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Washington, DC 20548

February 25, 2011

The Honorable Patty Murray
Chairman
The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Tom Latham
Chairman
The Honorable John W. Olver
Ranking Member
Subcommittee on Transportation, Housing
and Urban Development and Related Agencies
Committee on Appropriations
House of Representatives

Subject: Motor Carrier Safety: FMCSA Has Devoted a Small but Increasing Amount of Resources to Develop the Compliance, Safety, Accountability Program but Is Requesting a Significant Increase for Full Implementation

In 2004, the Federal Motor Carrier Safety Administration (FMCSA) began work on its Compliance, Safety, Accountability (CSA) initiative¹ to improve the safety of commercial motor vehicles, such as trucks and buses. FMCSA, whose primary mission is to reduce commercial motor vehicle-related crashes, fatalities and injuries, has made progress on CSA but needs to complete both implementation throughout all states and a Carrier Safety Fitness Determination rulemaking before CSA is fully implemented. CSA represents a different, more data-driven approach to motor carrier safety. Under CSA, which introduces a new system for identifying and responding to carrier safety risks, FMCSA intends to increase the number of carriers it evaluates and reduce crashes involving commercial vehicles.

In light of delays in implementing CSA, Congress is concerned about FMCSA's ability to implement the program and directed GAO to monitor the program's implementation and review

¹The program was originally titled Comprehensive Safety Analysis 2010. FMCSA renamed it Compliance, Safety, Accountability in December 2010.

FMCSA's capacity to meet milestones within its planned cost estimates.² As part of this work, you asked us to provide detailed information on the resources FMCSA has devoted and plans to devote to implementing CSA.³ This report provides information on (1) the amount of actual and proposed funding for FMCSA to develop and implement CSA to date and how the funding has been used, (2) the number of staff FMCSA has employed to develop and implement CSA to date, and (3) the funding and staffing resources FMCSA anticipates it will need to fully implement CSA going forward.

To address these objectives, we reviewed and analyzed information on FMCSA resources used to develop and implement CSA, including information on funding used to develop the methodology to assess motor carrier safety, train FMCSA field staff and state agencies on CSA, conduct outreach, evaluate the CSA pilot tests, and develop software to facilitate investigators' access to carrier information. We also reviewed and analyzed information on the number and duties of FMCSA staff devoted to CSA development and implementation, the President's Budget Request for Fiscal Year 2012, and FMCSA's budget request for fiscal year 2012. We interviewed FMCSA officials to clarify and expand on this information. We conducted our work during February 2011 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this report.

Summary

To date, FMCSA has used a small number of its existing staff, combined with contractors, to implement CSA; however, obligations for CSA have increased, and the agency is requesting significantly more resources for future implementation efforts.

- Much of FMCSA's early obligations used for CSA development were covered by existing budgetary resources. Specifically, obligations for CSA in fiscal year 2007 were \$2.3 million. Obligations increased to \$6.6 million in fiscal year 2008 and, as a result of FMCSA-wide software modernization costs, increased significantly over 2008 levels in 2009 and 2010, to \$11.8 million and \$9.5 million, respectively. FMCSA's budget request for fiscal year 2011 was \$14.3 million.
- In terms of full-time equivalent (FTE) staff, FMCSA used a relatively small number of existing staff to develop CSA to date. At most, 5 of its more than 1,000 FTEs have worked full time to develop and implement CSA since 2006. In addition, FMCSA used up to 40 of its staff on CSA development and implementation on a limited basis. Much of CSA's development, however, has been performed by contractors.
- For 2012, however, FMCSA requested significantly more budgetary and staffing resources to fully implement the program. Specifically, FMCSA is requesting \$78 million and 98 new full-time positions in addition to its existing field staff for fiscal year 2012 to fully implement CSA and integrate it into FMCSA's operations.

²This direction is contained in the Senate Committee Report, S. REP. No. 111-69, at 60 (2009), as approved by the conference committee in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2010, Pub. L. No. 111-117, Division A.

³We are continuing this work and expect to release a full report on FMCSA's progress in implementing CSA later this year.

