

Retrospective Analysis of Motor Carrier Safety Under Economic Deregulation

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**Transportation Deregulation and Safety:
A Retrospective and Reflection after 25 Years**

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Agenda Slide

- Safety De-Regulation Link
- The Motor Carrier Safety Record under Deregulation
- Continuing Motor Carrier Safety Issues
- Underlying Premise of Analysis
- Dynamic Safety Performance Monitoring under FMCSA
- Private Sector's Expanded Use of Monitoring Performance Data
- Enhanced and Improved Safety Performance Monitoring
- Additional FMCSA Safety Initiatives

Safety Deregulation Link

- Deregulation Lowers Profit Margins; Firms Invest Less in Maintenance, New Equipment and Training
- Deregulation Increases Competition Forcing Carriers to Increase Equipment Utilization with Increased Hours-of-Service Violations for Drivers
- New Entrant Firms Hire Lower Quality Staff and Use Old Equipment with Ineffective Maintenance Practices



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Current Status of Motor Carrier Safety

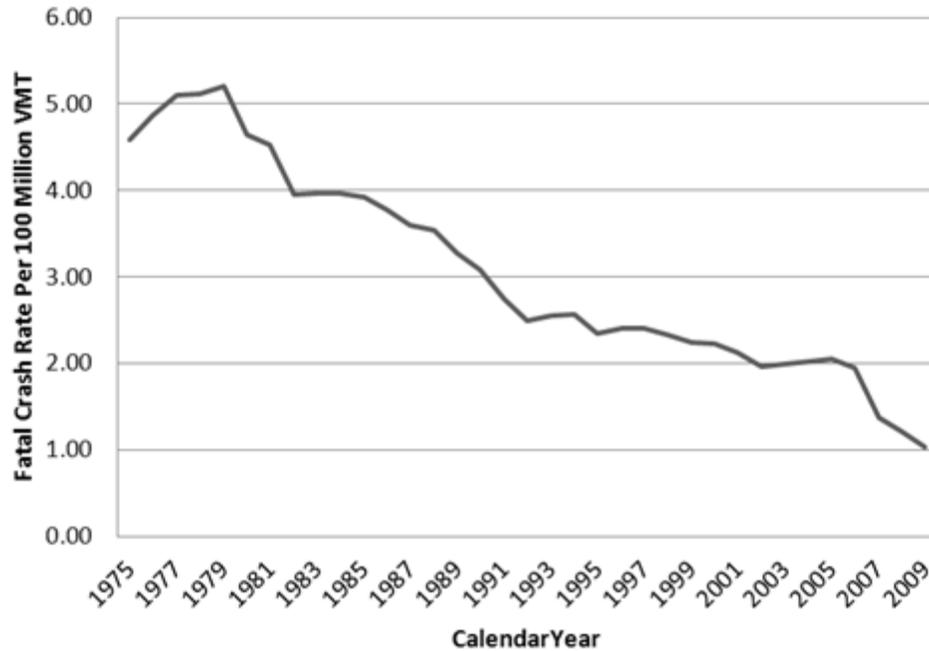
- 77% Decline Since 1975 in Fatal Crash Rate
 - 1975 Fatal Truck Crash Rate Stood at 4.58 Fatal Crashes per 100 million VMT
 - 1.04 Fatal Truck Crashes per 100 million VMT in 2009
- 76% Decline Since 1989 in Injury Crash Rate
 - 74.6 Truck Injury Crashes per 100 million VMT in 1989
 - 17.8 Injury Crashes per 100 million VMT in 2009



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Figure 1: Fatal Truck Crash Rate

