



**Motor Carrier Safety Assistance Program (MCSAP) Formula
Working Group Meeting Minutes
September 29, 2016**

The Federal Motor Carrier Safety Administration's (FMCSA) Motor Carrier Safety Assistance Program (MCSAP) Formula Working Group held a web-based conference call on September 29, 2016. Thomas Liberatore, FMCSA Chief, State Programs Division and Designated Federal Officer (DFO), called the meeting to order at 1:00 p.m.

The following individuals attended the meeting:

MCSAP FORMULA WORKING GROUP MEMBERS*

Nancy Anne Baugher, FMCSA
Lt. Donald Bridge, Jr., Connecticut Department of Motor Vehicles
Adrienne Gildea, Commercial Vehicle Safety Alliance (CVSA)
Thomas Liberatore, Chief, State Programs Division and DFO, FMCSA
Michelle N. Lopez, Colorado State Patrol
Alan R. Martin, Ohio Public Utilities Commission
Dan Meyer, FMCSA
Lt. Stephen Brent Moore, Georgia Department of Public Safety
Stephen C. Owings, Road Safe America
Capt. Brian Preston, Arizona Department of Public Safety
John E. Smoot, Kentucky State Police
Courtney Stevenson, FMCSA
Col. Leroy Taylor, South Carolina Department of Public Safety

*Caitlin Cullitan, FMCSA, and Lt. Thomas Fitzgerald, Massachusetts State Police, were not in attendance.

FMCSA AND OTHER GOVERNMENTAL REPRESENTATIVES

Karen Brooks, FMCSA
Michael Chang, U.S. DOT, Volpe Center
Dianne Gunther, U.S. DOT, Volpe Center
Tom Keane, Director, Office of Safety Programs, FMCSA
Jack Kostelnik, State Programs, FMCSA
Dana Larkin, U.S. DOT, Volpe Center
Julianne Schwarzer, U.S. DOT, Volpe Center
Jacob York, FMCSA

OTHER ATTENDEES

Lauren Beaven, DIGITALiBiz

1. Welcome and Objectives

Presentation

Tom Liberatore, Chief, FMCSA State Programs Division and DFO, welcomed the MCSAP Formula Working Group members and other attendees to the meeting.



Liberatore provided a brief overview of meeting objectives for the call, including:

- Move toward a consensus on how to factor border activities into the formula.
- Discuss how to calculate funding for Territories.
- Discuss potential ways to incorporate cost of living into the formula.
- Discuss the idea of using the number of high risk carriers to predict crash risk.

Liberatore noted that the working group was more than halfway through its tenure and outlined a schedule for upcoming meetings. The Volpe analysis team drafted a formula progress tracking matrix to illustrate decisions made and decisions pending that will help drive upcoming meetings.

2. Factor Research Subgroup Recap: Border Funding

Presentation

Capt. Brian Preston, Arizona Department of Public Safety, led a review of the discussion and decisions made regarding border States during the Factor Research Subgroup call on September 9, 2016.

- Historically, Mexican carriers had a higher out-of-service (OOS) rate compared to Canadian carriers, which explained why legislation established an emphasis on the southern border.
- The subgroup sought a data-driven justification for putting emphasis on the southern border in order to support its continuation.
- Crossing data for the northern and southern borders does not vary significantly. If the working group decided to allocate border funding based on crossings, much more funding would be allocated to the northern border than has been in the past.
- The subgroup decided not to look at cost per inspection. Inspections on the southern border are generally more expensive because more funding is already allocated to do those inspections.

Michael Chang, of the U.S. DOT Volpe Center, presented data and analysis related to border funding. Chang noted that the Volpe analysis team had compiled new metrics, including crossings per point of entry (POE), inspections per crossing, and inspections per POE.

Discussion

Working group members discussed the following regarding border funding and the new analysis:

- Group members inquired as to how far inland Mexican carriers are traveling, and whether road miles should be considered.
 - Mexican carriers mostly operate within the commercial zone along the border.
 - Canadian carriers operate more frequently and penetrate deeper into the United States, and it is important to consider that at some point, these carriers become subject to action beyond border program jurisdiction.



