



U.S. Department
of Transportation
Federal Motor Carrier
Safety Administration

Memorandum

Subject: **INFORMATION:** Fiscal Year 2011
Commercial Vehicle Safety Plan

Date:

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Reply to Attn. of: MC-ESS

To: Field Administrators
Division Administrators
State Program Managers

BACKGROUND

Improving the safety of the Nation's transportation system is a top priority of the U.S. Department of Transportation (USDOT) Secretary LaHood. To meet this priority, the Federal Motor Carrier Safety Administration (FMCSA) established a goal of reducing the rate of large truck- and bus-related fatalities to no more than 0.16 per 100 million vehicle miles traveled (VMT) by 2011 from a baseline rate of 0.184 per 100 million VMT in 2005. Recent figures show that:

- In 2008, the rate of large truck- and bus-related fatalities dropped to 0.152 per 100 million VMT.
- Data from the National Highway Traffic Safety Administration indicates that the large truck- and bus-involved fatality rate on the Nation's roadways declined 12% in 2008 compared to 2007. The number of large truck- and bus-related crash fatalities dropped from 5,116 in 2007 to 4,525 in 2008.

These figures demonstrate solid progress in reducing the large truck- and-bus fatality rate; however, we must continue to focus on innovative commercial motor vehicle (CMV) safety strategies if we are to maintain these impressive results.

The goal of the Motor Carrier Safety Assistance Program (MCSAP) is to reduce CMV-involved crashes, fatalities, and injuries through consistent, uniform, and effective safety programs. Through MCSAP, FMCSA hopes to continue to meet or exceed its safety goals by implementing regulations, policies, and enforcement programs that fit within Administrator Ferro's three key priorities:

- Raising the safety bar to enter the motor carrier industry;
- Maintaining high safety standards to remain in the industry; and
- Removing high-risk carriers, drivers, and service providers from operating.

The FMCSA strives to have everything we do map directly back to these three priorities – whether it’s determining who is qualified to be credentialed, developing roadside enforcement tools for our law enforcement partners, preventing dangerous driver behavior, or examining high-risk carriers and taking action before they engage in unsafe actions. As a result, with the MCSAP State partners as our force multiplier in this equation, FMCSA believes that together we can continue to achieve significant improvements in CMV safety on the road ahead.

PURPOSE

This memorandum provides important information on Agency priorities and program direction for States to follow when preparing their fiscal year (FY) 2011 Commercial Vehicle Safety Plans (CVSP). It is to be shared immediately with State MCSAP partners. This year, the MCSAP planning memo will focus considerable attention on the national roll-out of the Comprehensive Safety Analysis 2010 (CSA 2010) initiative, and its goal to further reduce the number of crashes and associated injuries and fatalities as well as make the most efficient use of FMCSA data and Federal/State CMV safety programs. States must take applicable CSA 2010 impacts into consideration when planning and developing their FY 2011 CVSP. Additionally, we are providing information about several new tools available to the States and enhancements made to MCSAP grant processes to further improve program efficiency and effectiveness.

FY 2011 MCSAP FUNDING LEVELS

The MCSAP funding consists of five categories: basic grants, performance incentive grants, high priority safety grants, new entrant safety audit grants, and State training and administration.

The FMCSA’s *proposed* FY 2011 funding is based on an anticipation appropriation of \$212,070,000; the breakout is as follows:

Basic	\$155,419,125
Incentive	\$10,000,000
High Priority	\$15,000,000
New Entrant	\$29,000,000
Admin Takedown	<u>\$ 2,650,875</u>
	\$212,070,000

Performance Incentive Grants

In FY 2011, FMCSA will award performance incentive funds to States that have shown improvement in any of the five categories in 49 CFR Part 350.327. These performance incentive funds will be provided to States at 80 percent Federal funding.

Attachment 1: Estimated FY 2011 MCSAP Basic and Incentive Funding Distribution provides *estimated* basic and incentive program awards by State, based on statistics used for the FY 2010 awards. This formula will be updated at the time of final distribution, and the FY 2011 CVSP budget must be revised at that time to reflect actual award amounts.

