



**U.S. Department
of Transportation**

**Federal Motor Carrier
Safety Administration**

**1200 New Jersey Ave, S.E.
Washington, D.C. 20590**

January 8, 2026

Via Electronic Mail and USPS

The Honorable Josh Stein
Governor of North Carolina
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

Paul Tine, Commissioner
North Carolina Department of Transportation
Division of Motor Vehicles
3101 Mail Service Center
Raleigh, NC 27699-3101

Dear Governor Stein and Commissioner Tine:

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA or Agency) is required by statute to ensure that all States comply with the commercial driver's license (CDL) regulations.¹ In August 2025, FMCSA initiated an Annual Program Review (APR) of the North Carolina Department of Transportation, Division of Motor Vehicles (DMV) CDL program in accordance with 49 U.S.C. § 31311 and 49 CFR § 384.307. During the 2025 APR, FMCSA obtained evidence of policy and procedural errors in North Carolina's issuance of non-domiciled commercial learner's permits (CLPs) and CDLs—that is, CLPs and CDLs issued to drivers who are not domiciled within North Carolina. In this regard, FMCSA found that DMV issued non-domiciled CDLs that extend beyond the expiration of drivers' lawful presence in the United States, issued non-domiciled CDLs to citizens of Mexico not present in the United States under the Deferred Action for Childhood Arrivals program, and issued non-domiciled CDLs without providing evidence that it verified the driver's lawful presence in the United States under the standards set forth in 49 CFR Part 383. Therefore, in accordance with 49 CFR § 384.307(b), this letter constitutes FMCSA's preliminary determination that North Carolina has failed to meet the requirement for substantial compliance with the standards for issuing non-domiciled CLPs and CDLs. North Carolina must take immediate corrective action, as set forth in section IV below, to address the deficiencies identified in this letter. The State's failure to do so may result in FMCSA initiating the withholding of certain Federal-aid highway funds and decertifying the State's CDL program.

¹ 49 U.S.C. § 31311; *see also* 49 CFR Part 384, Subparts B and C.

I. Background

The Commercial Motor Vehicle Safety Act of 1986,² as amended, established performance standards with which State CDL programs must comply to avoid having amounts withheld from Highway Trust Fund apportionment under 49 U.S.C. § 31314 and to avoid CDL program decertification under 49 U.S.C. § 31312.³ In this regard, States are required to be in substantial compliance with the requirements of 49 U.S.C. § 31311(a) and its implementing regulations in 49 CFR Part 383 and Part 384, Subpart B. Under 49 CFR § 384.301(a), to be in substantial compliance with 49 U.S.C. § 31311(a), a State must meet each and every standard of Part 384, Subpart B by means of “the demonstrable combined effect of its statutes, regulations, administrative procedures and practices, organizational structures, internal control mechanisms, resource assignments (facilities, equipment, and personnel), and enforcement practices.”

As part of its oversight, FMCSA conducts comprehensive APRs of State CDL programs, in accordance with 49 CFR § 384.307, to verify that States are in substantial compliance. During an APR, FMCSA evaluates all aspects of the State’s CDL program, including knowledge and skills testing procedures, CDL issuance processes, procedures to report convictions and withdrawals, compliance with FMCSA’s physical qualification and Drug and Alcohol Clearinghouse programs, issuance of non-domiciled CDLs, and other areas.

At the conclusion of the APR, if FMCSA makes a preliminary determination that a State does not meet one or more of the minimum standards for substantial compliance under Part 384, Subpart B, FMCSA will notify the State accordingly.⁴ As explained more fully in section V below, the State will have 30 calendar days to respond to the preliminary determination explaining the State’s corrective action or, alternatively, why FMCSA’s preliminary determination is incorrect.⁵ If FMCSA makes a final determination of substantial noncompliance, FMCSA may initiate the withholding of certain Federal-aid highway funds and may decertify the State’s CDL Program.⁶

As part of the 2025 comprehensive APRs, FMCSA conducted an in-depth review of State procedures and policies in issuing non-domiciled CLPs and CDLs. FMCSA’s focus on State non-domiciled CDL issuance practices during the 2025 APR was consistent with Executive Order 14286, “Enforcing Commonsense Rules of the Road for America’s Truck Drivers.”⁷ The Executive Order directed FMCSA to “review non-domiciled [] CDLs issued by relevant State agencies to identify any unusual patterns or numbers or other irregularities” and “to take appropriate actions to improve the effectiveness of current protocols....”⁸ Accordingly, FMCSA

² 49 U.S.C. § 31301 *et seq.*

³ 49 U.S.C. § 31311(a).

