FMCSA made CSA 2010 effective December 2010

It changes the way FMCSA, Motor Carriers and Drivers view compliance

The name change to Compliance Safety Accountability more accurately describes the process.
Concerned Carriers and Drivers started learning about the program as soon as it was revealed some three years ago.

This is a process not a product and the system has already undergone revisions and changes and these will continue as the program develops.

It is a new way at looking at virtually the same data we had under Safer System and SAFESTAT.
* As a review under the old system we were graded in four Safety Evaluation Areas (SEA) (Accidents, Drivers, Vehicles, Safety Management) data for 30 months

* Under CSA the Safety Measurement System we are judged in seven Behavior Analysis and Safety Improvement Categories (BASICS) this data based on previous 24 months.
BASICS

Unsafe driving – Part 392 & 397
Fatigue Driving (hours of service) – Part 392 & Part 395
Driver Fitness – Part 383 & 391
Controlled Substance and Alcohol – Part 392 & 382
Vehicle Maintenance – Part 393 & 396
Cargo- Related – Parts 392, 393, 397 & HM
Crash Indicator -
Each Basic Has a Threshold Limit Based on the Type of Carrier

III. Changes to the Intervention Thresholds
   - New thresholds for carrier intervention

FMCSA made changes to the threshold levels at which interventions are triggered. Here are the latest thresholds, based on carrier type.

<table>
<thead>
<tr>
<th>BASIC</th>
<th>General</th>
<th>HM</th>
<th>Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsafe Driving</td>
<td>≥ 65%</td>
<td>≥ 60%</td>
<td>≥ 50%</td>
</tr>
<tr>
<td>Fatigued Driving (Hours-of-Service)</td>
<td>65%</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>80%</td>
<td>75%</td>
<td>65%</td>
</tr>
<tr>
<td>Controlled Substances and Alcohol</td>
<td>80%</td>
<td>75%</td>
<td>65%</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>80%</td>
<td>75%</td>
<td>65%</td>
</tr>
<tr>
<td>Cargo Related</td>
<td>80%</td>
<td>75%</td>
<td>65%</td>
</tr>
<tr>
<td>Crash Indicator</td>
<td>65%</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Violations are given a point value based on severity and time

In each BASIC both driver and carrier are held accountable

The carrier for 24 months

The driver for 36 months

*for the first time in history drivers are being held accountable for inspection performance.
The Safety Rating system is unchanged although rulemaking is proposed.

The only way a carrier can get a safety rating or have a rating changed currently is through a compliance review.

Currently compliance reviews will result in enforcement action more than 40% of the time.
Penalties Assessed by FMCSA

The Federal Motor Carrier Safety Administration is responsible for ensuring full compliance with all Federal Motor Carrier Safety Regulations (FMCSR) required of truck, bus and motorcoach companies regulated by the U.S. Department of Transportation.

On this website, all closed FMCSA enforcement cases are listed by fiscal year. An enforcement case is deemed “closed” once FMCSA issues a carrier a “Notice of Claim” (NOC) and the carrier has (1) paid the penalty in full, (2) signed a settlement agreement, or (3) defaulted on the NOC, upon which a “Final Agency Order” was issued.

FMCSA enforcement cases are initiated following compliance reviews, complaint investigations, terminal audits, roadside inspections, or other investigations.

Each yearly enforcement case list contains the following information:
- The carrier's USDOT number,
- The name of the carrier, shipper, freight forwarder, or broker involved,
- The carrier's city and state,
- The FMCSR violation(s) resulting in an enforcement action,
- The total amount assessed, and
- The FMCSA Case Number.

### National Listing of Closed Enforcement Cases

<table>
<thead>
<tr>
<th>Year</th>
<th>Report</th>
<th>Fiscal Year</th>
<th>Total Cases</th>
<th>Total Amount Settled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td>2010</td>
<td>7325</td>
<td>$36,171,117.00</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>2009</td>
<td>5712</td>
<td>$29,324,275.00</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>2008</td>
<td>5138</td>
<td>$27,019,030.00</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>2007</td>
<td>5281</td>
<td>$26,381,389.00</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>2006</td>
<td>4403</td>
<td>$18,873,088.00</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>2005</td>
<td>4102</td>
<td>$20,170,452.00</td>
</tr>
</tbody>
</table>

*Note: In cases where a carrier was operating without a USDOT or MC/MX number, the carrier's USDOT number is listed 999999 in this database. This number is assigned to several carriers in order to process the case and make the case accessible by an identifier.

*The data contained in these files are updated quarterly - January, April, July and October.