FY 2011 BASIC PROGRAM EMPHASIS AREAS

To ensure maximum operational effectiveness and efficiency, State resource decisions must be based on the highest quality data possible and sound statistical analysis of that data. The FMCSA mission of saving lives and reducing injuries by preventing large truck and bus crashes may require realignment of resources focused on identified, localized problem areas rather than traditional statewide program activities. In addition to supporting the effective and proven traditional activities, the FY 2011 CVSPs must address the following emphasis areas:

CSA 2010 Implementation

CSA 2010 provides the roadmap forward for ensuring that anyone engaged in commercial vehicle operations adheres to and maintains high safety standards. Carriers will be assessed by seven key factors, or Behavioral Analysis and Safety Improvement Categories (BASICs): Unsafe Driving, Fatigued Driving (Hours-of-Service), Driver Fitness, Crash History, Vehicle Maintenance, Improper Loading/Cargo Securement and Controlled Substances/Alcohol. The practice of a “one-size fits all” compliance review model will soon become a thing of the past. The CSA 2010 Program is designed to give State and federal law enforcement personnel the highly-focused safety performance information needed to determine the most appropriate level of intervention. It will include a range of interventions – from warning letters all the way to comprehensive on-site compliance reviews. For additional information, visit: <http://csa2010.fmcsa.dot.gov/>

CSA 2010 is designed to improve the safety performance of existing carriers through a targeted approach to identify and correct problems before a crash happens. In the last two years, through its partnership with the Commercial Vehicle Safety Alliance (CVSA) and its member States, the quality and consistency of roadside data has been the focus of several important national discussions. The focus of these discussions was on enhancing the uniformity and overall quality of this data. As a result, FMCSA encourages all MCSAP lead agencies to examine the quality and uniformity of the data they are responsible for, and to identify areas that may need improvement. In an effort to identify areas for enhancement, FMCSA suggests that lead agencies focus on the following four areas:

- Consistent documentation of roadside inspection and violation data across jurisdictions;
- Standardizing processes for challenging the data;
- Increasing inspector awareness of the high-level goals of the inspection program; and
- Examining your inspection selection processes and validating where necessary.

Over the next year, the Agency, along with CVSA, will provide additional guidance and support to MCSAP lead agencies on these various aspects of data quality and uniformity (i.e., Data Qs Guidance).

Additionally, during this period, FMCSA and its State partners will begin implementing individual pieces of the CSA 2010 Model as part of a phased-in approach. Specifically, within the first quarter of FY 2011: (1) the Carrier Safety Measurement System (CSMS) will replace Safestat, with CSMS results replacing Safety Evaluation Area scores; CSMS results will be available to the industry and public, and they will be used as a targeting mechanism to direct Federal and State enforcement activities; (2) warning letters will begin to be issued nationwide based on CSMS results; and (3) updated Inspection Selection System (ISS) software will be made available to States, with ISS scores based on the new CSMS results. Nationwide implementation of the new CSA 2010 intervention strategies will follow later in FY 2011, after additional FMCSA guidance and training are provided to State MCSAP lead agencies.

During this period though, FMCSA requests that its State partners begin making any necessary changes to their CVSPs, *where applicable*, as new interventions are implemented. While CVSP State-specific objectives may remain unchanged in FY 2011 and beyond, specific strategies and monitoring plans may have to be updated as new intervention strategies are implemented within the State and the Compliance Reviews National Program Element section of the FY 2011 CVSP.

In preparation for the changes, the CVSP Template has been updated to allow States to address, where applicable, the implementation of these new CSA 2010 interventions (in particular, an expanded array of investigation types). Specifically, the CVSP Template (Table 6) has been expanded from capturing State projections for the number of compliance reviews to include a broader range of CSA 2010 investigations. Because States will implement the investigations element of CSA 2010 at different times during the latter part of FY 2011, the CVSP may contain projections for both compliance reviews (prior to CSA 2010 implementation) and CSA 2010 investigations (upon implementation of CSA 2010). For the “test” States that have implemented CSA 2010 to varying degrees as part of the Operational Model Test, these States may immediately begin using the full range of the Table 6 updates. With limited historic data however, we recognize that CSA 2010 investigation projections for States beginning to implement CSA 2010, or further ramping up implementation, may end up not reflecting actual performance. However, after implementation, differences between CVSP projections and actual implementation experience should be captured in subsequent quarterly performance progress reports. Specific plans for full CSA 2010 implementation and projections of CSA 2010 investigations will be a topic of discussion during the FY 2011 service center CVSP training sessions planned for May and June of 2010.