⁴ 49 CFR § 384.307(b). A preliminary determination of noncompliance is also known as a “finding.”

⁵ *Id.* at § 384.307(c).

⁶ 49 U.S.C. §§ 31314(c), 31312; *see also infra* at section VI; 49 CFR § 384.307(d), 49 CFR Part 384, Subpart D.

⁷ 90 Fed. Reg. 18759 (Apr. 28, 2025).

⁸ Executive Order 14286 at 2; 90 Fed. Reg. at 18759–60.

conducted a thorough audit of DMV’s procedures and policies in issuing non-domiciled CLPs and CDLs as part of the 2025 APR.

II. Statutory and Regulatory Requirements for Issuing Non-Domiciled CLPs and CDLs

Under 49 CFR §§ 383.71 and 383.73, States must issue regular CLPs and CDLs to drivers who are U.S. citizens or lawful permanent residents. Under 49 U.S.C. § 31311(a)(12)(B)(ii), States are authorized to issue non-domiciled CDLs, but they must do so in accordance with regulations prescribed by FMCSA. The Agency’s regulations in effect at the time of the 2025 APR⁹ provided that States that issue non-domiciled CLPs and CDLs may only accept as valid proof of lawful presence (i) an unexpired employment authorization document (EAD) issued by the United States Customs and Immigration Service (USCIS) or (ii) an unexpired foreign passport accompanied by an approved I-94 form documenting the driver’s most recent admittance into the United States.¹⁰ In addition, State procedures for issuing, renewing, or upgrading a non-domiciled CLP and CDL must, at a minimum, be identical to those pertaining to any other CLP or CDL.¹¹

Regulations in effect prior to September 29, 2025, required that States accept as valid only *unexpired* lawful presence documents, which also meant that the State must make the period of validity of the non-domiciled CLP or CDL less than or equal to the period of validity of the driver’s lawful presence document(s). In other words, because FMCSA’s regulations considered only unexpired lawful presence documents to be valid, DMV was required to ensure that the non-domiciled CLP or CDL period of validity *did not exceed* the expiration of the driver’s lawful presence documents. Therefore, State driver’s licensing agencies were required to ensure that the validity of non-domiciled CLPs or CDLs did not exceed the expiration date of drivers’ lawful presence documents.

With one exception, States may not issue a non-domiciled CLP or CDL to citizens of Mexico or Canada. In this regard, FMCSA has determined that the Canadian Provinces and Territories issue CDLs in accordance with standards that are consistent with 49 CFR Part 383.¹² Citizens of Canada are authorized to operate a commercial motor vehicle in the United States with a Canadian CDL and, therefore, are prohibited from obtaining a non-domiciled CDL. Similarly, FMCSA has determined that the United Mexican States issues *Licencias Federales de Conductor*

⁹ On September 29, 2025, FMCSA issued an interim final rule (IFR) amending Federal regulations in 49 CFR Parts 383 and 384 applicable to State Driver’s Licensing Agencies’ (SDLAs) issuance of non-domiciled CLPs and CDLs. *See Restoring Integrity to the Issuance of Non-Domiciled Commercial Drivers Licenses*, 90 Fed. Reg. 46509 (Sept. 29, 2025). On November 13, 2025, the U.S. Court of Appeals for the District of Columbia Circuit issued an Order in *Lujan v. FMCSA*, Case No. 25-1215, staying the effective date of the IFR pending court review. Because the transactions at issue occurred prior to publication of the IFR, the regulations cited in this preliminary determination of noncompliance reflect the pre-IFR text of Parts 383 and 384, specifically the 2024 edition of Title 49 of the Code of Federal Regulations, which is currently in effect.

¹⁰ 49 CFR §§ 383.71(f)(2)(i), 383.73(f)(3), 384.201, 384.212.

¹¹ *Id.* at § 383.73(f)(2).

¹² The Canadian Provinces and Territories issue CDLs in conformity with the Canadian National Safety Code. Since December 29, 1988, FMCSA has determined that the Canadian National Safety Code is in accordance with the standards set forth in 49 CFR Part 383. *See* 49 CFR §§ 383.23, fn. 1; 383.71(f)(1); and 383.73(f)(1).

