influence. If the conviction is a disqualifying violation in the United States, the system will print a notification letter from FMCSA to the driver, documenting the disqualification and withdrawing U.S. driving privileges. The letter will be sent by first class U.S. mail to the driver and the Mexican licensing authority. Exhibit E presents the U.S. disqualifying violations and the associated penalties.

Law enforcement officials can verify whether a Mexican CDL has had U.S. driving privileges withdrawn. When U.S. law enforcement officials verify the status of a Mexican CDL using the driver's license number, the query automatically passes through FMCSA's Gateway to Mexico's CDL database. Before the query is passed to Mexico's CDL database, the 52<sup>nd</sup> State is reviewed, and if the driver record shows that U.S. driving privileges have been withdrawn, a "disqualified" status will be immediately reported to the officer. Further, the system will report all of the driver's U.S. convictions.

We tested the operation of the 52<sup>nd</sup> State by creating a "test driver" with multiple convictions transmitted from U.S. jurisdictions. The convictions included U.S. disqualifying violations. We found that Federal and State inspectors, and

mobile units that could electronically verify CDLs, received the correct status—“disqualified”—as well as all of the driver’s U.S. convictions.

### *FMCSA’s Safety Monitoring System for Mexican Carriers and the Licensing Procedures*

FMCSA officials told us that they have plans to have an automated safety monitoring system for Mexican carriers fully operational by July 1, 2002. FMCSA has designed a computer program to extract safety violation data on Mexican carriers from its Motor Carrier Management Information System. FMCSA is currently developing an automated process for (1) identifying carriers requiring a compliance review or letter of corrective action; (2) generating corrective action letters to send to the carrier; (3) notifying the appropriate field office that a compliance review or corrective action is required; and (4) creating a carrier history of violations and corrective actions taken.

The data will come from roadside inspections conducted by Federal and State inspectors across the United States and hazardous incidents reports maintained by DOT’s Research and Special Programs Administration. These data sources should be sufficiently comprehensive to allow FMCSA to monitor the safety of the carriers.

An 18-month monitoring program of a Mexican long-haul carrier begins when the long-haul carrier receives a U.S. DOT number and provisional authority to operate in the United States as a result of passing a safety exam. Further, before being granted permanent operating authority, the carrier must undergo a compliance review and receive a satisfactory rating within 18 months of receiving provisional operating authority.

A safety violation will trigger either a compliance review or an “expedited action letter” requiring the carrier to take corrective action. During the 18-month monitoring period, FMCSA plans to monitor the following seven carrier violations.

- Using drivers not possessing, or operating without, a valid CDL.
- Operating vehicles that have been placed out of service for Commercial Vehicle Safety Alliance violations without making required repairs.
- Using a driver who tests positive for drugs or alcohol or who refuses to submit to required tests for controlled substances or alcohol.
- Operating a motor vehicle within the United States that is not adequately insured.
- Having a driver or vehicle out-of-service rate of at least 50 percent based on three inspections within a 90-day period.

- Having, due to carrier act or omission, a hazardous materials incident within the United States involving a highway route controlled quantity of certain hazardous materials.
- Having, due to carrier act or omission, two or more hazardous materials incidents within the United States.

All of the safety violations, except the hazardous materials incidents, will be extracted from FMCSA's Motor Carrier Management Information System. FMCSA officials told us that they would manually receive hazardous materials incident data from the Research and Special Programs Administration's database. FMCSA's hazardous materials staff will determine if the hazardous materials incident is a safety violation as defined in the Code of Federal Regulations. FMCSA's Motor Carrier Management Information system does not contain hazardous materials incidents; therefore, by July 1, 2002, FMCSA plans to create a new table in its L&I database to record hazardous materials safety violations.

FMCSA plans to conduct a monthly search of its Motor Carrier Management Information System and L&I database for any of the above seven violations. The computer program is to generate a report of carriers committing one or more of the violations, as well as listing the violation committed. If a violation is listed and the carrier has not yet had a compliance review, the Management Information Team will notify FMCSA's Office of Enforcement and Compliance and the appropriate division office that the carrier must immediately receive a compliance review.

If a carrier receives a "conditional" rating following a compliance review, FMCSA will not suspend the carrier's operating authority if it presents evidence that corrective action has been taken. If the carrier receives an "unsatisfactory" rating, FMCSA will notify the carrier that its registration will be suspended effective 15 days from the notice date, unless the carrier demonstrates that the compliance review contains a material error.

A carrier found to have a violation after undergoing a compliance review and receiving a satisfactory rating will receive an "expedited action letter." The letter will identify the violation and direct the carrier to submit a written response indicating that corrective action was taken. If a carrier fails to send a written response within 30 days demonstrating the violation was corrected, FMCSA will suspend the carrier's provisional operating authority.