Additionally, although CSA 2010 implementation training will be provided to State MCSAP agencies by the FMCSA National Training Center (NTC), States must begin to plan their FY 2011 CVSP budgets accordingly to allow for in-State or, in some cases, regional training for their safety investigators and managers on the CSA 2010 enforcement model, safety measurement system, and intervention process in FY 2011. Additional FMCSA guidance on the timing of CSA 2010 training, specifically, a State-by-State training schedule, is forthcoming.

Data Collection/Quality and State Safety Data Quality (SSDQ) Performance Measures

The Agency's DataQs system is comprised of a Federal and State network to evaluate and, where necessary, correct motor carrier, driver, or vehicle inspection, crash or other data as a result of a challenge. Each data challenge, or request for data review (RDR), submitted by a carrier or driver is routed to the appropriate Federal or State office for resolution. The Agency, along with the support of its State partners, will develop, by FY 2011, a DataQs user's guide for responders to challenges. This guide will offer best practice recommendations and operational procedures that Federal and State analysts may use to resolve challenges. The guide, entitled *DataQs Users Guide and Best Practices Manual*, will improve consistency and standardize the resolution process. It will also include:

- Timeframes for responses;
- Documents required to corroborate that challenges are valid;
- Sources available to validate data;
- Recommended "due process" procedures;
- The appeals process; and
- Sample case studies.

The *Guide* will not replace a State DataQs analyst's careful review and consideration of the factors that may be unique to each DataQs RDR because no two scenarios are identical. The recommendations in the guide are intended to support uniformity of the DataQs process across all States while still allowing each State to exercise discretion. States are encouraged to follow the guide and best practices as outlined in the *DataQs Users Guide and Best Practices Manual*.

With the continued implementation of CSA 2010, the quality of the data collected and reported by FMCSA and its State partners is more critical than ever before to the CMV industry. Data collected from crash reports and roadside inspections will affect the carriers' and commercial drivers' safety profiles. When fully implemented, the intention with CSA 2010 is that every violation of each inspection will count, not just the out-of-service violations (i.e., as is currently the case with Safestat), as both driver and carrier safety performance are monitored. As a result, from the initial experience of many Operational Model Test States, FMCSA expects the volume of DataQs to rise substantially within the coming year and being able to handle these additional DataQs will be critical to the success and integrity of the CSA 2010 oversight program.

Therefore, each State's CVSP must address how the State plans to handle the anticipated increase in DataQs challenges associated with CSA 2010 implementation and develop contingency plans to devote additional resources towards DataQs challenges for a limited time where necessary.

In addition, due to the increased need for accurate data under CSA 2010, and to comply with the 2005 Government Accountability Office recommendations to continue improvement and expansion of the SSDQ measures, FMCSA is introducing new SSDQ performance measures. The Agency will implement the new measures effective with the October 2010 evaluation of the data for the SSDQ map and supplemental reports. Until October 2010, we will continue to post and update the "proposed new measures" area of Data Quality Module of the Analysis and Information (A&I) website so that States can see how they are performing. This six-month phase-in schedule gives States additional time review their data and to take corrective actions prior to the data being posted in the public area of the Data Quality Module on A&I.

These new measures focus on the completeness of driver and vehicle information in inspection reporting and will show States how they are performing. With the implementation of the two new measures, this brings the total number of performance measures on the SSDQ map to nine. These nine performance measures evaluate the data for accuracy, completeness and timeliness of crash and inspection reporting. States are encouraged to have good reporting in all SSDQ performance measures and take immediate remedial actions for those areas that are not considered good. Details on how States plan to achieve good/green in all measures should be outlined in their CVSPs. For more information on the new measures, as well as the A&I Data Quality module overall, visit:

<http://ai.fmcsa.dot.gov/DataQuality/DataQuality.asp?redirect=overview.asp>

Enforcement of Federal Out-of-Service Orders (OOSO) During Roadside Inspections (Amended)

