

STATEMENT OF SENATOR JOHN McCAIN
RANKING REPUBLICAN, SENATE COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION
FULL COMMITTEE HEARING
ON IMPLEMENTATION OF NAFTA'S CROSS BORDER PROVISIONS
July 18, 2001

- C I want to thank Chairman Hollings for holding this morning's hearing. I had scheduled this hearing when I was Chairman, not so long ago, and greatly appreciate Chairman Hollings for keeping with that schedule. I know many members of this Committee, including myself, are extremely interested in this issue.
- Some will be approaching today's hearing from a trade perspective. Others, will be taking a truck safety perspective. I will be approaching it from both. I firmly believe that we must abide by all of our obligations under NAFTA. I believe we must implement the cross border provisions and can do so while carrying out a strong and balanced safety enforcement agenda.
 - While Chairman Hollings and I may hold differing views on NAFTA as it relates to trade, we have worked closely over the years in an effort to promote motor carrier safety -- one of our Committee's top priorities.
 - For example, we worked on a bipartisan basis to help craft the safety provisions included in TEA-21. We also joined together in sponsoring legislation to create the Federal Motor Carrier Safety Administration, working to ensure the critical issue of motor carrier safety was not overlooked within the Department. The work of the DOT-IG, Ken Mead, and his staff, was critical to this legislative initiative designed to improve truck and bus safety and help make our highways safer. And the continued work by the IG in monitoring the work of the new Safety Agency remains key to our Committee's oversight efforts.
 - In my judgement, we must continue to address motor carrier safety across the board and on a nondiscriminatory basis. I will remain a strong advocate of highway safety, and will do so as an equally enthusiastic advocate of free trade.
 - Let me say from the outset that I strongly support the President's plan to implement the cross border provisions under NAFTA. Since the Clinton Administration's last minute announcement to prevent cross border operations in the four border states in December 1995, I have consistently and repeatedly prodded the Administration to let us know what was needed from the Congress -- what resources were necessary -- in order for us to comply with our legal obligations under the trade agreement and to address any legitimate safety issues, as safety concerns were the Administration's publicly stated rationale for the delay. Of course, my efforts landed largely on deaf ears because the former Administration simply did not intend to open the border. Its goal was simply to appease special interests. Period.

- On February 6th, the former Administration's blanket refusal to implement the cross border provisions was determined by a dispute Panel to be in violation of NAFTA. In response to that finding, President Bush announced the United States would open the border and would do so by the end of the year.
- I applaud the President for understanding the necessity of abiding by our trade agreement and also for proposing additional resources to ensure adequate safety enforcement is carried out at the same time. If we do not comply with NAFTA, the Mexican Government holds full authority to impose harsh sanctions on our exports into their country.
- In fact, Mexico could impose sanctions immediately, but has demonstrated a willingness to allow the United States additional time in order to finalize rules that will ensure full compliance with our federal laws and regulations and be reasonably sure of the safety of the Mexican trucks that will be operating in the U.S. after the border is opened.
- Unfortunately, the House has taken action as part of its Fiscal Year (FY) 2002 DOT Appropriations bill to prevent the President from abiding by the NAFTA agreement. It adopted an amendment to prohibit the federal approval of any Mexican carriers to operate in this country. This is wrong. It is in direct violation of NAFTA. It is discriminatory. And, it must not prevail.
- Last week, the Senate Appropriations Committee approved its version of the DOT appropriations bill, which could be brought before the full Senate at any time. The Appropriations bill provides significant funding to enable the Department of Transportation to hire more inspectors and to build more inspection facilities at the southern border and I commend the Committee for this action. I have concerns, however, over a number of requirements included in the bill that if enacted without modifications, could effectively prevent the opening of the border indefinitely.
- I strongly support balanced transportation safety initiatives and stand ready to work with my colleagues to strengthen our safety enforcement regime uniformly. But I cannot support provisions that place unnecessary requirements on Mexican operators that are not required of Canadian or American operators. I am also concerned that while some of the provisions are well intended, they could be improved upon to ensure the most efficient use of resources. Above all, I cannot support provisions designed to simply prevent the opening of the border and maintain delay under the guise of safety.
- Given the DOT Appropriations Bill could be on the floor as soon as today, I will be very eager to hear Secretary Mineta's views regarding the pending bill's provisions. I urge this Committee to consider the Secretary's views carefully as we head to floor action. I am also very interested to hearing the views of the DOT Inspector General and the rest of the panelists.

- I pledge to do all I can to ensure the scare tactics of the special interests do not prevail. I will fight to ensure the border is opened by the end of this year, and done so in a safe and balanced manner.

