

Statement of Chairman Hollings

Full Committee Hearing on Cross Border Trucking and Bus Operations

July 18, 2001

We are here today to discuss the safety concerns associated with cross border trucking. I would like to start out by saying that while we are taking issue with the conditions of Mexican trucks, the U.S. out-of-service rates for truck safety violations averages 24% -- that is nothing to be proud of. Essentially 1 in 4 U.S. trucks inspected by safety enforcement officers is put out-of-service for safety violations. The record for U.S. truck safety should be improved and I look forward to hearing from the Department of Transportation (DOT), Commercial Vehicle Safety Alliance and American Trucking Associations on how we can improve those vehicle and driver out-of-service figures.

In FY 2000, 426,000 out of 560,000 motor carriers in the U.S. were operating without a safety rating because they have not been subjected to a compliance review. Of those subjected to reviews, 2% or 9,900 had unsatisfactory ratings. While I want to commend the efforts of the Federal and State inspectors for the job that they do, we need to make sure that there are enough motor carrier safety officers and adequate inspection facilities to step up the pace on safety both at the U.S. border and within the U.S.

Two years ago this Committee held a number of hearings on motor carrier safety and how to improve it. In 1999, I worked with Senator McCain to craft legislation which created the Federal Motor Carrier Safety Administration within the Department of Transportation and we relied on the recommendations made by Mr. Mineta when then-Secretary Slater tasked him to perform an independent review of truck and bus safety. One of the major criticisms of the DOT when the new modal administration -- dedicated to motor carrier safety -- was created was the lack of focus and leadership on the subject of motor carrier safety. My experience to date is that neither of the Administrations charged with putting in place an Administrator, have placed a high priority on motor carrier safety. Since its creation in January 2000, the Federal Motor Carrier Safety Administration (FMCSA) has not had an Administrator. While, one of my former counsels, Mr. Clyde Hart, was tapped to take a leave of absence from the Maritime Administration for a short period last year to serve as the Acting Deputy Administrator, the Motor Carrier Safety Administration has never had a full-time, permanent "leader". I would hope that the issue of nominating an Administrator to oversee the implementation of these important new regulations pertaining to Mexican motor carriers would take priority as the Administration makes every effort to move ahead with its plans to open the border.

When Congress passed the Motor Carrier Safety Improvement Act of 1999 (MCSIA), we sought to improve safety and increase enforcement. Section 210 required FMCSA to establish new

entrant requirements for all motor carriers, foreign and domestic. DOT chose to move ahead with the requirements for new Mexican motor carriers, but in the last year and a half has not addressed the U.S. new entrant requirement in MCSIA. The new entrant provision in MCSIA would apply to nearly four times as many motor carriers in the U.S. as are expected to apply from Mexico. These new entrants should be a priority for the Administration as well.

In addition, FMCSA has not addressed several enforcement provisions from MCSIA which would have a direct impact on Mexican motor carriers operating without or beyond their authority. Section 205 would give the States authority to place vehicles out of service if they were found operating without authority or beyond the scope of authority granted. Section 219 provided for stiff fines and disqualification sanctions for Mexican motor carriers operating beyond their authority in the U.S.. Section 219 has not been implemented and the authority for enforcement will expire when the cross-border trucking provisions are implemented.

According to the DOT IG, in FY 2000, 56 Mexican carriers were found operating without authorization in 25 states outside of the 4 border states, while these were only the carriers that were caught in roadside inspections, how many others were not discovered operating beyond their authority? Even those that were caught were not subjected to the fines, sanctions or being placed out of service as Congress envisioned because FMCSA and the DOT have not acted on the legislation approved in 1999. I would hope that the Secretary could shed some light on why these provisions have not yet been implemented.

The fact that state inspectors have found Mexican motor carriers operating beyond the four border states when they are only permitted to legally operate in the border commercial zones gives me little confidence in the likelihood that all laws and regulations will be observed once the U.S.-Mexican border is opened. The percent of vehicles that are randomly inspected is not high enough to have a deterrent effect or guarantee that a vehicle operating beyond the scope of his operating authority will be caught. The fact that these vehicles were found operating in 25 states beyond the border zone tells me that the risk to them was worth taking -- what risks can we expect of when the border is opened and Mexican trucks are given access to the entire U.S.?

It is unclear to me if or how our cabotage laws will be enforced. It has been stated that most of the estimated 63,000 Mexican trucks operating in the commercial zones around the border are short-haul or drayage vehicles. However, the IG reports in his testimony that almost a third of the vehicles inspected at the border were from states in the interior of Mexico. Once the border opens, these trucks will likely be interested in moving their load to its final destination in the U.S.. I believe that there should be some mechanism to differentiate between the trucks with limited authority authorized only to operate in the border zones and the trucks that will be given authority to operate anywhere in the U.S.