Over the past several years, using the tools provided by Congress, FMCSA has placed a significant number of motor carriers out-of-service and/or revoked operating authority for safety violations, failing to pay civil penalties, failing to maintain insurance or presenting an imminent hazard. There are another group of carriers that should not be operating due to having been denied operating authority during FMCSA's vetting process for passenger or household goods carriers, having refused a safety audit, or having avoided a safety audit by claiming to be in intrastate transportation only. Unfortunately, data continue to indicate that despite these efforts by the Agency and our State partners to keep unsafe and un-credentialed carriers off our highways, some of these carriers continue to operate and are not cited and placed out-of-service. **Ensuring that each motor carrier's authority and valid operating status are confirmed with every inspection and appropriate action against non-compliant carriers is taken is a major Agency emphasis area and must be addressed in each State's CVSP.**

The FMCSA has amended previous guidance (May 9, 2009) to MCSAP enforcement personnel regarding Federal Out-of-Service Orders (OOSO) that may be in effect against a motor carrier at the time of a CMV inspection. The original guidance contained inaccurate information regarding the correct section to cite at the roadside for a Failure to Pay Fine OOSO. To ensure that the most recent data is used to verify an OOSO, enforcement personnel in the field, whether at fixed facilities or on patrol, are encouraged to use Query Central as it contains the most recent updated information. If Query Central cannot be used at the roadside, any OOSO identified must be verified by contacting the appropriate FMCSA Service Center before placing the vehicle OOS. The updated OOSO guidance will be made available to the States through the FMCSA Service Center and Division Offices.

Increased Driver-Focused Inspections

The FMCSA Large Truck Crash Causation Study, published in March 2006, determined that driver behavior is ten times more likely to be the cause of a CMV crash than any other factor, such as weather, road conditions, and vehicle performance. To further reduce the incidence of fatal and serious injury crashes, States must increase their focus on the behaviors of both CMV

and non-CMV drivers. **Because Level III inspections focus specifically on CMV drivers, States are strongly encouraged to increase the number of Level III inspections in FY 2011 to meet or exceed the national average of 30 percent of all inspections performed.**

Increased driver focus may also be accomplished by increasing traffic enforcement activities in identified high-risk areas. An example of an effective program is the “Operation Safe Driver” initiative, sponsored by CVSA in partnership with FMCSA. This program improves commercial and non-commercial driver behavior and performance through effective enforcement, education and awareness strategies. The States may obtain additional information about “Operation Safe Driver” strategies online at www.cvsa.org.

Additionally, States must increase their scrutiny of all CMV drivers to ensure compliance with regulations. The FMCSA encourages the use of the Commercial Driver’s License Information System (CDLIS) as the primary method to verify CDL status during **every** inspection and traffic stop. Status checks can also be conducted through the National Law Enforcement Telecommunications System or the State driver licensing agency. States must take appropriate enforcement action when driver deficiencies are discovered.

STATE PROGRAMS UPDATES

FY 2011 Award Process

The FMCSA continues to emphasize that a more concentrated focus is helpful to prevent delays in awarding MCSAP grant funds and to ensure compliance with Federal standards and transparency of grant processes. The Agency clarified its use of contract authority in FY 2010, albeit subject to the availability of funds and spending authority early in the FY, and intends to do so again in FY 2011. This will allow the grantee to begin work and seek reimbursement for the Federal share. However, the funding amounts made available will continue to be affected by any limitations placed on the spending authority granted to FMCSA by Congress under the extension of SAFETEA-LU, as was the case in FY 2010, and grantees will only be reimbursed within limitations of a Continuing Resolution.

The FMCSA expects to obligate FY 2011 basic and incentive funding in early October 2010, to coincide with the beginning of the new FY. To award funding on this schedule, many activities must be completed on schedule: CVSPs must be submitted and reviewed, then revised as needed, and finally resubmitted and approved/uploaded by the FMCSA Division Office to the Electronic Data Management System (EDMS). Although the August 1 CVSP deadline can be extended for good cause (§350.205), the FMCSA State Programs Division asks that Division Offices work closely with State lead agencies to ensure that the CVSPs are approved, and are, therefore, available to be funded by October 1, 2010.