- **Action Item:** Working group members request more information from FMCSA on when an inspection of a foreign carrier can be done by either border personnel or MCSAP personnel.
- If data indicates heavily that more funding should be allocated toward the northern border than has been historically, the working group would like to consider this.
- The percent of border funding for the north versus the south has fluctuated slightly but there have not been significant or linear changes historically, and the numbers are relatively stable.
 - **Action Item:** Working group members request more information from FMCSA on historical shifts in the percent of border funding to northern versus southern States.
- There has been legislation in the past that designated funding for the United States–Mexico border. If this still applied, it would affect the working group’s calculations.
 - **Action Item:** FMCSA State Programs will look into whether the Congressional requirement allocating funding to the southern border still applies.
- It is important to keep in mind that border enforcement and border activities have been incorporated into the MCSAP grant as a whole.
 - Group members noted that setting aside funding in a separate portion of the formula imitates the previous segmentation of the MCSAP grant.

3. Factor Research Subgroup Recap: Territories

Presentation

Capt. Brian Preston led a review of the discussion and decisions made regarding Territories during the Factor Research Subgroup call on September 9, 2016.

- The subgroup suggested it would be best to set aside a lump sum for Territories, then divide that among the Territories based on need. However, they had not yet reached a decision on how much money to set aside for the Territories.
- The subgroup had requested more information on how the Territories currently spend MCSAP funding.

Dianne Gunther, of the U.S. DOT Volpe Center, introduced new information for Territories.

- The Volpe analysis team looked at Fiscal Year 2016 (FY16) Commercial Vehicle Safety Plans (CVSPs) for the Territories. They spent the most on Personnel and Fringe Benefits. Program travel was mostly only to the MCSAP Annual Conference.
- The team also looked at crash data in the Motor Carrier Management Information System (MCMIS).
 - Crash data is not very reliable for the Territories. Some Territories showed zero crashes. The Territories may also be using different reporting thresholds.
 - The funding level needs to reflect the minimum amount of funding needed to run the program in general. Using crash risk alone, the funding would likely be too low to run the program.

Discussion

Working group members discussed the following regarding funding for Territories:



- If a lump sum is set aside for the Territories, this number needs to adjust according to the amount of total available MCSAP funding. Using a percentage of total MCSAP funding would be appropriate.
- **Action Item:** Working group members request information on what a minimally operating program includes and costs for Territories.
 - If this can't be calculated for the Territories, it may be helpful to look at another State's minimally operating program, such as Alaska, for reference.
 - A floor might be able to address the idea of a minimum level of funding for each Territory's program.
- Each Territory needs to be considered individually.

4. Formula Structure Subgroup Recap: Cost of Living

Presentation

Adrienne Gildea, CVSA, led a review of the discussion and decisions made regarding cost of living during the Formula Structure Subgroup call on September 15, 2016.

- Cost of living should be included in the formula, but should not affect it in a dramatic way. There should still be a greater emphasis on need.
- The subgroup looked at data sources to calculate cost of living, including CVSP data and voucher data.
 - The subgroup discussed the ability to access the data efficiently and effectively over time. The subgroup rejected some sources because they didn't seem to accurately reflect the labor costs of the MCSAP program.
- Cost of living would should be reevaluated on a regular basis to make sure that the proper adjustments are being made over time.

Discussion

Working group members discussed the following regarding cost of living:

- It is important to include logic in the formula that explicitly states this adjustment should not redirect funds from where there is the most need. Cost of living should not throw the funding off balance or skew it from one side to the other.
- It may be best to use cost of living as an adjustment instead of a factor in and of itself. This would ensure that this calculation has a less dramatic impact on the formula.
- Cost of living may need to be reevaluated every three years. However, this distracts from the ability of the formula to run without adjustment.
- The working group should decide whether this is a viable calculation to include, and whether there is a valid, stable, and accessible data source to make this calculation.
- FMCSA and the Volpe analysis team are working to compare CVSP and voucher data. State Programs is also working with the Grants Management Office to find a quicker solution to acquiring voucher data.
 - **Action Item:** FMCSA and the Volpe analysis team will gather and compare CVSP data and voucher data. The team may also correlate this data to other factors that measure cost of program.