### ***Measures to Ensure Inspectors Monitor and Enforce U.S. Operating Authority***

The Act requires the OIG to verify that measures are in place to enable U.S. law enforcement authorities to ensure the effective enforcement and monitoring of license revocation of Mexican motor carriers. Only two States—Arizona and

California—have enacted legislation authorizing their enforcement personnel to take action when they encounter a vehicle operating without authority. The other States' enforcement personnel do not enforce operating authority. However, enforcement personnel in all States perform safety inspections of commercial vehicles and drivers operating on the Nation's highways. States are authorized to remove drivers and vehicles from service for serious safety violations, such as operating without a valid CDL or operating a vehicle with defective brakes. Operating without valid operating authority is currently not considered a safety violation. In 1999, we reported that at least 52 Mexican motor carriers operated improperly in 20 States beyond the 4 border States. Roadside inspection data throughout the United States show this has continued.

In March 2000, FMCSA issued a rule requiring States to enforce operating authority requirements as a participating qualification under the Motor Carrier Safety Assistance Program. If it is not implemented, FMCSA can withhold funding beginning with the FY 2004 program. The States have until the end of fiscal year 2003 to enact legislation, but the importance of the other States enacting such legislation needs to be reinforced by the Department and Congress. In order to provide a mechanism to enforce operating authority in the absence of State laws, FMCSA issued a policy memorandum in November 2001, encouraging the States to contact FMCSA if State inspectors encountered a commercial vehicle operating without authority.

The Act subjects long-haul vehicles entering the United States at the U.S.-Mexico border to a Level 1 inspection at least every 90 days, which will include verification of operating authority if performed by U.S. inspectors. However, the Act does not require periodic inspections for carriers authorized to operate only in the commercial zones. If these carriers do not have authority to operate within the zones, or have commercial zone authority but continue *beyond* the zones, States other than California and Arizona do not have authority to put them out of service.

If Congress and the Department want to accelerate the ability of the States to enforce operating authority, there may be several ways to accomplish this. One option might be a Federal law conditioning States' receipt of Federal funding on the enactment of State laws to enforce operating authority. Alternatively, the Department could include operating authority violations among the safety criteria for placing vehicles out of service. States are already authorized to place vehicles out-of-service for safety violations, but operating authority is currently not considered a safety violation.

## **RECOMMENDATIONS**

We recommend that the Secretary direct the FMCSA Administrator to:

1. Provide weekly status reports on the plans and actions required to complete the eight provisions of the Act, along with estimated milestone dates and any obstacles expected or encountered. Specifically, the status report should include the following:
  - a. Training of Federal inspectors and auditors.
  - b. Hiring and training of Federal investigators and administrative personnel.
  - c. Hiring and training of State border inspectors.
  - d. Completing facility improvements and securing adequate inspection space.
  - e. Providing Federal and State inspectors at the border crossing and mobile enforcement units adjacent to the border access to Mexico and U.S. databases.
  - f. Enforcing Federal operating authority requirements.
  - g. Implementing the safety monitoring system for Mexican carriers.
2. Provide periodic reports that reevaluate overall resource requirements for the U.S.-Mexico border, including level of inspection staff and facility requirements at each border crossing based on actual and projected vehicle crossings for long-haul and commercial zone traffic.

## **ACTION REQUIRED**

We appreciate your comments on the draft of this report that we provided for your review and have included your response as an Appendix to this report. We would appreciate receiving your full written comments on this memorandum within 30 calendar days. If you concur with the results and recommendations, please indicate the specific actions taken or planned and the target dates for the actions. If you do not concur, please provide an explanation of your position. We welcome any alternative courses of action that could resolve the issues.

We appreciate the courtesies and cooperation of the FMCSA, State and Mexican representatives during this audit. If you have any questions concerning this report, please call me at (202) 366-1959 or my Deputy, Todd J. Zinser, at (202) 366-6767.

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## **EXHIBIT A. ACTIVITIES VISITED OR CONTACTED**

### **UNITED STATES DEPARTMENT OF TRANSPORTATION**

Office of the Secretary, Washington, DC

### **FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION**

#### *Headquarters, Washington, DC*

Office of the Administrator

Office of the Assistant Administrator/Chief Safety Officer

#### Administration

Office of Budget, Finance, and Management Services

Office of Human Resources

#### Research, Technology, and Information Management

Office of Data Analysis and Information Systems

#### Policy and Program Development

Office of Policy, Plans and Regulations

#### Enforcement and Program Delivery

Office of Enforcement and Compliance

Office of Motor Carrier Safety Programs

#### *State FMCSA Division Offices*

Phoenix, Arizona

Sacramento, California

Albuquerque, New Mexico

Austin, Texas

Transborder Office, Otay Mesa, California

#### *FMCSA Training Offices*

National Training Center, Arlington, Virginia

FMCSA Inspector Training Program at the Hallmark Institute, San Antonio, Texas



## **STATE OFFICES**

### *Arizona*

Department of Public Safety, Commercial Vehicle Enforcement Bureau, Phoenix  
 Department of Transportation, Motor Vehicle Division, Phoenix