(Mexican CDLs) in accordance with standards that are consistent with 49 CFR Part 383.¹³ Citizens of Mexico are authorized to operate a commercial motor vehicle in the United States with a Mexican CDL and, therefore, are prohibited from obtaining a non-domiciled CDL. FMCSA issued guidance stating that citizens of Mexico who are present in the United States under the Deferred Action for Childhood Arrivals (DACA) program are excepted from the prohibition.¹⁴ States are permitted to issue a non-domiciled CLP or CDL to citizens of Mexico or Canada *only* if they are present in the United States under the DACA program. FMCSA has not identified any other exceptions to this general prohibition.

III. 2025 Annual Program Review

FMCSA initiated North Carolina's 2025 APR in August 2025 in accordance with 49 U.S.C. § 31311 and 49 CFR § 384.307. During the 2025 APR, DMV informed FMCSA that its records reflect that North Carolina has issued 924 non-domiciled CLPs or CDLs that remain unexpired. During the 2025 APR, FMCSA sampled 50 records of drivers that DMV issued a non-domiciled CDL. FMCSA found that 27¹⁵ of the driver records sampled—approximately 54 percent—failed to comply with requirements in 49 CFR Parts 383 and 384.

The 2025 APR uncovered evidence of systemic policy, procedural, and programming errors. As explained in greater detail in section III(a) below, of the driver records sampled, FMCSA found 19 transactions where DMV issued a non-domiciled CDL that exceeded the expiration date of the driver's lawful presence documents. In addition, as set forth in section III(b) below, FMCSA found two transactions where DMV issued non-domiciled CDLs to individuals ineligible for that credential due to their status as a citizen of Mexico not present in the United States under the DACA program. Finally, as section III(c) explains, FMCSA found eight transactions where DMV issued non-domiciled CLPs or CDLs but could not provide any evidence that it verified the drivers' lawful presence with an unexpired EAD or unexpired foreign passport and Form I-94 documenting the driver's most recent admittance into the United States prior to issuance, as required under 49 CFR §§ 383.71(f)(2)(i) and 383.73(f)(3).

During the 2025 APR, DMV was unable to provide evidence of sufficient management controls to prevent these errors or catch them if they occur. Further, DMV has not programmed its systems with sufficient measures to prevent errors from occurring. The errors discovered during the 2025 APR indicate a breakdown in DMV's issuance process for non-domiciled CLPs and CDLs. The transactions illustrating these compliance issues are discussed in greater detail below. FMCSA will provide electronic documentation for each through the State Compliance Records Enterprise (SCORE) system.

¹³ See *id.*

¹⁴ See <https://www.fmcsa.dot.gov/registration/commercial-drivers-license/may-state-drivers-licensing-agency-sdla-issue-non-domiciled>. Though this guidance was rescinded as part of the IFR (90 FR 46509, 46517), it remains in effect due to the Stay Order issued by the U.S. Court of Appeals for the District of Columbia Circuit on November 13, 2025.

¹⁵ Two driver records, GCM and JDM, had two violations each. Each violation is listed separately in sections III(a) and III(b). Accordingly, there are 29 errors, listed in sections III(a)–(c) below, found in 27 driver records.

a. Finding: 49 CFR § 384.212—DMV Issued Non-Domiciled CLPs or CDLs With an Expiration Date That Exceeded the Expiration of the Driver’s Lawful Presence Documents.

During the 2025 APR, FMCSA discovered that 19 of the driver records sampled showed that DMV issued a non-domiciled CDL for a period of validity that exceeded the driver’s lawful presence document(s). The transactions are described below.

1. On March 6, 2025, DMV issued a non-domiciled CDL with an expiration date of May 28, 2030 to a driver with the initials “GCM” who is a citizen of Mexico. At the time the transaction occurred, GCM presented an unexpired EAD credential showing an expiration date of September 12, 2029. However, DMV issued a non-domiciled CDL with an expiration date of May 28, 2030, more than *eight months* after the EAD’s expiration date.¹⁶
2. On February 5, 2025, DMV issued a non-domiciled CDL with an expiration date of November 4, 2029 to a driver with the initials “JDM” who is a citizen of Mexico. At the time the transaction occurred, JDM presented an unexpired EAD credential showing an expiration date of August 4, 2029. However, DMV issued a non-domiciled CDL with an expiration date of November 4, 2029, more than *three months* after the EAD’s expiration date.¹⁷
3. On May 29, 2024, DMV issued a non-domiciled CDL with an expiration date of October 13, 2029, to a driver with the initials “GBM” who is a citizen of El Salvador. At the time the transaction occurred, GBM presented an unexpired EAD credential showing an expiration date of May 1, 2029. DMV provided FMCSA with a copy of a query report from USCIS’s online verification service, Systematic Alien Verification for Entitlements (SAVE),¹⁸ initiated on May 29, 2024. That SAVE report showed an EAD expiration date of March 9, 2025. However, DMV issued a non-domiciled CDL with an expiration date of October 13, 2029, more than *four years* after the EAD’s expiration date.
4. On April 8, 2025, DMV issued a non-domiciled CDL with an expiration date of January 2, 2030 to a driver with the initials “BPRN” who is a citizen of Honduras. At the time of the transaction, BPRN presented an unexpired foreign passport and an unexpired Form I-94 showing an expiration date of July 5, 2025. However, DMV issued a non-domiciled CDL with an expiration date of January 2, 2030, more than *four years* after the EAD’s expiration date.