- The working group may need to use a hybrid of CVSP information and voucher information in order to make valid comparisons.

5. Formula Structure Subgroup Recap: Weighting

Presentation

Adrienne Gildea led a review of the discussion and decisions made regarding the weighting of formula factors during the Formula Structure Subgroup call on September 15, 2016.

- The subgroup recommended that all five factors that have been identified so far be weighted equally. The subgroup did not determine percentages because the number of factors has not been decided.
- The subgroup remained undecided on whether to have a separate variable portion of the formula. However, the subgroup did make a recommendation that this should not be called an “incentive” portion.
- The group could establish a greater equal weighting for the five identified factors, and then establish other variable factors.

6. High Risk

Presentation

Michael Chang introduced new information regarding using high risk as a supplemental factor to the established five factors.

- Since Safety Measurement System (SMS) data measures crash risk, the Volpe analysis team hypothesized that using high risk carrier calculations could improve the MCSAP formula’s correlation with crash risk. The Volpe analysis team correlated this data with crashes. It does not correlate as well as the five established factors.
- Using the same approach, the Volpe analysis team plotted carriers that have one or more BASICS in alert. There are more of these carriers and this correlation is better.
 - **Action Item:** The Volpe analysis team will post high risk and BASIC in alert data and analysis to the SharePoint site.

Discussion

The working group discussed the value of correlating high risk carriers or carriers with more than one BASIC in alert:

- On a percentage basis for high risk carriers, the numbers vary. There is a high variation month to month or year to year.
- There are only nine months of data from the high risk program.
- High risk carriers travel State to State, which may introduce another level of complexity.
- The high risk data has a very similar correlation to carrier registrations. If both high risk and BASICS in alert correlate well with carrier registrations, working group members are inclined to use only carrier registrations in order to avoid additional complexity.

7. Wrap Up

The working group discussed some final thoughts before the end of the call:



- There is still a question of what data source the working group will use for road miles.
 - **Action Item:** The Volpe analysis team is looking at data for public roads and highway miles, and the working group will review this in San Antonio.
 - **Action Item:** Working group members requested that the Volpe analysis team look into using commercial motor vehicle miles traveled rather than all vehicle miles traveled, as well as look into the old definition of truck miles based on the National Truck Network.

Tom Liberatore noted that State Programs and the Volpe analysis team would be working on cost data and would distribute that to working group members.

ACTION ITEMS

Topic	Action Item	Assignment
Border Information	Provide more information on when an inspection of a foreign carrier can be done by either border personnel or MCSAP personnel.	FMCSA
Border Information	Provide more information on historical shifts in the percent of border funding to northern versus southern States, specifically with regard to whether the percent of border funding going to northern States is increasing.	FMCSA
Border Information	Look into whether the Congressional requirement allocating funding to the southern border still applies.	FMCSA
Territories Information	Define what a minimally operating program includes and costs for Territories.	FMCSA and Volpe analysis team
Territories Information	Calculate preliminary cost of living adjustments to calculate how individual States would be affected.	Volpe analysis team
eCVSP and Voucher Data	Gather and compare CVSP data and voucher data to present in San Antonio. The team may also correlate this data to other factors that measure cost of program.	FMCSA and Volpe analysis team
High Risk Data	Post high risk and BASIC in alert data and analysis to the SharePoint site.	Volpe analysis team
Vehicle Miles Traveled Information	Gather and analyze data for public roads and highway miles, and the working group will review this in San Antonio.	Volpe analysis team
Vehicle Miles Traveled Information	Look into using commercial motor vehicle miles traveled rather than all vehicle miles traveled, as well as look into the old definition of truck miles.	Volpe analysis team

PRESENTATIONS

	Presenter(s)	Presentation
1	Michael Chang, Dianne Gunther, Thomas Liberatore	Formula Working Group September 29, 2016 Webinar