### *California*

Department of Transportation, Division of Traffic Operations, Sacramento  
 Highway Patrol, Sacramento  
 San Onofre Weigh Station, San Onofre

### *New Mexico*

Department of Public Safety, Motor Transportation Division, Santa Fe  
 General Services Department, Santa Fe

### *Texas*

Department of Public Safety, Traffic Law Enforcement Division, Commercial Vehicle,  
 Enforcement, Austin  
 Department of Transportation, Motor Carrier Division, Austin  
 Department of Transportation, Vehicle Licensing Division, Austin  
 Department of Transportation, Office of Border Trade Transportation, Fort Worth

## **U.S. CUSTOMS SERVICE**

### *Headquarters, Washington, DC*

Inspection and Evaluation Group  
 Office of Field Operations  
 Office of Information Technology

### *Arizona*

Douglas Port of Entry, Douglas  
 Lukeville Port of Entry, Lukeville  
 Naco Port of Entry, Naco  
 Nogales Port of Entry, Nogales  
 San Luis Port of Entry, San Luis  
 Sasabe Port of Entry, Sasabe

### *California*

Southern California Customs Management Center, San Diego

## **Exhibit A. Activities Visited or Contacted**

Andrade Port of Entry, Winterhaven  
 Calexico Port of Entry, Calexico  
 Otay Mesa Port of Entry, Otay Mesa  
 San Ysidro Port of Entry, San Ysidro  
 Tecate Port of Entry, Tecate

### *New Mexico*

Columbus Port of Entry, Columbus  
 Santa Teresa Port of Entry, Santa Teresa

### *Texas*

Customs Management Center, South Texas  
 Columbia Bridge Port of Entry, Laredo  
 Del Rio Bridge Port of Entry, Del Rio  
 Eagle Pass Port of Entry, Eagle Pass  
 El Paso Bridge of the Americas (BOTA) Port of Entry-El Paso  
 El Paso Port of Entry, Passenger and Bus Crossing, El Paso  
 El Paso Ysleta Port of Entry- El Paso  
 Fabens Port of Entry, Fabens  
 Hildago Port of Entry, Passenger and Bus Crossing, Hildago  
 Los Indios Port of Entry, Brownsville  
 Roma-Falcon Port of Entry, Falcon  
 Pharr Port of Entry, Pharr  
 Presidio Port of Entry, Presidio  
 Progreso Port of Entry, Progreso  
 Rio Grande City Port of Entry, Rio Grande City  
 Roma Port of Entry, Roma  
 World Trade Bridge (WTB) Port of Entry, Laredo  
 Veterans Bridge Port of Entry, Brownsville  
 Veterans Bridge Port of Entry, Passenger and Bus Crossing, Brownsville

## **GENERAL SERVICES ADMINISTRATION**

General Services Administration, Border Stations Center, Ft. Worth, TX  
 General Services Administration, McAllen Field Office, McAllen, TX

**MEXICO**

Secretariat of Communications and Transportation

General Directorship for Federal Transportation, Mexico City

General Directorship for Federal Transportation Metropolitan Center, Mexico City

General Directorship for Federal Transportation Field Office, Puebla

Federal Highway Police, Mexico City

ATOSA De C.V., Tlalnepantia

Auto Convoy Mexicano S.A. de C.V., Puebla

**NON-GOVERNMENT**

Center for Transportation Research, University of Texas, Austin, TX

City of Laredo, Laredo, TX

TML Information Services, Forest Hills, NY

University of Texas at San Antonio, College of Engineering, San Antonio, TX

## **EXHIBIT B. AUDIT SCOPE, METHODOLOGY AND PRIOR AUDIT COVERAGE**

### **SCOPE AND METHODOLOGY**

We verified staffing, facility improvements, electronic access, and other actions taken by FMCSA and the States to comply with requirements established by the 2002 DOT Appropriations Act at 25 commercial cargo crossings along the U.S.-Mexico border. We also conducted work at two additional crossings in Texas where commercial volume is not sufficient to merit full-time inspection coverage or dedicated inspection facilities. At these two crossings, we verified whether inspectors from the U.S. Customs Service were aware of the appropriate procedures to detain Mexican long-haul commercial vehicles and notify Federal or State safety inspectors.