Pre-Employment Screening Program (PSP)

The PSP assists motor carriers to make more informed hiring decisions by providing electronic access to a driver's crash and inspection history from the FMCSA Motor Carrier Management Information System (MCMIS). The PSP is essentially the public access version of the Driver Information Resource that has been available to FMCSA Division Offices and State enforcement partners for several years. FMCSA believes that making this driver data available to potential employers and operator-applicants will improve the quality of safety data and help employers make more informed decisions when hiring commercial drivers. The PSP provides more rapid access to commercial driver safety performance information than was previously available under Freedom of Information Act or Privacy Act requests. The PSP is designed to assist the motor carrier industry in assessing individual operators' crash and serious safety violation history as a pre-employment condition and to assist commercial drivers with reviewing their own performance (i.e., crash and inspection) data. States should be aware that motor carrier and commercial driver access to the PSP may likely result in an increase in DataQs system challenges in FY 2011, but that such early use will in the end help to improve the effectiveness of the CSA 2010 Safety Measurement System in the long-run via access to more accurate driver safety data. For more information on the PSP, visit: <http://www.psp.fmcsa.dot.gov>.

The USDOT Motorcoach Safety Action Plan

On April 30, 2009, Secretary Ray LaHood directed the heads of the agencies with responsibility for highway, vehicle, and transit safety within the Department of Transportation to develop an integrated Motorcoach Safety Action Plan. The Secretary directed the agencies to take a fresh look at motorcoach safety issues, identify actions to address outstanding safety problems, and develop an aggressive multi-agency schedule to implement those actions.

Based on analysis of the safety data, the Department assessed causes and contributing factors for motorcoach crashes, fatalities, and injuries, and identified opportunities to enhance motorcoach safety. As described in the action plan, DOT is pursuing an integrated strategy addressing a range of issues. These include driver errors resulting from fatigue, distraction, medical condition, and experience; crash avoidance technologies; vehicle maintenance and safety; carrier compliance; and measures to protect occupants in the event of a crash such as seat belts, roof strength, fire safety, and emergency egress. DOT expects these strategies to result in a reduction in the number of motorcoach crashes and fatalities and injuries resulting from those crashes.

One of the key strategies in the plan is for FMCSA to **increase outreach and enforcement activities emphasizing driver behavior**. With this in mind, FMCSA requests that, as in previous years, each CVSP contain strategies to improve motorcoach safety including partnering with FMCSA as we conduct regional and national motorcoach inspection strike force activities. For more information and a copy of the USDOT Motorcoach Safety Action Plan, please visit:

<http://www.dot.gov/affairs/2009/dot17909.htm>

Hazardous Materials (HM) Program

States are encouraged to maintain an increased focus on the compliance of HM motor carriers, shippers and bulk package transporters during compliance reviews (CR), roadside inspections, and annual road check.

States are encouraged to actively participate in national strike force activities to verify compliance with HM Shippers and Bulk Package (Cargo Tank) transporters.

- Once the final determination for the time period of the HM Shipper strike force is made, States are encouraged to participate in conducting CRs and HM Packaging Inspection Program (HMPIP) on HM Shippers.
- Once the final determination for the time period of the Cargo Tank strike force is made, States are encouraged to participate in conducting CRs on Cargo Tank Facilities and roadside inspections on Cargo Tank transporters. Focus on cargo tank facilities will also contribute to the subsequent reviews to be performed on cargo tank inspection and repair facilities that are performing improper repairs or inspections.

The inspections performed in HMPIP and HM shipper and cargo tank strike force inspections and enforcement activities will greatly contribute to the soon to be released Hazardous Materials Shipper Prioritization Application (HMSPA). The HMSPA is an enforcement tool that will utilize data from MCMIS, HMPIP and Enforcement Management Information System (EMIS) to enable both federal and state investigators to target enforcement activities on HM Shippers involved in HM incidents, inspections and enforcement and likely to be in violation or involved in a HM incident in the future.

States are encouraged to initiate an assessment of their intrastate HM program and regulatory compatibility with the HMR. This will aid in identifying any potential incompatibilities with the HMR and allow the states the ability to expand or enhance existing HM programs or develop and implement new intrastate HM programs.

The transportation of large quantities of HM in non-compliance poses a great risk to the general public and highway travelers. Therefore, it is recommended that States initiate or expand CR activities to include wholly- intrastate carriers of HM bulk shipments. These carriers are currently not rated by FMCSA and generally have not been subjected to CRs.

The FMCSA encourages States to coordinate whenever possible with their emergency response community to increase awareness of the risks associated with transporting HM, especially when responding to accidents involving HM and Cargo Tanks.

