



U.S. Department  
of Transportation

**Federal Motor Carrier  
Safety Administration**

**Administrator**

September 17, 2015

1200 New Jersey Avenue, SE  
Washington, DC 20590

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Chairman Cochran:

The Explanatory Statement accompanying "The Consolidated and Further Continuing Appropriations Act, 2015" (P.L. 113-235) and Senate Report 113-182 accompanying Senate Bill 2438 requires the Federal Motor Carrier Safety Administration (FMCSA) to provide a plan on the Information Technology (IT) investments required for automation of the investigation and compliance process of mandatory carriers. The IT plan defines the total lifecycle and operating costs, identifies a timeline for deployment, including relevant benchmarks to determine progress, and defines performance metrics the Agency will use to determine the time and resource savings resulting from automation. This report satisfies that requirement.

The automation timeline is aligned with the Agency's objective to sharpen its focus on motor carriers with known crash risk and support the field operations in prioritizing, assigning, and executing interventions and monitoring activities according to risk. Specific funding was provided in the Fiscal Year 2015 Appropriations Act to address information management and technology needs relating to the monitoring of high-risk motor carriers and carriers operating under consent agreements. The FMCSA allocated \$1.8 million to these efforts. This funding will allow the Agency to finish the high-risk carrier prototype and develop an initial consent agreement prototype. Additional funding may be required for completion and full integration into FMCSA's systems.

*High-Risk Monitoring*

Under current policy, carriers that meet or exceed specific Safety Measurement System Behavior Analysis and Safety Improvement Category (BASIC) percentile Intervention Thresholds for 2 consecutive months and have not received an Onsite Investigation within the previous 24 months must be investigated onsite within 12 months. Because of the volume of high-risk carriers, and other demands on Agency resources, on average, it takes FMCSA approximately 7 months to investigate a motor carrier from the time they are identified as high-risk and up to 12 months in some cases. In addition, FMCSA conducts the Onsite Investigation regardless if the carrier's safety posture has improved. The Independent Review Team's July 2014 report found that approximately 27 percent of motor carriers identified for an investigation had additional BASICs rise above thresholds before they were investigated. In addition, almost

33 percent had a BASIC above the threshold when assigned, but that BASIC was no longer above threshold at the time of review.

This investment will provide the Agency with the tools needed to allow for the dynamic management of risk, allowing FMCSA to investigate the highest risk motor carriers first, regardless of when they were identified as high-risk, and monitor carriers for continuing trends of unsafe or non-compliant behaviors. The allocated funding will be used to develop a series of tools to identify carrier safety trends to allow faster identification of patterns of unsafe behaviors and improvements in compliance. It will consolidate safety data from FMCSA systems to provide field users a single view of a carrier's information, resulting in cost and time savings. The expectation is that FMCSA will be able to improve its investigation time frame to 3 months or less, because the Agency will be investigating only the highest risk motor carriers and monitoring a wider group of carriers for unsafe behaviors using the tools developed with this funding.

#### *Consent Agreements*

In order to monitor carriers under consent agreements, FMCSA will use the allotted funding to develop tools to easily monitor all carriers operating under consent agreements. Currently, the primary applicability will be with unfit and imminent hazard passenger carriers; however, the streamlined process will allow the Agency to apply this important tool to other groups of carriers. In addition, as the Agency finalizes the Safety Fitness Determination (SFD) rule, many more carriers may be required to enter into these agreements.

These system changes will allow a user to enter unique and objective criteria for carriers with consent agreements to proactively monitor a carrier's performance. Additionally, it will pull data from across FMCSA systems to automatically alert Federal and State field users that a carrier is in violation of an agreement.

On average, FMCSA manages 100 to 150 active consent agreements at any time. This has the potential to increase significantly based on the Agency's proposed SFD process. The creation, negotiation, and implementation of the consent agreements takes approximately 20 hours per motor carrier and involves attorneys, field staff, and the program management team, for a total of approximately 3,000 labor hours. At an hourly rate of \$51.43 (GS-14/Step 1), the current workload costs \$154,290 annually. In addition, for each of these motor carriers, another 10 hours is invested, on average, quarterly to monitor inspections and other data in FMCSA's systems. Therefore, using the same hourly rate, the workload costs \$77,145, for a total cost of approximately \$230,000.

It is expected that this system will reduce the existing costs by 50 percent to approximately \$115,000 per year. In addition, this system will allow FMCSA to increase the use of these agreements for other carriers by reducing the resources needed to create and monitor the agreements, providing time savings. The system developed with the funding available will be a prototype that will provide for easier implementation of a complete system to help manage the anticipated increase resulting from the Agency's SFD proposed rule. These tools will allow the Agency to do less manual work, making resources available for additional investigations.



### Costs

The project schedule (total life cycle) and estimated operating costs of these IT systems are as follows:

Phase	Start Date	End Date	Estimated Cost
Planning and Management	April 2015	Ongoing	\$220,000
Requirements Analysis	May 2015	July 2015	\$320,000
Design and Development	July 2015	October 2015	\$600,000
Test and Implementation	October 2015	January 2016	\$350,000
Evaluation	October 2015	Ongoing	\$130,000
Operations and Maintenance	January 2016	Ongoing	\$180,000

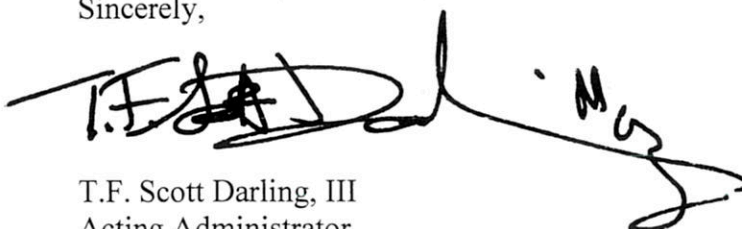
The funding allocated above will result in completion and implementation of the high-risk carrier monitoring system prototype and a prototype of the consent agreement tracking system. Additional funding may be needed to address unknown costs relating to FMCSA's transition to a new IT contractor and the full integration of the systems into FMCSA's architecture, the movement of FMCSA's IT infrastructure to the cloud, and potential additional requirements to complete the consent order tracking system.

After implementation, FMCSA will review the performance of the system at least annually to ensure that the system is performing as needed and providing the expected efficiencies and improved consistency. This will be assessed by measuring the amount of time for preparing consent agreements. Additionally, the Agency will document the number of times the system alerts field staff to motor carriers operating in violation of their consent agreements.

The Agency expects that this investment will provide the tools needed to allow the dynamic management of risk, thereby allowing FMCSA to address the highest risk motor carriers more quickly. This investment also allows the development of tools to easily monitor carriers operating under consent agreements due to a previously-identified significant pattern of non-compliance and/or unsafe behavior. This will be particularly helpful in monitoring unfit and imminent hazard passenger carriers.

A similar letter has been sent to the Vice Chairwoman of the Senate Committee on Appropriations; the Chairman and Ranking Member of the Senate Subcommittee on Transportation, Housing and Urban Development, and Related Agencies; the Chairman and Ranking Member of the House Committee on Appropriations; and the Chairman and Ranking Member of the House Subcommittee on Transportation, Housing and Urban Development, and Related Agencies. Should you need additional information or assistance, please contact Ed Gilman, Director of External Affairs, at (202) 366-1927 or by email at [ed.gilman@dot.gov](mailto:ed.gilman@dot.gov).

Sincerely,



T.F. Scott Darling, III  
Acting Administrator