To evaluate whether inspector positions have been filled and inspectors have been trained, we obtained biweekly lists of personnel selected to fill new positions, the scheduled service entry dates, and assigned training academies, where applicable. We compared these lists to official personnel records obtained to confirm employment status and service entry dates. We verified duty station, service entry dates, and training status during visits to the border crossings between February and June 2002. We also monitored training progress by obtaining schedules for each class, names of inspectors or auditors assigned to each, and the names of personnel successfully completing each class. We reviewed documentation from all four border States and discussed plans with State personnel to determine the number, schedule, and status of hiring and training State inspectors funded by the Act. We were unable to evaluate whether FMCSA transferred experienced inspectors from other parts of the United States to conduct compliance reviews, because FMCSA has not yet hired investigators to conduct compliance reviews.

To assess whether FMCSA implemented a policy ensuring that Mexican carriers seeking operating authority beyond commercial zones comply with U.S. hours-of-service rules, we reviewed FMCSA's policy, and relevant hours-of-service regulations. However, we could not verify that the hours-of-service policy is being implemented for Mexican long-haul carriers because FMCSA has not yet granted authority for carriers to operate beyond the commercial zones. We also analyzed inspection data from the Motor Carrier Management Information System to determine Mexican driver out-of-service violations at the border and the commercial zones in FYs 2001 and 2002.

To evaluate whether the information infrastructure of the Mexican government is sufficiently accurate, we validated the accuracy of the information entered into Mexico's CDL database, Licencia Federal Information System (LIFIS), and its vehicle registration database by reviewing and tracing selected automated records of CDLs and vehicle permits to source documents. We checked the records to ensure that data, such as names and addresses were entered correctly. We also met with officials from Mexico's Department of Transportation vehicle and commercial driver's license and management information systems offices to discuss the administrative and information systems procedures for issuing and processing CDLs and vehicle permits. Further, we analyzed Mexican regulations and procedures regarding the licensing of drivers, vehicles, and carriers.

We conducted tests at 25 commercial border crossings and with 17 mobile enforcement units operating along the U.S.-Mexico border to determine whether the U.S. law enforcement authorities could electronically verify the status and validity of Mexican CDLs, vehicle license plates, operating authority and insurance. We did not select mobile units for review but asked the State law enforcement authorities to have one mobile unit that operates adjacent to the border meet us at the crossing. Some mobile units cover several nearby crossings, so we limited our tests to one per crossing or zone. In addition, we reviewed mobile units at San Onofre, California and Gila Bend, Arizona because they were stationed near the crossing we were visiting. We determined whether the following three databases could be accessed: (1) Mexico's LIFIS (MX LIFIS) to verify the status of a CDL, (2) Mexico's vehicle registration database to check the license plates of a Mexican commercial vehicle, and (3) FMCSA's L&I database to verify that a Mexican carrier had authority to operate in the United States and had valid insurance. For the test transactions, we verified that accurate responses were received such as "driver is not found in MX LIFIS" where appropriate.

To evaluate whether adequate capacity exists at each U.S.-Mexico border crossing to conduct a sufficient number of commercial vehicle safety inspections and to accommodate vehicles placed out-of-service, we reviewed and analyzed FMCSA staffing and budget requests, contracts with GSA to procure space and make improvements, and occupancy agreements signed with the U.S. Customs Service to secure space at Federal border facilities. We interviewed GSA officials, Customs officials and inspectors at the Ports of Entry, and FMCSA officials to document the feasibility of the improvement plans and the schedules for implementing them.

We also made several visits to each commercial border crossing to verify that inspection facilities were being constructed or modified as planned. We determined whether FMCSA's criteria for defining "adequate capacity" were

## **Exhibit B. Audit Scope, Methodology and Prior Audit Coverage**

reasonable based on several factors including (1) number of inspectors assigned to each crossing, (2) current traffic volume, and (3) available space at each crossing for inspection, out-of-service, and office space. An accurate determination of adequacy will depend on additional data that will not be available until the border is open to long-haul traffic. These data include the number of carriers applying for long-haul authority, the number of trucks operated by each long-haul carrier, and when and where these trucks cross into the United States.

To evaluate whether an accessible database exists containing sufficiently comprehensive data to allow safety monitoring of Mexican long-haul carriers and drivers, we interviewed FMCSA officials and FMCSA's contractors. We reviewed FMCSA's rule on the safety monitoring system for Mexican commercial vehicles. We also reviewed and provided comments on FMCSA's draft safety monitoring system operating procedures. We were unable to verify that the monitoring system for motor carriers was accessible and contained comprehensive data, because the system was not fully operational at the time of our review. However, FMCSA provided us with documentation regarding the data that will be monitored and the monitoring process.