¹⁶ The driver also appears in section III(b) because they are ineligible for a non-domiciled CDL as a citizen of Mexico not present in the United States under the DACA program.

¹⁷ The driver also appears in section III(b) because they are ineligible for a non-domiciled CDL as a citizen of Mexico not present in the United States under the DACA program.

¹⁸ “SAVE is a service by USCIS that helps Federal, State, and local benefit-issuing agencies, institutions, and licensing agencies determine the immigration status of benefit applicants, so only those entitled to benefits receive them.” U.S. CITIZENSHIP AND IMMIGR. SERVS., *Guide to Understanding SAVE Verification Responses* (April 2022), <https://www.uscis.gov/sites/default/files/document/guides/SAVE-Guide%20to%20Understanding%20SAVE%20Verification%20Responses.pdf>.

5. On May 28, 2024, DMV issued a non-domiciled CDL with an expiration date of April 8, 2029 to a driver with the initials “MAP” who is a citizen of Colombia. At the time the transaction occurred, MAP presented an EAD credential showing an expiration date of January 25, 2025. DMV provided FMCSA with a copy of a SAVE query report initiated on June 8, 2024 that showed indefinite work authorization pursuant to a Withholding of Deportation or Removal Order. However, DMV did not present any evidence that it based the non-domiciled CDL issuance on an unexpired foreign passport and Form I-94. Rather, it appears that MVD based issuance on MAP’s EAD and issued a non-domiciled CDL with an expiration date of April 8, 2029, more than *four years* after the EAD’s expiration date.
6. On June 30, 2025, DMV issued a non-domiciled CDL with an expiration date of April 2, 2026 to a driver with the initials “WABM” who is a citizen of Venezuela. At the time the transaction occurred, WABM presented an expired EAD credential showing an expiration date of March 10, 2024. DMV provided FMCSA with a copy of a SAVE query report, initiated on June 30, 2025, that showed an EAD expiration date of September 10, 2025. However, DMV issued a non-domiciled CDL with an expiration date of April 2, 2026, nearly *seven months* after the EAD’s expiration date.
7. On July 16, 2024, DMV issued a non-domiciled CDL with an expiration date of January 1, 2029 to a driver with the initials “AH” who is a citizen of Afghanistan. At the time the transaction occurred, AH presented an unexpired EAD credential showing an expiration date of February 23, 2025. DMV provided FMCSA with a copy of a SAVE query report, initiated on May 15, 2024, that confirmed the EAD expiration date of February 23, 2025. However, DMV issued a non-domiciled CDL with an expiration date of January 1, 2029, nearly *four years* after the EAD’s expiration date.
8. On December 27, 2024, DMV issued a non-domiciled CDL with an expiration date of December 9, 2029 to a driver with the initials “PS” who is a citizen of Russia. At the time the transaction occurred, PS presented an unexpired EAD credential showing an expiration date of June 18, 2029. DMV provided FMCSA with a copy of a SAVE query report initiated on March 27, 2025 that confirmed the EAD expiration date of June 18, 2029. However, DMV issued a non-domiciled CDL with an expiration date of December 9, 2029, nearly *six months* after the EAD’s expiration date.
9. On August 20, 2025, DMV issued a non-domiciled CDL with an expiration date of January 6, 2030 to a driver with the initials “AP” who is a citizen of Ukraine. At the time the transaction occurred, AP presented an unexpired EAD credential showing an expiration date of October 3, 2025. However, DMV issued a non-domiciled CDL with an expiration date of January 6, 2030, more than *four years* after the EAD’s expiration date.
10. On November 6, 2023, DMV issued a non-domiciled CDL with an expiration date of June 13, 2028 to a driver with the initials “ADCM” who is a citizen of Nicaragua. At the time the transaction occurred, ADCM presented an unexpired EAD credential showing an expiration date of July 24, 2025. DMV provided FMCSA with a copy of a SAVE query report, initiated on November 6, 2023, which confirmed the EAD’s expiration date.