Background

FMCSA has relied on comprehensive on-site compliance reviews to determine whether motor carriers were operating safely. These reviews assess carriers' compliance with safety regulations through interviews with company officials and reviews of records that pertain, as applicable, to alcohol and drug testing of drivers, insurance coverage, crashes, driver qualifications, the number of hours a driver may work, vehicle maintenance and inspections, and transportation of hazardous materials. While FMCSA believes these to be effective, compliance reviews are resource intensive and allow only a small percentage of the motor carrier industry to be evaluated. Historically, for example, FMCSA and its state partners were able to conduct compliance reviews of about 3 percent of registered motor carriers. As a result, FMCSA was not able to contact the vast majority of registered motor carriers, and most were not assigned a safety rating.

In 2004, FMCSA began to design and develop CSA, a data-driven approach to evaluate safety performance that is not contingent on compliance reviews. Under this approach, FMCSA has developed the Safety Measurement System (SMS)—a computer algorithm that uses safety data inputs to measure the safety performance of carriers and individual drivers⁴ and prompt an expanded set of interventions with carriers such as warning letters and off-site investigations to address safety problems. Through implementation of CSA, FMCSA expects to not only assess a larger portion of the motor carrier industry but also better identify unsafe carriers and drivers; hold carriers and drivers more accountable for sustained performance by regularly determining their safety fitness; and expand the range of interventions to be used with carriers and drivers that fail to comply with safety requirements. Ultimately, FMCSA officials expect this approach to reduce motor carrier crashes, fatalities, and injuries.

FMCSA has begun program implementation but has more tasks to complete before CSA will be fully implemented. In 2008 FMCSA launched an operational-model test (pilot test)⁵ of the initiative in four states and later expanded the pilot to nine states over 30 months through June 2010. The University of Michigan's Transportation Research Institute (UMTRI) is analyzing the results, with its final report due in late summer 2011. FMCSA officials believe that the preliminary pilot-test results have been positive and have helped inform key changes to CSA's design and implementation as issues surfaced.

As part of CSA implementation, FMCSA has made carriers' safety data collected by states publicly available since December 2010. Also, FMCSA has implemented all of its CSA interventions in pilot states and has begun implementing CSA interventions, such as onsite focused compliance investigations, in non-pilot states. According to FMCSA officials, once nationwide training of investigators and inspectors has been accomplished (targeted for summer 2011), other interventions—such as offsite investigations and cooperative safety plans—will be rolled out nationwide as well. FMCSA is seeking to gain new authority to regulate drivers through the next surface transportation reauthorization bill; if it gains this authority, the agency

⁴FMCSA has developed two separate measurement systems—one for carriers and one for drivers—for use under CSA.

⁵FMCSA's operational model testing involved a total of nine states. During Phase 1, four states (Colorado, Georgia, Missouri, and New Jersey) tested CSA, with 50 percent of the carriers in each state being subject to CSA and the other 50 percent of the carriers being a control group subject to SafeSTAT, FMCSA's prior enforcement model. During Phase 2, FMCSA added five states (Delaware, Kansas, Maryland, Minnesota, and Montana) to the testing, with 100 percent of the carriers in each state subject to CSA. For this report, we will refer to the operational-model test as the "pilot test."

plans to make driver safety data public as well.⁶ Finally, according to FMCSA officials, they will not be able to use the SMS scoring system to determine whether carriers are fit and safe to operate until their rulemaking on the Carrier Safety Fitness Determination is completed, most likely in 2012.⁷ Until then, FMCSA will continue to determine whether a carrier is fit to operate and base carrier safety fitness determinations on the outcomes of comprehensive onsite reviews only. According to FMCSA, in order to fully implement CSA, a new Carrier Safety Fitness Determination rulemaking is necessary.

Obligations to Develop CSA Have Generally Increased Since Fiscal Year 2007 to Support Safety Measurement, Software Modernization, and Training, Among Other Things

Obligations for CSA development increased from fiscal year 2007 through fiscal year 2009, and FMCSA requested further funding increases for fiscal year 2011.