To evaluate the safety monitoring system for Mexican drivers, we tested the operation of the 52<sup>nd</sup> State—a system to provide FMCSA the capability to track, monitor and withdraw U.S. driving privileges of Mexican commercial drivers. FMCSA's contractor created a "test driver" with multiple convictions transmitted from U.S. jurisdictions. The convictions included U.S. disqualifying offenses. At each border crossing, we tested whether inspectors could access the Mexican commercial driver's database and get the correct license status for the test driver—"disqualified." We also obtained and reviewed the written procedures for monitoring and withdrawing U.S. driving privileges of Mexican commercial drivers, and we visited FMCSA's contractor to observe implementation of these procedures.

To evaluate whether measures are in place to enable U.S. law enforcement authorities to ensure the effective enforcement and monitoring of license revocation and licensing procedures of Mexican motor carriers, we reviewed and analyzed relevant FMCSA regulations, policies and procedures. In addition, we interviewed FMCSA and State officials regarding measures taken to enforce operating authority violations. Further, we could not verify FMCSA plans which included completion dates beyond June 20, 2002. However, we will verify completion and implementation of those plans during our follow-up review.

The audit was conducted from January 25, 2002 through June 20, 2002 in accordance with Government Auditing Standards prescribed by the Comptroller

## **Exhibit B. Audit Scope, Methodology and Prior Audit Coverage**

General of the United States and included tests of internal controls as we considered necessary. We did not assess the general and application controls for each of the information systems. However, we performed sufficient tests of all data we relied on, and in our opinion, the results in this report are valid based on these tests and other available information.

## **PRIOR AUDIT COVERAGE**

### **Reviews by the Office of Inspector General**

Motor Carrier Safety at the U.S.-Mexico Border, Report Number MH-2001-096, September 21, 2001. We recommended that FMCSA strengthen safety controls at the border in the following areas: staffing, safety reviews and inspections, enforcement, facilities, rulemakings and outreach.

Status of Implementing the North American Free Trade Agreement's Cross-Border Trucking Provisions, Report Number MH-2001-059, May 8, 2001. We found that (1) the percentage of Mexican trucks removed from service because of serious safety violations declined from 44 percent in FY 1997 to 36 percent in FY 2000; (2) FMSCA increased the authorized number of inspectors at the southern border from 13 in FY 1998 to 60 in FY 2001, and requested 80 additional enforcement personnel in its FY 2002 budget request; and (3) there had been few needed improvements to inspection facilities used by Federal and State commercial vehicle inspectors at border crossings.

Mexico-Domiciled Motor Carriers, Report Number TR-2000-013, November 4, 1999. We found that Mexico-domiciled motor carriers were operating improperly in the United States and violating U.S. statutes either by not obtaining operating authority or by operating beyond the scope of their authority.

Motor Carrier Safety Program for Commercial Trucks at U.S. Borders, Report Number TR-1999-034, December 28, 1998. We found that the actions in preparation for opening the U.S.-Mexico border to Mexican long-haul trucks did not provide reasonable assurance in the near term that trucks entering the United States will comply with U.S. safety regulations. With the exception of California, neither the Federal Highway Administration nor the States' plans provided for an adequate presence of inspectors at border crossings for trucks currently operating in the commercial zone.

## **Review by the General Accounting Office (GAO)**

North American Free Trade Agreement: Coordinated Operational Plan Needed to Ensure Mexican Trucks' Compliance with U.S. Standards, Report Number GAO-02-238, December 21, 2001. GAO found that the Department of Transportation did not have a fully developed or approved operational plan in conjunction with border States to ensure that Mexican-domiciled carriers comply with U.S. safety standards.



## EXHIBIT C. STATE INSPECTION FACILITIES

In 2001, the only two full-time border inspection facilities were owned and operated by the State of California. California funded the construction of the facilities in Otay Mesa and Calexico, which are often referred to as the “model” facilities. Following California’s lead, Arizona, New Mexico, and Texas have all begun to pursue their own efforts to increase their border inspection activities. The 2002 DOT Appropriations Act provided \$66 million in funds to assist States improve border inspection facilities along the border. Of this amount, \$12 million was earmarked for and subsequently provided to Texas. All four States submitted applications for the remaining \$54 million in funds, which were distributed by FHWA on June 7, 2002. The Figure identifies the amounts requested and received by each State for improvements to State border inspection facilities.