However, DMV issued a non-domiciled CDL with an expiration date of June 13, 2028, nearly *three years* after the EAD's expiration date.

11. On July 29, 2025, DMV issued a non-domiciled CDL with an expiration date of August 8, 2030, to a driver with the initials "SSS" who is a citizen of Senegal. At the time the transaction occurred, SSS's EAD credential showed an expiration date of January 1, 2030. DMV provided FMCSA with a copy of a SAVE query report, initiated on May 6, 2025, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of August 8, 2030, more than *seven months* after the EAD's expiration date.
12. On June 11, 2025, DMV issued a non-domiciled CDL with an expiration date of October 25, 2030, to a driver with the initials "MG" who is a citizen of Russia. At the time the transaction occurred, MG presented an unexpired EAD credential showing an expiration date of June 19, 2025. DMV provided FMCSA with a copy of a SAVE query report, initiated on June 19, 2025, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of October 25, 2030, more than *five years* after the EAD's expiration date.
13. On October 26, 2023, DMV issued a non-domiciled CDL with an expiration date of June 13, 2028 to a driver with the initials "EAH" who is a citizen of Jordan. At the time the transaction occurred, EAH presented an unexpired EAD credential showing an expiration date of April 21, 2024. DMV provided FMCSA with a copy of a SAVE query report, initiated on October 26, 2023, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of June 13, 2028, more than *four years* after the EAD's expiration date.
14. On March 25, 2025, DMV issued a non-domiciled CDL with an expiration date of December 20, 2029 to a driver with the initials "IC" who is a citizen of Moldova. At the time the transaction occurred, IC presented an unexpired EAD credential showing an expiration date of October 3, 2028. DMV provided FMCSA with a copy of a SAVE query report, initiated on March 25, 2025, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of December 20, 2029, more than *one year* after the EAD's expiration date.
15. On March 21, 2025, DMV issued a non-domiciled CDL with an expiration date of December 1, 2030 to a driver with the initials "VZ" who is a citizen of Belarus. At the time the transaction occurred, VZ presented an unexpired EAD credential showing an expiration date of April 30, 2025. DMV provided FMCSA with a copy of a SAVE query report, initiated on March 21, 2025, which showed an EAD expiration date of October 22, 2026. However, DMV issued a non-domiciled CDL with an expiration date of December 1, 2030, more than *four years* after the EAD's expiration date.
16. On December 18, 2024, DMV issued a non-domiciled CDL with an expiration date of October 14, 2029 to a driver with the initials "MVSP" who is a citizen of El Salvador. At the time the transaction occurred, MVSP presented an unexpired EAD credential showing an expiration date of July 11, 2025. DMV provided FMCSA with a copy of a

SAVE query report, initiated on December 18, 2024, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of October 14, 2029, more than *four years* after the EAD's expiration date.

17. On September 3, 2024, DMV issued a non-domiciled CDL with an expiration date of September 17, 2028 to a driver with the initials "SM" who is a citizen of Eritrea. At the time the transaction occurred, SM presented an unexpired EAD credential showing an expiration date of September 10, 2025. However, DMV issued a non-domiciled CDL with an expiration date of September 17, 2028, more than *three years* after the EAD's expiration date.
18. On March 10, 2025, DMV issued a non-domiciled CDL with an expiration date of June 6, 2030 to a driver with the initials "AA" who is a citizen of Russia. At the time the transaction occurred, AA presented an unexpired EAD credential showing an expiration date of March 22, 2029. DMV provided FMCSA with a copy of a SAVE query report, initiated on March 10, 2025, which confirmed the EAD's expiration date. However, DMV issued a non-domiciled CDL with an expiration date of June 6, 2030, more than *one year* after the EAD's expiration date.
19. On August 13, 2024, DMV issued a non-domiciled CDL with an expiration date of November 29, 2029 to a driver with the initials "AH" who is a citizen of Ukraine. At the time the transaction occurred, AH presented an expired EAD credential showing an expiration date of October 19, 2023. DMV provided FMCSA with a copy of a SAVE query report, initiated on March 10, 2025, which showed AH's EAD was set to expire on April 19, 2025. However, DMV issued a non-domiciled CDL with an expiration date of November 29, 2029, more than *four years* after the EAD's expiration date.

b. Finding: 49 CFR § 384.212—DMV Issued Non-Domiciled CLPs or CDLs to Ineligible Citizens of Mexico.