MCSAP GRANT PROCESS IMPROVEMENTS

State Programs Data Dashboard

The State Programs Division, in conjunction with the Volpe Center, launched a new data resource on the A&I Web site to assist States with preparing their MCSAP-related quarterly

reports and CVSP. The site can also be used by FMCSA Division Offices and Service Center staff when reviewing/validating quarterly reports and CVSP programmatic output data. The utility provides detailed counts *by quarter* of the core MCSAP performance measures, such as roadside inspections, traffic enforcement activity, compliance reviews, data quality, and large truck and bus crashes, with all the data arrayed on one page within three separate categories: National Program Elements, State-Specific Objectives, and Data Quality. The breakout closely aligns with the format of the new MCSAP standardized quarterly reporting template. The goal is that the Data Dashboard will simplify the States' search process within A&I for updates on their core MCSAP programmatic outputs and outcomes, because most of the data will appear on, or be easily accessible from, a single page. For more information on the Data Dashboard, visit: <http://ai.fmcsa.dot.gov/SQCVSP/>

Grant Reporting Requirements

Each FMCSA grantee is required to periodically submit reports on their grant's financial progress. Beginning in FY 2010, the Office of Management and Budget (OMB) mandated the use of the Federal Financial Report (FFR), Standard Form (SF) 425 for use throughout the Federal Government. The FFR was designed to replace the Financial Status Report (SF-269). Each grantee is required to submit a quarterly SF-425 to the appropriate FMCSA Division Administrator no later than 30 days after the end of each quarterly reporting period. A separate SF-425 must be submitted for each grant awarded by FMCSA. For recordkeeping purposes, each DA must keep an electronic copy of each SF-425 in EDMS.

Also beginning in FY 2010, all FMCSA grantees were required by the OMB to begin using the Standard Form (SF) performance progress reporting (SF-PPR) form for quarterly progress reports. The SF-PPR is a standard government-wide performance progress reporting format consisting of a coversheet and a series of standard attachments implemented by Federal agencies to collect performance information from award recipients. Note that while OMB requires all agencies (and grantees) to use the standard SF-PPR cover sheet, it is allowing each Federal agency the discretion to use any of OMB's standard attachments or alternatively, to develop a customized attachment for grant progress reporting.

FMCSA has chosen to use two formats: (1) the SF-PPR Cover Sheet and SF-PPR Attachment B will be used for all Non-MCSAP grants, and (2) the SF-PPR Cover Sheet and a customized attachment (which is similar in format to the CVSP template) will be used for all MCSAP formula and discretionary (i.e., High Priority & New Entrant) grants. For additional information on the SF-PPR and other grant information about the FMCSA grant programs, visit:

www.fmcsa.dot.gov/safety-security/safety-initiatives/mcsap/mcsapforms.htm

CVSP Template

Each State requesting FY 2011 funds must submit a performance-based CVSP that meets the requirements of 49 CFR Part 350.213. The model CVSP template has been updated for FY 2011 and will be made available before the MCSAP Leadership Conference at:

www.fmcsa.dot.gov/safety-security/safety-initiatives/mcsap/mcsapforms.htm

While the use of this template is not required, following the format and using current, accurate, and complete State-specific data should ensure the State meets all requirements of 350.213. The template has been updated to reflect the four FY 2011 emphasis areas, including implementation of CSA 2010 in all States. Understandably, the most significant change is found in the Compliance Reviews National Program Element section and Table 6, as discussed earlier in this memo.

Other changes to the CVSP template reflect suggestions received and observations from MCSAP reviews. The CVSP budget and MOE calculation templates have been improved and included within the CVSP. More specific information has been added for indirect costs, and line items have been rearranged in a more logical manner to pull related costs together in one category. To address the voluminous nature of the CVSP, States are urged to include data charts where the specific data is discussed within the body of the CVSP. If that is not possible, the data charts may be included in the Data Analysis and Trends section. However, it is only necessary to include data referenced in the CVSP in the Data Analysis and Trends section.

Indirect Costs

Indirect costs are MCSAP-eligible expenses as defined in 49 CFR 350.311 and are defined by OMB as costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect costs may include such expenses as overhead personnel (including accounting or human resources staff), as well as office space, supplies, utilities, etc. Although the State may choose not to seek MCSAP reimbursement for indirect costs, indirect costs are MCSAP-eligible expenses and, therefore, must be included in the State's MOE calculation and budget to reflect budgetary planning to meet MOE requirements.