**Figure: Requests for \$54 Million Provided in 2002 DOT Appropriations Act for State Infrastructure and Facilities**

STATE	AMOUNT REQUESTED	AMOUNT AWARDED
California	\$98.5 million	\$8.9 million
Arizona	\$2.38 million	\$2.1 million
New Mexico	\$2.23 million	\$2.2 million
Texas	\$54 million	\$40.8 million

### PROPOSED INFRASTRUCTURE OR FACILITY IMPROVEMENTS

#### *California*

California requested \$98.5 million in funds to construct new facilities at the Tecate and Andrade crossings, to improve existing facilities at Otay Mesa and Calexico, to build a six-lane highway to Otay Mesa, and to make other road improvements in the San Diego area. Tecate and Andrade, California each requested \$16 million to construct a new full Commercial Vehicle Enforcement Facility (CVEF). California requested additional funds for improvements at Calexico (\$2 million) and Otay Mesa (\$2.9 million) to add additional weigh and inspection lanes, inspection bays, out-of-service vehicle parking spaces, computers to check driver licenses, and software to make Weigh-in-Motion and pre-pass systems operational.

FHWA awarded a total of \$8.9 million to California to be used for the following purposes:

- \$2 million—new CVEF at Tecate,
- \$2 million—new CVEF at Andrade,
- \$2.86 million—improvements to existing CVEF at Otay Mesa, and
- \$2.01 million—improvements to existing CVEF at Calexico.

### *Arizona*

Arizona requested a total of \$2.38 million and received \$2.09 million to initiate or complete three infrastructure projects at inspection facilities in Arizona.

In 1997, the Arizona Department of Transportation purchased 10 acres of land in Nogales to build a State inspection facility. The land was developed and paved by March 2002, and Arizona plans to begin construction of the inspection building by 2003. This facility has been funded with a combination of Federal and State funds. Arizona requested \$487,150 to install elevators and data communications, to extend a security wall, to cover parking, and to purchase electric carts for the State facility at Nogales. Arizona was granted \$194,150 of this amount.

Arizona requested and received \$900,000 to build an external access way to the Nogales facility. The Arizona Department of Transportation also requested and received \$995,000 to build a Strategic Weigh and Inspection Facility on eight acres north of the Douglas commercial vehicle crossing to align with the new truck route being constructed by the City of Douglas.

### *New Mexico*

New Mexico is constructing a permanent State inspection facility at Santa Teresa, the larger of the two commercial vehicle crossings in New Mexico. Columbus, the other crossing, receives too few trucks to merit a permanent facility. New Mexico will need an estimated \$2.76 million to complete construction of the facility at Santa Teresa, of which New Mexico requested \$2.23 million from FMCSA. The project is planned to accommodate four simultaneous vehicle inspections. New Mexico's request was fully funded.

### *Texas*

Since 1999, the Texas Department of Transportation (TxDOT), under direction from the Texas Legislature, guidance from the Texas Governor's Office, and in close coordination with the Texas Department of Public Safety and related Federal and State Agencies, has led the effort to develop and implement a comprehensive

Border Safety Inspection Facility Program for the State. TxDOT identified eight crossings—Bridge of the Americas and Ysleta in El Paso, Eagle Pass, Columbia and World Trade Bridge in Laredo, Pharr, Los Indios, and Brownsville-Veterans Bridge—where it intended to build permanent safety inspection facilities. Funding was provided by the State to develop a prototype for a model facility, perform a site selection survey, and begin the environmental review process.

Texas received an earmarked appropriation of \$12 million in the DOT Appropriations Act to fund construction of border inspection facilities. Texas is using \$3.2 million (plus a 20 percent State match of \$800,000) for the construction of temporary facilities at each of the eight crossings. Each temporary facility will cost an estimated \$500,000.

The remaining funds (\$8.8 million) will be used (plus a 20 percent State match) to fund engineering activities for the development of the permanent facilities, which will be built on approximately 15 acres of land and will cost an estimated \$12.5 million per facility. TxDOT expects the permanent facilities to be complete by 2004. Texas requested the entire \$54 million made available for State border infrastructure projects in the 2002 DOT Appropriations Act to fund construction of these facilities. The State was awarded \$40.8 million in border infrastructure program funds.

TxDOT projects that the crossings at Pharr, Ysleta, Veterans Bridge and Los Indios should have temporary facilities completed by “early July” 2002; and at Eagle Pass, construction of the temporary facility could be expected to be complete “by August” 2002. Completion of the Laredo-Columbia facility is anticipated by “late summer,” while disagreements concerning the placement of the facility at Laredo-World Trade Bridge could postpone construction of that temporary facility “indefinitely.”

**Opposition by City of Laredo.** The City of Laredo prefers to have a State border inspection facility 28 miles inland to process all long-haul traffic entering through the two Laredo ports-World Trade Bridge and Columbia. The City believes that locating inspection facilities adjacent to the border will result in excessive congestion and pollution. The City’s position is that the City Police Department, which has seven CVSA-trained officers, can adequately address the safety and inspection needs of the short-haul or drayage traffic that currently accounts for the preponderance of traffic through the Laredo ports.

