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AMERICAN BUS ASSOCIATION

May 18, 2001

The Honorable Julie Anna Cirillo
Acting Deputy Administrator/Chief Safety Officer
Federal Motor Carrier Safety Administration
United States Department of Transportation
400 Seventh Street, SW, Room 3103
Washington, DC 20590

Dear Administrator Cirillo:

FMCSA - 97-3297 - 19
FMCSA - 98-3298 - 15
FMCSA - 98-3299 - 14

This is to notify you of the American Bus Association's concerns related to recent proposed rules regarding implementation of the NAFTA border opening for trucks and buses. ABA and its members support free but fair and equitable trade with our neighbors in Canada and Mexico. We are, therefore, eager to work with you as you set about preparing for the historic opening of the U.S.-Mexico border for crossborder transportation services.

FMCSA recently published proposed rules for the entry and safety regulation of Mexican companies providing international and domestic passenger motor carrier service in the United States. ABA is concerned that the proposed rules for Mexican-controlled companies providing domestic passenger motor carrier service in the United States are not adequate to ensure passenger safety.

The proposed rules would establish stringent requirements and oversight for the applications and operations of Mexican companies providing international property and passenger service between Mexico and the U.S. However, the proposal would not apply those requirements and oversight to *Mexican-owned* companies seeking to provide domestic point-to-point passenger service in the U.S.

It seemed clear to ABA that in the discussions following the dispute resolution process with Mexico, DOT appropriately gained agreement with Mexico that the U.S. would be able to apply a heightened level of scrutiny and enforcement measures toward Mexican companies wishing to operate in the United States – regardless of whether they were based in Mexico or in the United States. However, the proposed rules only direct that scrutiny toward companies based in Mexico failing to address Mexican-owned companies based in the United States.



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We believe the rules and oversight for Mexican-owned companies providing domestic U.S. service should be at least as stringent as the rules for Mexican companies providing international service. Furthermore, the existence of the lax domestic standards means that Mexican passenger carriers could bypass the more stringent international standards by getting domestic U.S. authority through a subsidiary and combining it with international authority from Mexico.

We hope that this loophole will be closed in the final rules. Perhaps the most expeditious way to close this loophole would be through an expedited rulemaking that puts in place the 18-month facility audit for new entrants to the U.S. market as required by the Motor Carrier Safety Improvement Act. That way the audit would be a requirement for all new entrants regardless of their ownership. We would be glad to discuss this with you further.

Thank you for your attention to this matter.

Sincerely yours,

A handwritten signature in cursive script that reads "Peter J. Pantuso". The signature is written in black ink and is positioned above the typed name.

Peter J. Pantuso
President & CEO