To simplify relations between Federal grantees and awarding agencies, OMB established the Federal cognizant agency concept, under which a single agency represents all others in dealing with grantees in common areas. In this case, the Federal cognizant agency reviews and approves grantees' indirect cost rates. Approved rates must be accepted by other agencies, unless specific program regulations restrict the recovery of indirect costs. OMB published in the Federal Register a list of cognizant agency assignments for some State agencies, cities and counties on January 6, 1986 (51 FR 552). To date, the list has not been revised. Information regarding indirect cost rates can be found in 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87).

If the State has indirect cost rates approved by the Federal cognizant agency, approved rates must be used in MOE calculations and the line-item budget. In the CVSP Financial Summary section, the State must identify the Federal cognizant agency, the approved indirect cost rate, the date of approval and expiration date. If an indirect cost rate has not been approved for FY 2011, plans for seeking cognizant agency approval should be included if the current rate will expire. For budgetary planning purposes in the FY 2011 CVSP budget, the State may use their proposed

FY 2011 indirect cost rate or their approved FY 2010 rate. However, the State must have an approved indirect cost rate before seeking grant funding reimbursement for indirect costs. When the budget is updated to reflect the actual FY 2011 grant award, the updated budget must reflect the approved indirect cost rate. Documentation of the approved FY 2011 indirect cost rate will be required.

If there is no approved indirect cost rate, the State may use a standard indirect cost allowance to reflect indirect costs in the MOE calculation and in the Total MCSAP-Eligible column of the CVSP budget. As provided for in 2 CFR Part 225 Appendix A, section G, the indirect allowance is 10 percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums and fringe benefits). The 10-percent allowance may be used to identify indirect costs for inclusion only in the MOE calculation and the Total MCSAP-Eligible column of the CVSP budget. The State may not request grant reimbursement of indirect costs based on this 10-percent allowance rate, nor can indirect costs based on this 10-percent rate be included as part of the State's match requirement.

Grants.gov

To expedite its grant awards, FMCSA has made changes in the grant application and oversight processes to standardize application forms and promote the use of electronic documents. Beginning in FY 2011, MCSAP Basic/Incentive CVSP will be required to be submitted through grants.gov (www.grants.gov) along with the SF- 424 suite of forms. Therefore, the MCSAP-1 Grant Application is no longer required. Most MCSAP lead agencies currently apply for FMCSA discretionary grants (i.e., High Priority, New Entrant, and Border Enforcement) via grants.gov; therefore, FMCSA does not anticipate that the new process will be a significant burden on the States. Also note that the CVSP will continue to be sent for review and approval to the Division Office in the usual way. Additional guidance and direction for both FY 2011 and expected changes in FY 2012 will be made available. Note that these changes in the CVSP submission process are being requested starting in FY 2011 in anticipation of forthcoming implementation of a software tool, known as the Grants Solutions Grants Management System, that will facilitate the online review and approval of CVSPs.

Grants Solutions Grants Management System

The Grants Solutions grants management system (being implemented by FMCSA) will provide an efficient online tool for grantors to review and process grant applications in FY 2011. Implementation will start with the grantors, rather than grantees. One function available to FMCSA will include the ability to conduct grant technical review panels within the system. For additional information about Grant Solutions, visit: <http://www.grantsolutions.gov>

FMCSA Grant Web Site

Additionally, FMCSA recently initiated a new Web site dedicated to the Agency's various grant programs. This page is meant to be a central repository for background information, forms, and guidance documents for FMCSA grant programs. To view the Web site, visit:

www.fmcsa.dot.gov/safety-security/GRANTS/financial-assistance.aspx

HIGH PRIORITY GRANTS

In FY 2011, high priority funds will be awarded for safety initiatives such as data quality improvement, high visibility CMV and non-CMV traffic enforcement, public information and education, enhancements to training, Hazardous Materials (HM) safety, special research efforts (if not funded by MCSAP basic or incentive funds), and particularly for innovative efforts that have a demonstrable potential for nationwide implementation. Applicants that intend to submit high priority applications for projects that will create recurring costs must identify, in their proposals, the funding source in future years. The FMCSA will not guarantee any future high priority funding for these costs.