Both the FMCSA and Texas Department of Transportation have expressed opinions that safety needs will be best met by placing the facilities as close to the border as possible. Concerns have been raised by both agencies that long-haul trucks could evade inspection points, and that short-haul traffic may not receive adequate attention by the City’s limited enforcement resources. To ensure that evasion does not occur and that the requirements established in the 2002 DOT

#### **Exhibit C. State Inspection Facilities**

Appropriations Act are met, FMCSA will maintain a full inspection presence at the current Customs compounds at both Columbia and World Trade Bridge.

## EXHIBIT D. ACCESS TO MEXICAN AND U.S. DATABASES BY FEDERAL AND STATE BORDER FACILITIES AND MOBILE ENFORCEMENT UNITS

U.S.-MEXICO BORDER FACILITY AS OF JUNE 20, 2002					
Facility Location		MEXICO		U.S.	
		Access to LIFIS and Vehicle Registration Databases to verify:		Access to Licensing and Insurance Database to verify:	
		Commercial Driver's License	Vehicle License Plates	Operating Authority	Insurance
<b>Arizona</b>					
1.	Douglas	Y	Y	Y	Y
2.	Lukeville	N	N	N	N
3.	Naco	N	N	N	N
4.	Nogales	Y	Y	Y	Y
5.	San Luis	Y	Y	Y	Y
6.	Sasabe	N	N	N	N
<b>California</b>					
7.	Andrade	N/A	N/A	N/A	N/A
8.	Calexico	Y	Y	Y	Y
9.	Otay Mesa	Y	Y	Y	Y
10.	Tecate	N/A	N/A	N/A	N/A
<b>New Mexico</b>					
11.	Santa Teresa	Y	Y	Y	Y
12.	Columbus	N	N	N	N
<b>Texas</b>					
13.	Del Rio	Y	Y	Y	Y
14.	Eagle Pass	Y	Y	Y	Y
15.	El Paso, BOTA	Y	Y	Y	Y
16.	El Paso, Ysleta	Y	Y	Y	Y
17.	Laredo-Columbia	Y	Y	Y	Y
18.	Laredo-WTB	Y	Y	Y	Y
19.	Los Indios	Y	Y	Y	Y
20.	Pharr	Y	Y	Y	Y
21.	Presidio	Y	Y	Y	Y
22.	Progreso	Y	Y	Y	Y
23.	Rio Grande City	Y	Y	Y	Y
24.	Roma	Y	Y	Y	Y
25.	Veterans Bridge	Y	Y	Y	Y

N/A indicates that inspectors were not yet onboard at the time of our visit. Therefore, we consider these locations as not having access to the databases.

<b>MOBILE ENFORCEMENT UNITS AS OF MAY 16, 2002</b>					
<b>Mobile Enforcement Unit Location</b>		<b>MEXICO</b>		<b>U.S.</b>	
		<b>Access to LIFIS and Vehicle Registration Databases to verify:</b>		<b>Access to Licensing and Insurance Database to verify:</b>	
		<b>Commercial Driver's License</b>	<b>Vehicle License Plates</b>	<b>Operating Authority</b>	<b>Insurance</b>
<b>Arizona</b>					
1.	Gila Bend	Y	N	N	N
2.	Naco	Y	N	N	N
3.	Nogales	Y	N	N	N
4.	San Luis	Y	N	N	N
<b>California</b>					
5.	San Onofre	Y	N	Y	Y
<b>New Mexico</b>					
6.	Columbus	Y	N	N	N
7.	Santa Teresa	Y	N	N	N
<b>Texas</b>					
8.	Del Rio	Y	N	N	N
9.	Eagle Pass	Y	N	N	N
10.	El Paso, BOTA	Y	N	N	N
11.	El Paso, Ysleta	Y	N	N	N
12.	Laredo-Columbia	Y	N	N	N
13.	Los Indios	Y	N	N	N
14.	Pharr	Y	N	N	N
15.	Presidio	Y	N	N	N
16.	Rio Grande City	Y	N	N	N
17.	Veterans Bridge	Y	N	N	N

**Exhibit D. Access to Mexican and U.S. Databases by Federal and State Border Facilities and Mobile Enforcement Units**

## EXHIBIT E. FEDERAL DISQUALIFYING VIOLATIONS

Under November 1999 Federal regulations, States must take action to disqualify commercial drivers for specific time periods after a driver commits certain violations *while driving a CMV*. Some violations require disqualification after a single conviction and other violations require more than a single conviction before a disqualification is imposed. The specific violations and the penalties are detailed in Title 49, Code of Federal Regulations, Part 383 and are summarized in the two tables that follow.