*Fiscal Years 2009 and 2010 data is updated through October 22, 2010.
HOW’S IT GOING?
FIGURES SUPPLIED BY ATA

* 761,199 active registered motor carriers
* 92,545 have inspection data to generate CSA score (12.2%)
* 52,472 have an “ALERT” in at least one BASIC (56.7%)
* 4,939,468 drivers / 2,725,132 work for one of the 92,545 carriers (55.2%)
Number one violation is in the “Fatigued Driving (hours of service) BASIC.
40% of all enforcement cases result from this BASIC
Most common cited violation, by far, Logs not current!
Second is form and manner
Third is 14 hour rule violation
When a carrier’s safety performance deteriorates to a certain level FMCSA now has a number of interventions they will use to correct this problem.

* Warning letter – informing carrier/driver of the problem
* Targeted Roadside Inspections
* Offsite investigation
* On site focused investigation
* On site comprehensive investigation (compliance review)
* Cooperative Safety Plan
* Notice of Violation
* Notice of claim
* Operations Out of Service Order
High Risk Carriers are identified as those who have two or more BASICs above the threshold limit and one or more is in the Crash Indicator or Fatigued Driving BASIC

or

Any Carrier having four or more BASICs in above the threshold limit

ALERT!!!!!
FMCSA Readies 23,000 Letters Warning of CSA Deficiencies

By Rip Watson, Senior Reporter

This story appears in the March 7 print edition of Transport Topics.

The Federal Motor Carrier Safety Administration has begun sending an initial batch of 23,000 Compliance, Safety, Accountability program warning letters to fleets as the agency begins concrete interventions in its new program.

Over the next several months, a total of at least 50,000 warning letters will be sent, Boyd Stephenson, manager of safety and security for American Trucking Associations, told Transport Topics.

Warning letters advise carriers that their performance merited "alert" status by falling below acceptable levels on at least one of CSA’s Behavior Analysis and Safety Improvement Categories, or BASICS.

Those BASICS, such as unsafe or fatigued driving, form the statis-tical heart of CSA’s safety measure-ment system, which assigns a percentage ranking on each BASIC and establishes thresholds. Warning letters are sent when threshold levels are exceeded.

"A review of [carrier name] safety data shows a lack of compliance with motor carrier safety regulations and suggests that your performance has fallen to an unacceptable level," John Van Steenburg, director of FMCSA’s Office of Enforcement and Compliance, writes in these alert letters.

Agency spokeswoman Candice Tolliver said both trucking and bus companies will receive letters over the next two months, but she couldn’t say exactly how many went to truck fleets.

About 8% of carriers will receive warning letters, based on FMCSA statistics that count 650,000 carriers.

Stephen Kepper, executive director of the Commercial Vehicle Safety Alliance, said the warning letters are an important step because they quadruple the number of carriers facing active FMCSA intervention. Under the former SafeStat system, the agency took action against just 2% of carriers.

Kepper said it was difficult to judge industry safety levels based on the number of warning letters because there is no earlier point of comparison to show whether progress was being made.

Warning letters can be followed by off-site or on-site investigations if carriers’ performance doesn’t improve. There is no time limit for responding to the letters.

The agency’s enforcement options include creation of a cooperative safety plan, imposition of civil penalties, suspension or revocation of vehicle registration or revocation of operating authority.

"Just because you get a warning letter doesn’t mean you are a bad carrier," Kepper said, noting that the agency’s tightest focus will be on 7,900 highest-risk carriers with the worst safety performance.

"The important thing is that folks who get these things pay attention," he said, adding that he was encouraged that more than half of carriers who received warnings during the CSA pilot test period took effective remedial action.

"Our message to members is if you are in alert status, don’t freak out," said Joe Rajkovacz, director of regulatory affairs for the Owner-Operator Independent Drivers Association. He said the letters were an expected step, based on the gradual implementation of CSA.

FMCSA chose the gradual approach to mailing the letters, ATA’s Stephenson said, because "the agency was concerned about overwhelming both the industry and their [own] staff by sending them out all at once."

Fleets receiving the letters are subject to increased roadside inspections.

To help fleets improve compliance, the agency posted a "tip sheet" on its website that advises what they can do after a letter arrives.

Fleets are advised to conduct a detailed analysis of their safety data and take steps to improve compliance.

Those steps include checking data for accuracy, correcting any errors, understanding the Safety Measurement System used to compute the scores and using a detailed analysis to improve compliance.

Meanwhile, a new report highlighted FMCSA’s plan to sharply increase funding and staffing for CSA.