- *Fiscal years 2007 through 2008:* According to FMCSA officials, the agency used existing resources in the early stages of developing the program and implementing the pilot. FMCSA's obligations for CSA in fiscal year 2007 were \$2.3 million. This included travel for FMCSA staff involved in developing CSA, outreach efforts, and a contract with the Department of Transportation's John A. Volpe National Transportation Systems Center (Volpe) to develop SMS to measure the safety of motor carriers and drivers and help develop new interventions under CSA and other technical support (see fig. 1). Obligations increased to \$6.6 million in fiscal year 2008 as FMCSA began pilot testing CSA and training its field staff and state partners, and continued outreach efforts and work under the Volpe contract. In addition, under a cooperative agreement with UMTRI, FMCSA awarded a \$250,000 task order to UMTRI to evaluate the results of the pilot tests. UMTRI began this work in January 2008; its final report is due later in 2011.
- *Fiscal years 2009 through 2010:* Obligations increased significantly in fiscal years 2009 and 2010, to \$11.8 and \$9.5 million, respectively. Although obligations for travel and the Volpe contract continued at comparable levels in fiscal years 2009 and 2010, total expenditures increased significantly as FMCSA began its information technology modernization effort, known as Creating Opportunities, Methods, and Processes to Secure Safety (COMPASS) under contract with Science Applications International Corporation (SAIC). FMCSA expects COMPASS, which includes modules specifically related to CSA, to facilitate investigators' ability to access carrier information. FMCSA obligated \$5.6 million and \$4.2 million in fiscal years 2009 and 2010, respectively, for SAIC to develop the CSA segments of this effort.⁸
- *Fiscal year 2011:* FMCSA requested a total of \$14.3 million for fiscal year 2011; however, the Department of Transportation's appropriation has not yet been enacted. Spending has been projected to increase across all categories for 2011 as FMCSA provides training in states that did not participate in the pilot test, fully implements CSA for carriers, and completes regulatory analysis for the Carrier Safety Fitness Determination Rule. FMCSA plans to increase spending on travel and training to \$200,000 and \$250,000, respectively and continue

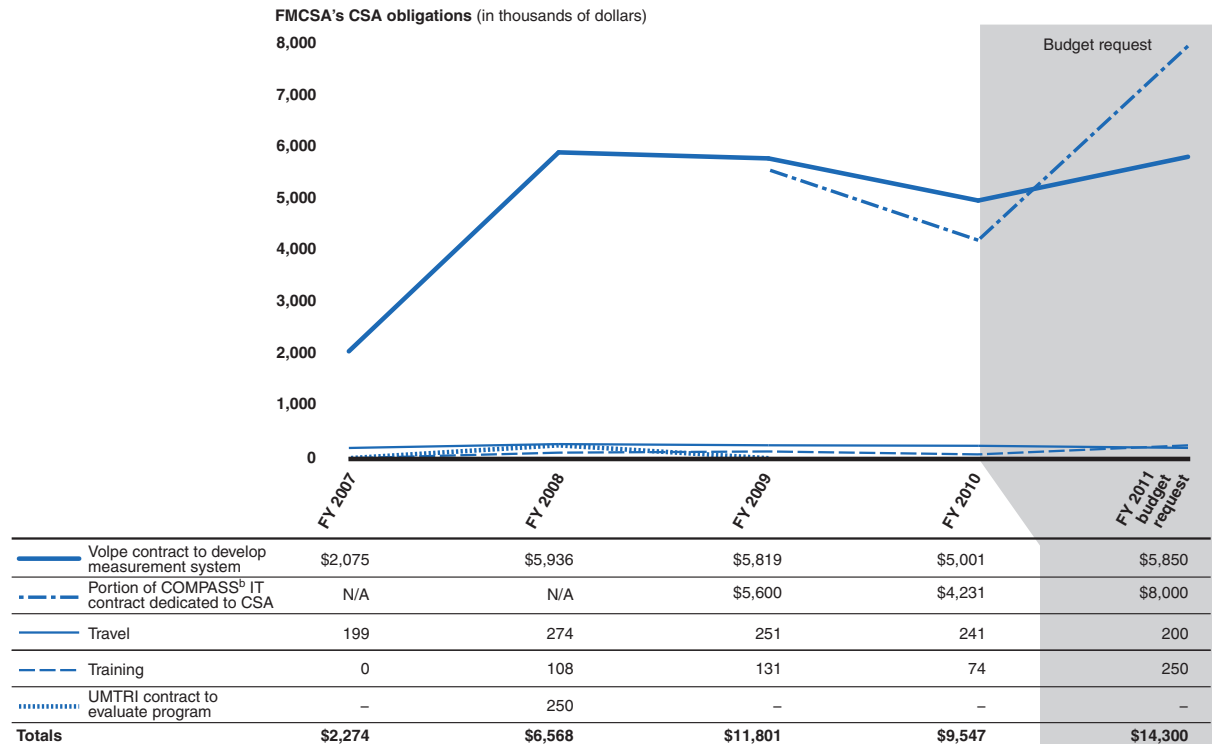
⁶The current authorization expired in 2009 but has been extended several times, the most recent of which will expire on March 4, 2011. Pub. L. No. 111-322, 124 Stat. 3518 (2010).