During the 2025 APR, FMCSA discovered that two of the driver records sampled showed that DMV issued a non-domiciled CLP or CDL to a driver who, as a citizen of Mexico not present under the DACA program, was ineligible to receive a non-domiciled CDL. The transactions at issue are set forth below.

1. On March 6, 2025, DMV issued a non-domiciled CDL with an expiration date of May 28, 2030 to a driver with the initials "GCM" who is a citizen of Mexico. At the time the transaction occurred, GCM presented an unexpired EAD credential confirming their Mexican citizenship. However, DMV provided no evidence of DACA status, without which the driver would have been ineligible for a non-domiciled CDL as a citizen of Mexico.
2. On February 5, 2025, DMV issued a non-domiciled CDL with an expiration date of November 4, 2029 to a driver with the initials "JDM" who is a citizen of Mexico. At the time the transaction occurred, JDM presented an unexpired EAD credential confirming their Mexican citizenship. However, DMV provided no evidence of DACA status,

without which the driver would have been ineligible for a non-domiciled CDL as a citizen of Mexico.

c. Finding: 49 CFR § 384.212—DMV Issued Non-Domiciled CLPs or CDLs Without Providing Evidence of Lawful Presence Verification Under the Standards of 49 CFR Part 383.

During the 2025 APR, FMCSA discovered that eight of the driver records sampled showed that DMV issued a non-domiciled CDL or CLP to a driver without providing evidence that, at the time the transaction occurred, it verified the drivers' lawful presence with an unexpired EAD or unexpired foreign passport and Form I-94 documenting the drivers' most recent admittance into the United States. These transactions are described below.

1. On June 25, 2025, DMV issued a non-domiciled CDL with an expiration date of November 24, 2025, to a driver with the initials "JJGV" who is a citizen of El Salvador. At the time the transaction occurred, JJGV presented an expired EAD credential showing an expiration date of June 16, 2025. However, DMV did not provide any evidence that JJGV presented an unexpired foreign passport and Form I-94 or an unexpired EAD, as required under 49 CFR § 383.71(f). In addition, DMV provided FMCSA with a copy of a SAVE query report, initiated on June 25, 2025, that explicitly noted JJGV was not employment authorized due to a pending application. Regardless, DMV issued a non-domiciled CDL with an expiration date of November 24, 2025.
2. On May 19, 2025, DMV issued a non-domiciled CDL with an expiration date of August 24, 2030 to a driver with the initials "MS" who is a citizen of Ukraine. At the time the transaction occurred, MS presented an expired EAD credential showing an expiration date of May 17, 2025, alongside an unexpired foreign passport and expired Form I-94 showing an expiration date of May 17, 2025. However, DMV did not provide any evidence that MS presented an unexpired EAD or Form I-94, as required under 49 CFR § 383.71(f). DMV provided FMCSA with a copy of a SAVE query report, initiated on May 9, 2025, that explicitly noted MS was not employment authorized due to a pending application. Regardless, DMV issued a non-domiciled CDL with an expiration date of August 24, 2030.
3. On August 18, 2025, DMV issued a non-domiciled CDL with an expiration date of May 16, 2030 to a driver with the initials "OS" who is a citizen of Moldova. At the time the transaction occurred, OS presented three documents: 1) an expired EAD credential showing an expiration date of May 24, 2025; 2) an unexpired foreign passport; and 3) an expired Form I-94 showing an expiration date of May 24, 2025. However, DMV did not provide any evidence that OS presented an unexpired Form I-94 or an unexpired EAD, as required under 49 CFR § 383.71(f). Regardless, DMV issued a non-domiciled CDL with an expiration date of May 16, 2030.
4. On November 27, 2023, DMV issued a non-domiciled CDL with an expiration date of August 8, 2028 to a driver with the initials "PJ" who is a citizen of Haiti. At the time the transaction occurred, PJ presented an expired EAD credential showing an expiration date of February 3, 2023. However, DMV did not provide any evidence that PJ presented an

unexpired foreign passport and Form I-94, or an unexpired EAD, as required under 49 CFR § 383.71(f). Regardless, DMV issued a non-domiciled CDL with an expiration date of August 8, 2028.