As a condition of receiving MCSAP HP funding, applicants identified by FMCSA as having an overall poor/red data quality rating must address their data problems before requests for other HP initiatives will be considered. Addressing the issue of data quality can be accomplished through dedication of basic or incentive grant funding as well as Safety Data Improvement Program grant funding (which provides discretionary funding for States to improve the quality of large truck and bus crash and inspection data reported to FMCSA).

Ticketing Aggressive Cars and Trucks (TACT)

The FMCSA will dedicate \$5 to \$10 million in FY 2011 high priority funding to increase CMV and non-CMV traffic enforcement projects/programs such as TACT. The TACT program includes high visibility messaging, targeted enforcement activities in selected high-risk traffic areas, and pre- and post-activity evaluation to measure reductions in crashes, fatalities and injuries caused by unsafe driving behaviors (i.e., cutting off, tailgating, speeding). TACT programs have been implemented in 16 States. From past experience, FMCSA partner States found TACT projects to represent valuable supplements to more traditional traffic enforcement, particularly when strategically targeted to high crash corridors at certain times of the year. The FMCSA will continue to fund TACT programs that include the three key components—communication, enforcement, and evaluation—to build awareness and educate passenger and CMV drivers about safe driving behaviors. For additional information about TACT, visit:

<http://www.fmcsa.dot.gov/safety-security/tact/index.htm>

Other Agency Priorities

In addition to setting aside \$5 to \$10 million in FY 2011 high priority funding for CMV and non-CMV traffic enforcement programs such as TACT, the Agency will also accept high priority applications toward innovative safety strategies addressing CMV safety in work zones, CMV safety on rural roads, distracted driving by CMV drivers and educational programs preventing teen involvement in CMV crashes.

NEW ENTRANT GRANTS

In FY 2011, MCSAP grant funding will continue to be available to States to support **interstate** new entrant safety audit programs. New entrant funds may not be used to conduct intrastate safety audits; instead, States may use these funds for salaries and related expenses of State employees completing interstate new entrant audits, including training, and to perform other eligible activities that are directly related to conducting safety audits.

Note that the demand for new entrant grants continues to exceed the available funding. In FY 2011, past spending patterns will continue to be monitored (i.e., including the average cost per audit) and unexpended funds information will be reviewed prior to award. State new entrant proposals must not exceed a 12-month period. This will ensure that limited annual funds maximize the effectiveness of the program and are equitably distributed across the Nation.

STATE TRAINING AND ADMINISTRATION

The FMCSA NTC utilizes MCSAP funding to serve as the national focal point for the development and delivery of motor carrier safety training to enhance the capabilities of participating Federal, State, and local government officials. For FY 2011, States must submit Schedule Intake Forms (SIF) and download State Training Plans (STPs) on-line by going to: www.fmcsa.dot.gov/NTC/Security/Login. If a State user needs to establish a user name/password and/or are having problems, send an e-mail to: NTC-State-Programs@dot.gov

State partners should note that class scheduling should be done to avoid busy time periods (i.e., holidays), as this can affect instructor availability. Priority will be given to classes included in the STP. During the year, additional classes may be approved based on available resources. Unfortunately, for FY 2011, NTC will no longer be providing Federal Motor Carrier Safety Regulation, HM Regulation, or Out-of-Service Criteria books for safety classes. States will need to allocate the extra expenses for these materials in their MCSAP funding request.

A separate SIF must be submitted online for each class requested. Once all the SIFs are entered online, the STP will need to be printed/downloaded and included with the CVSP and sent through the applicable FMCSA Division Office for approval. The NTC will not approve SIFs until the Division Office notifies NTC that the STP is approved. The Division Administrator should notify NTC no later than August 1. A copy of the STP must also be uploaded into EDMS, as part of the approved CVSP. For questions relating to the SIF or STP, please contact Julie Lane, Training Manager at NTC, at Julie.lane@dot.gov or telephone 703.235.0502.

We thank the Division Offices for their continued hard work with the States. We also thank the States for their efforts – with their steady, strong partnership, we will continue to make progress in improving our safety tools and strategies toward the goal of helping every jurisdiction achieve a continuing reduction in the number and severity of commercial vehicle crashes. For questions on any of the material contained in the planning memo, contact Tom Keane, State Programs Division Chief at 202.366.4025 or by e-mail at tom.keane@dot.gov.

Attachment:

1. Estimated FY 2011 MCSAP Basic and Incentive Funding Distribution