I also have serious concerns about the ability of the Immigration and Naturalization Service or U.S. Customs Service to police illegal movements of Mexican trucks and buses within the interior of the United States. While we have agreed to allow Mexican trucks to perform international movements to

and from the U.S., I remain concerned about the jobs of U.S. truckers if the entrance into the U.S. market is abused under the banner of NAFTA. Given that the average wage earned by a Mexican trucker in one day is equal to what a U.S. trucker makes in one hour, there is clearly a cost inducement for utilizing a Mexican truck to move goods – we need to make sure that the implementation of this provision of NAFTA does not come at the cost of additional U.S. jobs. I have been contacted by a number of truckers in South Carolina and the Owner-Operator Independent Drivers Association has filed written comments for the Hearing Record opposing the opening of the border to Mexican trucks which may not meet the same safety standards required of U.S. trucks and motor carriers.

Finally, I would like to address the reason why we are here today – SAFETY. It is this Committee's responsibility to address safety on our nations roads and highways. Anything that might have a negative impact on safety ought to be addressed in a immediate and responsive way by the Congress and the Department of Transportation. The admittance of Mexican-domiciled motor carriers will change the landscape of our highways and we need to be prepared to integrate them into our system safely and without any additional dangers to the motoring public.

There are many issues that should be addressed prior to allowing Mexican motor carriers to operate anywhere in the U.S. There are concerns about both the drivers and the vehicles which will be traveling into the U.S. from Mexico given the average out-of-service rate at the border for Mexican trucks of 36%. I understand that the U.S. and Mexico are working to address safety concerns, however working on these issues is not enough – the work needs to be completed before these trucks enter the U.S. Driver training programs need to be completed, databases need to be populated with commercial driver's licenses, registration and insurance information, vehicles need to be inspected, weighed and in some cases emissions need to be tested – these are all things that are done in the U.S. by our drivers and our trucking companies and should be done by Mexican motor carriers if they are going to operate in the U.S.. To hold our companies to these standards and then allow Mexican companies to operate in the U.S. without first meeting these safety requirements would be unfair to our citizens and businesses.

First, the abilities of the driver need to be considered. Because Mexican truck drivers have a commercial driver's license issued in Mexico does not mean that they are prepared to drive in the U.S. The U.S. highway system is unique -- are they prepared to negotiate some of our more complicated interstate interchanges? Weather conditions in the U.S. will likely be different than those in Mexico, how are they prepared to deal with snow and ice in an 18-wheeler? What is being done to guarantee that the drivers are prepared and properly trained for driving in the U.S. which may pose different challenges than driving in Mexico?

Second, the safety of the vehicle needs to be considered. While many of the vehicles in Mexico are manufactured by the same companies that produce the vehicles used in the U.S., the average age of the trucks in Mexico is generally older and the vehicles are not maintained as well. In 1992, 73 percent of the Mexican truck fleet was over 10 years old and the average truck in Mexico was 13 years old. In addition, Mexican motor carriers use high-sulfur content diesel fuel, which can damage engines and increase maintenance costs. By way of contrast, in 1994, the average age of

medium and heavy U.S. trucks was estimated at 7 years and the average U.S. operation spent approximately one-third of the estimated total operating cost of 31 cents per mile on maintenance. While many factors make it difficult for Mexican carriers to modernize their fleets, including high interest rates, limited capital and government restrictions on equipment imports -- it is important to recognize that there are differences between the vehicles in the two countries which will manifest themselves as safety problems if proper inspections of the vehicles are not performed on a regular basis.

Third, heavy vehicles, and the differences between the weights allowed in the U.S. and Mexico, deserve our attention. Although Mexico has reduced the gross weight maximum for trucks from 77.5 tons to 66.5 metric tons or 135,660 pounds, their weight limits are still higher than current Canadian or U.S. standards. U.S. vehicles are limited to 80,000 pounds or 36.3 metric tons on the Interstate Highway System. One fully loaded U.S. 18-wheeler does the same amount of damage to the highway as 9,600 cars. As you might expect, the damage is increased exponentially when the truck is overweight. These differences highlight the need for scales or weigh-in-motion technology at the U.S. border. The damage done to the highways from heavy trucks is incredibly expensive, we ought to make sure that it is limited to the appropriate U.S. levels.

There is widespread support for substantially increasing federal funds to better address the safety challenges posed by NAFTA implementation. Senator Murray put together a good package in the FY 2002 Appropriations Bill, including \$103 million for border safety activities. The funding provided in the Senate bill increased the Administration's request by \$15 million and will allow the U.S. DOT to begin implementing many needed safety measures at the border.

Finally, it is clear that we need to increase the number of inspectors at the border and establish permanent facilities to perform inspections. It is almost unbelievable that out of the 27 border crossings, only 2 have permanent inspection facilities. If the average out of service rate for Mexican trucks at some of the Texas border crossings is in the 40% to 50% range and the inspections conducted are only cursory in nature due to the lack of available inspection facilities, I am seriously concerned about the trucks that are not being inspected. We know that we do not have adequate resources to perform inspections -- California which is generally recognized as the best measure of safety enforcement at the border, can inspect only 2% of the vehicles crossing the border. The effectiveness of these strategies, however, will be largely dependent upon the vitality and vigor of the actions of state motor carrier safety officers and federal safety specialists. I believe that they have their work cut out for them.

I look forward to hearing from all of our witnesses today about this important issue. Thank you all for your time and for agreeing to appear before the Committee today.