5. On July 24, 2025, DMV issued a non-domiciled CDL with an expiration date of October 15, 2031 to a driver with the initials “LLV” who is a citizen of Venezuela. At the time the transaction occurred, LLV presented an expired EAD credential showing an expiration date of April 27, 2025. However, DMV did not provide any evidence that LLV presented an unexpired foreign passport and Form I-94, or an unexpired EAD, as required under 49 CFR § 383.71(f). Regardless, DMV issued a non-domiciled CDL with an expiration date of October 15, 2031.
6. On September 25, 2025, DMV issued a non-domiciled CDL with an expiration date of October 10, 2026 to a driver with the initials “RSS” who is a citizen of India. At the time the transaction occurred, RSS presented an expired EAD credential showed an expiration date of June 30, 2025. While, DMV provided a copy of a Form I-94, it did not provide any evidence that RSS presented an unexpired foreign passport to accompany the Form I-94, or an unexpired EAD, as required under 49 CFR § 383.71(f). Regardless, DMV issued a non-domiciled CDL with an expiration date of October 10, 2026, more than *one year* after the EAD’s expiration date.
7. On March 21, 2025, DMV issued a non-domiciled CDL with an expiration date of December 18, 2030 to a driver with the initials “BV” who is a citizen of Ukraine. At the time the transaction occurred, BV presented: 1) an expired EAD credential showing an expiration date of March 20, 2025; 2) an unexpired foreign passport; and 3) an expired Form I-94 showing an expiration date of March 20, 2025. However, DMV did not provide any evidence that BV presented an unexpired Form I-94 or an unexpired EAD, as required under 49 CFR § 383.71(f). DMV provided FMCSA with a copy of a SAVE query report initiated on March 21, 2025 that explicitly noted BV was not employment authorized due to a pending application. Regardless, DMV issued a non-domiciled CDL with an expiration date of December 18, 2030.
8. On March 19, 2024, DMV issued a non-domiciled CDL with an expiration date of August 10, 2028 to a driver with the initials “JLM” who is a citizen of Guatemala. At the time the transaction occurred, JLM presented an expired EAD credential showing an expiration date of April 26, 2023. DMV provided a copy of a SAVE query report confirming AH’s lawful presence and work authorization in the United States, initiated on March 27, 2024. However, the SAVE query report does not cure DMV’s failure to produce evidence that, at the time the transaction occurred, it verified the driver’s lawful presence with an unexpired EAD or unexpired foreign passport and Form I-94 documenting the driver’s most recent admittance into the United States. Regardless, DMV issued a non-domiciled CDL with an expiration date of August 10, 2028.

IV. Required Corrective Action

As noted above, approximately 924 drivers hold an unexpired non-domiciled CLP or CDL issued by DMV. In light of the systemic errors and deficiencies in DMV’s issuance of non-domiciled

CLPs and CDLs uncovered by the 2025 APR, FMCSA determines that North Carolina must take the following actions:

- Immediately pause the issuance of all new, renewed, transferred, amended, corrected, reprinted, or upgraded non-domiciled CLPs and CDLs until FMCSA provides written confirmation that the State's corrective action plan has been accepted and implemented;
- As soon as practicable, identify all unexpired non-domiciled CLPs and CDLs that were not issued in compliance with Parts 383 and 384;
- Conduct an internal audit to identify all procedural and programming errors; training and quality assurance problems; insufficient policies and practices; and other issues that have resulted in the issuance of non-domiciled CLPs and CDLs that did not meet the standards of Parts 383 and 384 (the scope of the audit should not be limited to the issues identified in this letter);
- As part of the internal audit, review all supporting documentation for all new, renewed, transferred, or upgraded non-domiciled CLP and CDL transactions to ensure compliance with Parts 383 and 384;
- Provide FMCSA a copy of the audit findings and the number of unexpired noncompliant non-domiciled CLPs and CDLs;
- Take immediate action to correct the deficiencies identified in the State's internal audit and in this letter;
- Take immediate action to void or rescind all unexpired noncompliant non-domiciled CLPs and CDLs and, after FMCSA provides written confirmation that the State's corrective action plan has been accepted, reissue the licenses in accordance with Parts 383 and 384, in effect at the time of reissuance;
- Resume issuing non-domiciled CLPs and CDLs, including the reissuance of all previously rescinded noncompliant licenses, only after the State has voided or rescinded *all* unexpired noncompliant non-domiciled CLPs and CDLs, and the State ensures that all statutes, regulations, administrative procedures and practices, organizational structures, internal control mechanisms, resources assignments (facilities, equipment, and personnel), and enforcement practices meet each and every standard of Subpart B of Part 384 and 49 U.S.C. § 31311, and FMCSA provides written confirmation that the State's corrective action plan has been accepted and implemented.