⁷FMCSA officials expect to issue an NPRM in fall 2011 and finalize the rule in 2012.

⁸ According to FMCSA officials, these amounts represent the amount allocated to the CSA segments of COMPASS. Most of the work to develop COMPASS began in fiscal year 2009, which accounts for the greater allocation in that year.

developing SMS and obtain technical support under the Volpe contract in fiscal year 2011 at a cost of \$5.9 million. FMCSA also plans to increase expenditures to develop COMPASS, including \$8 million on modules specifically related to CSA.

Figure 1: FMCSA's CSA Obligations for Fiscal Years 2007 through 2010 and Budget Request for Fiscal Year 2011^a



Source: FMCSA.

^aThese amounts do not include the cost of FTEs dedicated to the program, which was not available. (See next section for further information on FTEs and other staff devoted to the CSA program.)

^bCOMPASS is an FMCSA-wide information technology program; these figures refer to the amount obligated on the portion dedicated to CSA.

FMCSA Has Used A Small Number of Existing Staff to Develop CSA, Relying on Contractors to Conduct Much of the Work

To date, according to FMCSA officials, the agency has used a relatively small number of its staff resources to work on the CSA project. At most, 5 of its more than 1,000 FTE staff have worked full time to develop and implement CSA since 2006. Beginning in fiscal year 2005, FMCSA dedicated two staff—one from a program office in headquarters and one from the field—to develop CSA. In fiscal year 2007, FMCSA increased the number of CSA-dedicated headquarters staff to three, for a total of four staff dedicated to CSA. In 2009, FMCSA added another field staff member to work on CSA, for a total of five FMCSA FTE staff dedicated to CSA. FMCSA considers these assignments temporary and expects staff to return to their normal duties after it fully deploys CSA.

In addition to the 5 staff with full-time CSA duties, up to 40 FMCSA staff have assisted in developing and implementing CSA on a limited basis.

- Beginning in 2006, 10 FMCSA staff and 2 staff from FMCSA’s state partners—Colorado and Missouri—spent 50 percent of their time developing and implementing CSA. According to FMCSA officials, these staff served as subject matter experts.
- From 2007 through 2009, 12 staff members from various FMCSA program offices participated on the CSA Steering Committee to help develop and implement CSA, facilitate coordination between program offices, and ensure availability of resources and staff. According to FMCSA, this effort took about 5 percent of these staff members’ time.
- Since fiscal year 2009, the number of staff involved in the CSA rollout has increased to about 40 staff members who have participated in teams of technical or subject matter experts to facilitate the CSA pilot test and full implementation of CSA. According to FMCSA, this effort has taken roughly 5 to 15 percent of these staff members’ time.

Much of CSA’s staffing resources have come from contractors. In particular, Volpe conducted much of the work to develop SMS. According to FMCSA, an estimated 19 Volpe staff have provided technical support on an as-needed basis since 2005. In addition, beginning in fiscal year 2009, FMCSA hired contract staff in the pilot test states to assist safety investigators with the CSA interventions. These staff, known as program analysts, were paid under the Volpe contract to handle tasks such as setting up appointments with carriers for on-site investigations, requesting documentation from carriers for off-site investigations, and providing background information on motor carriers to be investigated. FMCSA initially hired one staff in each of the four original pilot states—Colorado, Georgia, Missouri, and New Jersey. In fiscal year 2010, FMCSA hired program analysts for some of the additional pilot states. FMCSA hired one program analyst each for Montana and Kansas, and also hired one program analyst to cover Maryland and Delaware. Minnesota currently does not have a program analyst.