The Feb. 25 report by the Government Accountability Office said the agency requested $78 million in its CSA budget for fiscal 2012, compared with $9.5 million it spent in fiscal 2010.

The report was requested by the Republican and Democratic chairman of the congressional transportation appropriations subcommittees as well as their ranking minority members, who expressed concern about past funding levels.

In total, FMCSA contemplates having 696 employees working full time on the program, the report said. By comparison, 45 people worked on the program in 2009, with just five of them full-time employees.
What do we do?

First the operative word in this question is **WE**!

It is not safety’s problem, not a maintenance problem, not an operations problem and no, not even a driver problem;

It is OUR problem!
Monitor the SMS data a minimum of monthly.
Review every inspection report and communicate with everyone involved.
Publish this data in newsletters, post it on the bulletin board, review it in every drivers meeting, put it in their pay check at least monthly.
Talk to every driver either in person or by phone and discuss what happened during the inspection, i.e. why did he get inspected, what went right, what went wrong and why, what are WE going to do to keep this from happening again.
Consider going to EOBR’s before it becomes mandatory.
Provide positive incentives for clean inspections (no violations). Use progressive discipline for violations and hold everyone accountable.
Require immediate reporting of inspections.
Be proactive in bringing all departments together and review this data at least monthly. You are the leader, the company conscience.
Communicate, Communicate, Communicate!
Review each inspection report from a maintenance perspective. Should the maintenance violation have been caught on a pre-trip, en-route, or was it indicated on the previous post-trip inspection?

What is the maximum governed speed of the trucks and how is that affecting your inspection activity and your fuel mileage?

Are there particular types of equipment or components that seem to be problem areas (tires, brakes, lighting, suspension)?

Are PM services, inspections being done in accordance with company policy and regulations?

Monitor post-trip inspections and maintenance files at least quarterly. Review on-the-road breakdown procedures and monitor vendor performance.

Communicate with all departments when specifying new equipment. Ensure that all technicians are properly trained and credentialed.

Communicate, Communicate, Communicate
Review all inspection reports from a driver and operations perspective.
All operations personnel must be trained in hours of service compliance.
Monitor hours of service at least daily and every time the driver is given a load assignment.
Assist drivers in trip planning and directions into shippers and consignees. Do not rely on GPS technology entirely.
A driver cannot “make up time”. If they get the load an hour late, it will be there an hour late.
Be mindful of what the driver has just done and what you are now asking him to do. Can it be done within the hours of service limits, if not then it can’t be done!
Communicate instructions clearly to drivers and never “aid, abet, encourage, or require a motor carrier or its employees to violate the rules of this chapter” FMCSR 390.13
If you have questions ask someone, you are the leader, you are the drivers “boss” and they look to you for direction and support.
Communicate, Communicate, Communicate!
The driver is the last person who has any chance of getting inspection violations corrected before they are entered on the CSA/SMS scorecard.

Most log violations are the result of driver laziness! Four items that will keep drivers from log violations:

- Keep the log neat and legible
- Keep the log current
- Log it like you drive it
- Keep a re-cap

Quality pre-trip inspections, en-route inspections and most important end-of-trip inspections. If you don’t write it down no one knows to fix it!

Obey the speed limits and all traffic rules; most inspections occur as the result of a moving violation stop.

If you have some type of emergency en-route, weather, road, traffic or other conditions and can’t make your appointment. Stop and let the company know what happened and adjust the schedule/appointment.

Make certain your license, medical card and other documents are current and readily available for inspectors and conduct yourself as a professional at all times.

If you don’t understand what happened or the violations contact your supervisor and discuss what happened.

Get your information from a reliable source and monitor your record, it will be with you for 36 months.

Communicate, Communicate, Communicate!
The current list of Red Flag Driver Violations is contained in the CSA FAQs:

Describe the serious driver violations that are sometimes called Red Flag Violations.

When investigating a motor carrier, a Safety Investigator (SI) looks at driver history for egregious violations of the Federal Motor Carrier Safety Regulations (FMCSRs). These violations are sometimes referred to as Red Flag Violations, and are always investigated as part of a carrier investigation. The SI conducting the investigation looks to see if the violation has been corrected. At present, there are 12 such violations, though this list may be updated periodically. These violations are outlined in the table below, along with the Behavior Analysis and Safety Improvement Categories (BASICs) to which they correspond.