V. Responding to this Preliminary Determination

The procedural regulations applicable to this action are found at 49 CFR § 384.307. Within 30 calendar days, the State must respond to this preliminary determination. The State's response must explain what corrective action it either has implemented or intends to implement to correct the deficiencies cited. The required corrective actions are set forth in section IV of this preliminary determination. It is imperative that the corrective action addresses voiding or rescinding all unexpired noncompliant non-domiciled CLPs and CDLs. The State must provide documentation of implemented or planned corrective action, which must be adequate to address the deficiencies cited and be implemented on a schedule mutually agreed upon by FMCSA and the State. Upon request by the State, an informal conference will be provided during this time.

Alternatively, the State's response may explain why FMCSA's preliminary determination is incorrect and may include any additional documentation the State wishes FMCSA to consider.

After reviewing a timely response to the preliminary determination by the State, FMCSA will notify the State of the final determination. In making its final determination, FMCSA will take into consideration the corrective action either implemented or planned to be implemented in accordance with the mutually agreed upon schedule.

VI. Potential Penalties for a Final Determination of Substantial Noncompliance

If FMCSA issues a final determination of substantial noncompliance, the Agency may withhold up to four percent of the National Highway Performance Program and the Surface Transportation Block Grant Program funds beginning in Fiscal Year (FY) 2027 that would otherwise be apportioned to North Carolina under 23 U.S.C. § 104(b)(1) and (2).¹⁹ Accordingly, upon a final determination of substantial noncompliance, North Carolina risks losing up to approximately \$48,750,000 for FY 2027.²⁰ Further, if the substantial noncompliance persists beyond the first fiscal year, FMCSA may withhold up to eight percent of these funds; therefore, North Carolina risks losing up to approximately \$97,500,000 in the second and subsequent FY(s) of noncompliance.²¹ Once funds are withheld following a substantial noncompliance determination, they are no longer available for apportionment to North Carolina.²²

In addition, if FMCSA issues a final determination of substantial noncompliance, the Agency may decertify North Carolina's CDL program. Decertification of North Carolina's CDL program would prohibit the State from issuing, renewing, transferring, or upgrading CLPs and CDLs until such time as FMCSA determines that DMV is in substantial compliance with 49 U.S.C. § 31311 and 49 CFR Part 384, Subpart B.²³

VII. Conclusion

The 2025 APR uncovered 27 non-domiciled CDL issuances sampled by FMCSA that failed to comply with Parts 383 and 384. This is a grossly unacceptable deviation from FMCSA's regulations when issuing credentials to operate commercial motor vehicles. DMV must take immediate corrective action to audit its non-domiciled CDL program, correct the deficiencies that FMCSA identified above, and any deficiencies identified through the State's internal audit, and void or rescind and reissue all non-domiciled CLPs and CDLs that failed to comply with Federal regulations at the time of issuance, renewal, transfer, or upgrade.

North Carolina is an important partner in FMCSA's mission to reduce crashes, injuries and fatalities involving large trucks and buses. However, the State's failure to issue non-domiciled CLPs and CDLs in accordance with Federal regulations jeopardizes these shared safety goals.

¹⁹ 49 U.S.C. § 31314(c)(1); 49 CFR § 384.401(a).

²⁰ FMCSA estimates this amount based on FY 2026 funding levels.

²¹ 49 U.S.C. § 31314(c)(2); 49 CFR § 384.401(b).

²² 49 U.S.C. § 31314(d); 49 CFR § 384.403.

²³ 49 U.S.C. § 31312(a); 49 CFR § 384.405(a).

FMCSA issues this preliminary determination of substantial noncompliance with a clear understanding of the gravity of the findings, but also with the expectation that North Carolina will act expeditiously to achieve substantial compliance. To continue in that spirit of partnership towards our common safety goals, my staff stands ready to assist DMV in resolving these serious issues.

Please note that this letter addresses noncompliance with DMV's issuance of non-domiciled CDLs only. FMCSA will separately address areas of noncompliance unrelated to non-domiciled CDLs. If you or your staff need additional information or assistance, please contact Philip Thomas, Deputy Associate Administrator for Safety, at philip.thomas@dot.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Derek D. Barrs".

Derek D. Barrs
Administrator