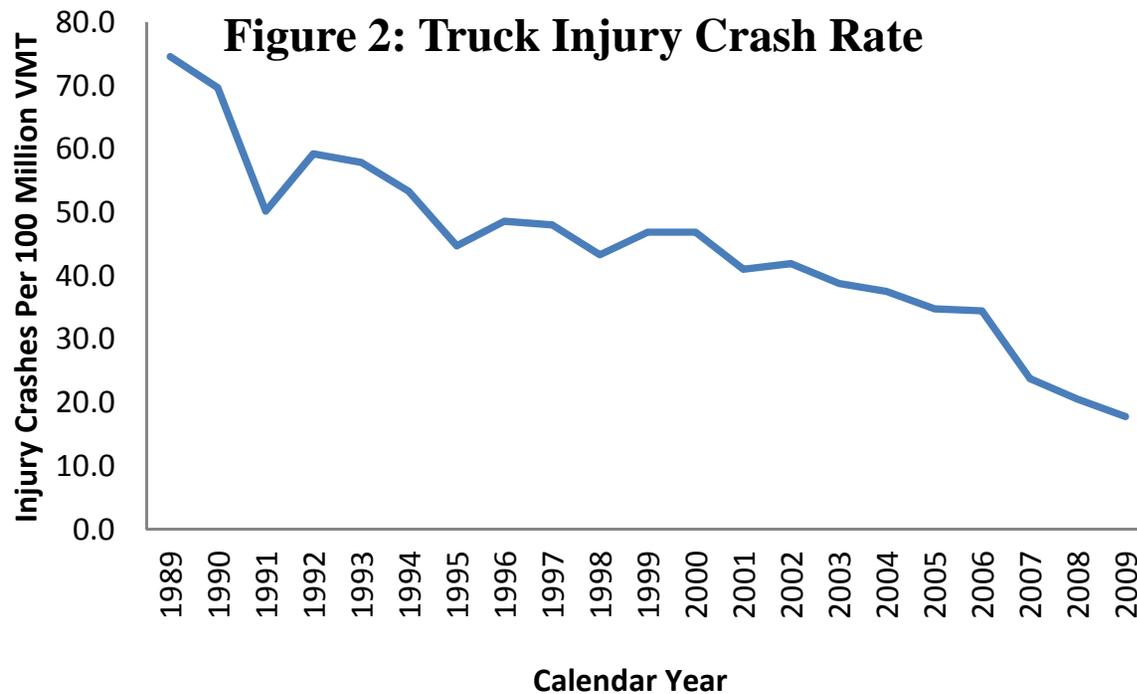


Source: Federal Highway Traffic Safety Administration, 2011



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Source: National Highway Traffic Safety Administration, 2011



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Continuing Issues in Motor Carrier Safety

- Do Carriers with Low or Negative Profitability Have Poorer Safety Records than do Carriers with a More Favorable Financial Position?
- Do Owner-Operator Truck Drivers with More Hours-of-Service Violations have Poorer Safety Records than do Company Drivers?
- Are New Entrant Motor Carriers less Safe than Established Carriers due to the Safety Learning Curve



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Underlying Premise of this Analysis

- No Direct Link Between Motor Carrier Deregulation and Increased Safety Risk from Motor Carrier Operations
- Significantly Reduced Crash Rates in Deregulation Era is a Documented Fact
- Enhanced Safety Monitoring by FMCSA to Deal with Safety Performance Issues Stemming from Carriers Operating Under Financial Distress
- Controversy about Owner-Operators and Safety Pre-Date the Deregulation Debate



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Dynamic Safety Performance Monitoring

- SafeStat; Web-Available Performance Data
 - Shift from Static Safety Fitness Rating based on Compliance Review to Dynamic Performance Assessment
 - Development of SafeStat Methodology for Performance Assessment and Prioritization-Volpe Transportation Center
 - SafeStat is Time-Weighted; Size Adjusted Performance Evaluation Scheme Measuring Performance in DRSEA; VHSEA; SMSEA; and ACSEA
 - Assessment based on Compliance Reviews, Roadside Inspections, Enforcement Actions, Crashes-ongoing Measures Revised Monthly



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Private Sector Use of Safety Performance Monitoring Data

- Schramm v. Foster
 - Broker Selection of a Carrier
 - Employers held Liable for Negligence in Selecting, Instructing, or Supervising an Independent Contractor
- Jones v. CH Robinson
 - Broker negligent in hiring of carrier
 - Court ruled CH Robinson could have obtained info on carrier propensity to hire incompetent, unsafe drivers
- Sperl v. CH Robinson
 - Broker vicariously liable for its contracted driver's negligent operation of tractor-trailer
- Chain of Responsibility
 - Due diligence in carrier selection



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CSA 2010: Improved Dynamic Safety Performance Monitoring

- BASICs-Finer Grained Breakout of Driver and Vehicle Violations
- Severity Weighting of Violations based on Crash Probability/Likelihood Factors
- Total Replacement of Carrier Safety Fitness based on Compliance Review with new Dynamic Measures



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Additional FMCSA Safety Initiatives

- Electronic Log-book Mandate
- Hours-of-Service Regulations Revised
- Special Monitoring Program for New Entrants
- New Technology to Reduce Collisions



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