<table>
<thead>
<tr>
<th>BASIC</th>
<th>FMCSR Part</th>
<th>Violation Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver Fitness</td>
<td>383.21</td>
<td>Operating a commercial motor vehicle (CMV) with more than one driver’s license</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>383.23(a)(2)</td>
<td>Operating a CMV without a valid commercial driver’s license (CDL)</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>383.51(a)</td>
<td>Driving a CMV (CDL) while disqualified</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>383.81(a)</td>
<td>Operating a CMV with improper CDL group</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>391.11</td>
<td>Unqualified driver</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>391.11(b)(5)</td>
<td>Driver lacking valid license for type vehicle being operated</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>391.11(b)(7)</td>
<td>Driver disqualified from operating CMV</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>391.15(a)</td>
<td>Driving a CMV while disqualified</td>
</tr>
<tr>
<td>Controlled Substances/Alcohol</td>
<td>392.4(a)</td>
<td>Driver uses or is in possession of drugs</td>
</tr>
<tr>
<td>Controlled Substances/Alcohol</td>
<td>392.5(a)</td>
<td>Possession/use/under influence of alcohol less than 4 hours prior to duty</td>
</tr>
<tr>
<td>Fatigued Driving (HOS)</td>
<td>385.13(d)</td>
<td>Driving after being declared out-of-service (OOS)</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>396.9(c)(2)</td>
<td>Operating an OOS vehicle</td>
</tr>
</tbody>
</table>

Any driver violations identified and addressed during carrier investigations that are not corrected may result in a driver Notice of Violation (NOV) or Notice of Claim (NOC).

To identify drivers that would be flagged, a motor carrier could download their motor carrier inspection profile through their Carrier Portal account, and do a search on the above citation codes in the Adobe PDF file using the “Find” function.
OTHER STAKEHOLDERS

- Sales – train them because some of your customers are watching these scores and will give you business or withhold business based on your safety performance.
- Load Planners – need to be aware of the FMCSR when committing to delivery or pick-up schedules.
- Human Resources – check the Pre-employment Screening Program data before making a hiring decision.
- Owner Operators/Independent Contractors – there is no difference in an employee or an Independent Contractor from a safety compliance standpoint.
The most important factor in this program is

THE BOSS!

Safety compliance has to start with this person and become a part of the company’s Safety Culture.
Keep the boss informed because the BOSS will hold everyone accountable.
The SNS provides an assessment of a motor carrier's on-road performance and investigation results within the Behavior Analysis and Safety Improvement Categories (BASICS). Assessments cover 24 months of activity and results are updated monthly.

Select a BASIC below to view details

<table>
<thead>
<tr>
<th>BASIC Overview</th>
<th>PERFORMANCE</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsafe Driving</td>
<td>76.4%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Fatigued Driving (Hours-of-Service)</td>
<td>87%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Driver Fitness</td>
<td>97.4%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Controlled Substances and Alcohol</td>
<td>No Violations</td>
<td></td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>38.8%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Cargo-Related</td>
<td>84.8%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Crash Indicator</td>
<td>22.2%</td>
<td>ALERT</td>
</tr>
<tr>
<td>Insurance and Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUMMARY OF ACTIVITIES**

- Total Inspections: 147
  - Vehicle Inspections: 67 (22%)
  - Driver Inspections: 146 (16%)
  - Hazardous Materials Inspections: 0 (0%)
- Total Crashes: 4
  - Tow-away: 4
  - Injuries/Fatalities: 0

**RECENT INVESTIGATIONS**

- The following are up to five most recent investigations:
  - Intervention Type: Compliance Review
  - Date: 3/3/2004
  - Compliance Review: 5/1/2003

**DATA CENTER**

- Scope: All BASICS
- File Type: Excel

Carrier Registration Information as of February 25, 2011

- USDOT#: [redacted]
- DBA Name: [redacted]
- Address: [redacted]
- Telephone: [redacted]
- Fax: [redacted]
- Email: [redacted]

- Power Units: 38
- Vehicle Miles Traveled: 2,330,500
- YMT Year: 2010
- Drivers: 38
- Carrier Operation: Interstate
- Passenger: No
- Household Goods: No
- New Entrant: No

Carrier Registration Registration Updated: 01/07/2011

Need more information about what BASICS is or how to improve safety in a BASIC?

- Learn more

Federal Motor Carrier Safety Administration
1200 New Jersey Avenue SE, Washington, DC 20590 • 1-800-832-5660 • TTY: 1-800-877-8339 • Field Office Contacts
- It’s here, it’s in use and it will not go away.
- Expect to see this information in all litigation.
- It is your data, monitor it, manage it and use it to improve your safety performance and profitability.
Loss Control Disclaimer
Arthur J. Gallagher Risk Management Services

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