<b>Table 1. Violations Requiring Disqualification After a Single Conviction</b>			
<b>Violation</b>	<b>First Offense Penalty</b>	<b>Second Offense Penalty</b>	<b>Third Offense Penalty</b>
Driving a CMV under the influence of alcohol – blood alcohol content of 0.04 percent	1 year disqualification if no hazardous material involved 3 years if hazardous material involved	Life disqualification (eligible for reinstatement after 10 years*)	Life disqualification (not eligible for reinstatement)
Driving a CMV under the influence of a controlled substance	1 year disqualification if no hazardous material involved 3 years if hazardous material involved	Life disqualification (eligible for reinstatement after 10 years*)	Life disqualification (not eligible for reinstatement)
Leaving the scene of an accident involving a CMV	1 year disqualification if no hazardous material involved 3 years if hazardous material involved	Life disqualification (eligible for reinstatement after 10 years*)	Life disqualification (not eligible for reinstatement)
Committing a felony while in a CMV but not involving manufacturing, distributing, or dispensing a controlled substance	1 year disqualification if no hazardous material involved 3 years if hazardous material involved	Life disqualification (eligible for reinstatement after 10 years*)	Life disqualification (not eligible for reinstatement)
Committing a felony while in a CMV involving manufacturing, distributing, or dispensing a controlled substance	Life disqualification (not eligible for reinstatement)	Not applicable	Not applicable
Violating an out-of-service order	90-day minimum disqualification	1 to 5 years disqualification in any 10-year period	3 to 5 years disqualification in any 10-year period
Violating any of six railroad crossing rules (Rule went into effect October 4, 1999)	60-day disqualification	120-day disqualification (if offense within 3 years of first offense)	1-year disqualification (if offense within 3 years of first offense).

\*Reinstatement requires successful completion of an appropriate rehabilitation program that meets the standards set by the State-licensing department.

### Exhibit E. Federal Disqualifying Violations

<b>Table 2. Violations Requiring More Than a Single Conviction Before a Disqualification Is Imposed</b>			
<b>Violation</b>	<b>First Offense</b>	<b>Second Offense Within a 3-Year Period*</b>	<b>Third Offense Within 3 Years of First Offense*</b>
Excessive speeding	Recorded	60-day disqualification	120-day disqualification
Reckless driving	Recorded	60-day disqualification	120-day disqualification
Improper or erratic lane change	Recorded	60-day disqualification	120-day disqualification
Following too closely	Recorded	60-day disqualification	120-day disqualification
Violation in connection with a fatal accident	Recorded	60-day disqualification	120-day disqualification

\*Multiple offenses may be a combination of different violations.



## EXHIBIT F. MAJOR CONTRIBUTORS TO THIS REPORT

### THE FOLLOWING INDIVIDUALS CONTRIBUTED TO THIS REPORT

<u>Name</u>	<u>Title</u>
Barbara Cobble	Program Director
Madeline Chulumovich	Project Manager
Leila Kahn	Project Manager
Larry Herdzina	Senior Analyst
William Obinger	Senior Auditor
John Weiss	Senior Auditor
Gary Alvino	Analyst
Sara Ancona	Analyst
Sharleda Davis	Auditor
Katya Mischenko	Analyst
Calvin Moore	Auditor
Chris Smith	Auditor
Jeff Wilson	Analyst

## APPENDIX. DEPARTMENTAL COMMENTS



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

JUN 24 2002

The Honorable Kenneth M. Mead  
Inspector General  
U.S. Department of Transportation  
400 7<sup>th</sup> Street, SW  
Washington, DC 20590

*Ken:*  
Dear Inspector General Mead:

I want to thank you and your staff for a thorough and comprehensive report on the implementation of Section 350 of the FY 2002 Transportation and Related Agencies Appropriations Act. The report recognizes the excellent progress made by the Federal Motor Carrier Safety Administration (FMCSA) and the border States in establishing a robust regime of education, inspection and enforcement of U.S. safety regulations for Mexican-domiciled motor carriers operating in the United States. Equally as important, the report makes useful suggestions for the completion and enhancement of that safety regime.

The President is committed to fulfilling our Nation's obligations under the North American Free Trade agreement to open the border to international transportation by Mexican-domiciled motor carriers. The Administration is equally committed to guaranteeing that this obligation is met safely and in full compliance with all statutory requirements. We still have some more work to do, but I fully expect that this summer will be in a position to certify to the President that the border can be opened.

Thank you for the opportunity to comment on this important report.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Norman Y. Mineta".

Norman Y. Mineta