FMCSA Plans to Significantly Increase Resources to Fully Implement CSA

FMCSA’s budget request for fiscal year 2012 proposes \$78 million—much of it for 696 full time positions, including 98 new positions⁹ to fully implement CSA.¹⁰ Specifically, FMCSA officials plan to use the funding and additional staff as follows:

- \$61 million for 696 total full-time positions, including salary and benefits. According to an FMCSA official, these positions represent most of FMCSA’s existing field staff as well as 98 new full-time positions. FMCSA estimates the new positions to cost \$4.7 million. Once CSA is fully implemented in all states, FMCSA expects its interventions and enforcement workload in the field to increase, resulting in the need for additional staff, which primarily will be comprised of safety investigators and program analysts.¹¹ According to FMCSA officials, safety investigators hired in the future will perform duties related to CSA as part of their overall responsibilities, which would include work for other FMCSA programs. Staff in program analyst positions, introduced during the pilots, would assist safety investigators by

⁹According to FMCSA, the 98 full-time positions equate to 49 FTEs because the positions are annualized at a rate of 50 percent since not all personnel will be on board at the beginning of the fiscal year and will instead be added incrementally.

¹⁰FMCSA officials acknowledged that, under the current constrained budgetary environment, the agency may not receive the requested funding, which would result in fewer interventions with carriers.

¹¹Specifically, FMCSA is requesting 30 safety investigators and 51 program analysts as well as 6 intervention managers, 5 investigative assistants, 4 litigation attorneys, 1 enforcement attorney, and 1 adjudication attorney.

performing administrative tasks and allowing safety investigators to focus on the interventions themselves.¹²

- \$15 million for travel, equipment, training, and other expenses to support the 696 full-time positions.
- \$2 million for contracts.

FMCSA's fiscal year 2012 budget request also includes \$261.8 million for a new CSA grant program which is proposed to consolidate activities currently performed and funded under several grant programs.¹³ The CSA grant program would fund activities states and local law enforcement currently perform, such as roadside inspections, interventions, compliance reviews, and targeted enforcement and inspections.

FMCSA also plans to develop the Notice of Proposed Rulemaking (NPRM) for the Carrier Safety Fitness Determination and complete the driver safety measurement system portion of CSA. At present, FMCSA expects to issue the NPRM in fall 2011 and finalize the rule in 2012. FMCSA officials indicated that they will finish developing the driver safety measurement system after completing the rulemaking for the Carrier Safety Fitness Determination and passage of the pending surface transportation reauthorization.

Agency Comments

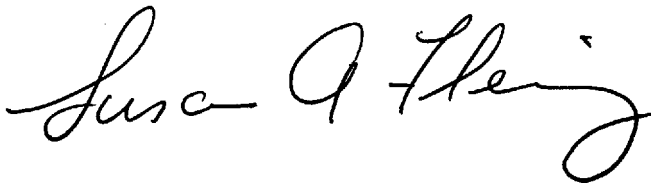
We provided a draft of this correspondence to DOT officials for their review and comment. DOT provided technical clarifications which we incorporated as appropriate.

¹²According to the FMCSA officials we met with in pilot states that have program assistants, this position allowed safety investigators to focus more time on investigations and less time handling these tasks. In contrast, one pilot state we visited had not yet filled the program analyst position, and officials reported that safety investigators spent considerable time following up with carriers that either did not provide requested documents or only provided portions of the requests.

¹³FMCSA's fiscal year 2012 budget request proposes three primary grants programs: CSA, Driver Safety, and Data Technology. The CSA grant includes the current Motor Carrier Safety Assistance Program, New Entrant, Border Enforcement, and the Safety Data Improvement Program. According to FMCSA, consolidating these grant programs will provide flexibility to move funds among the grant programs to meet state and program needs.

We are sending copies of this report to the Secretary of Transportation and the Administrator of FMCSA. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-2834 or flemings@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report were Ed Laughlin, Assistant Director; Lynn Filla-Clark, Analyst-in-Charge; Lauren Calhoun; Elke Kolodinski; Kirsten Lauber; Amy Rosewarne; and Larry Thomas.

A handwritten signature in black ink that reads "Susan Fleming". The signature is written in a cursive style with a large, looping 'S' and 'F'.

Susan Fleming
Director, Physical Infrastructure Issues

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