

Federal Motor Carrier Safety Administration to Enhance System for Targeting Unsafe Carriers

Key Notes:

- The Federal Motor Carrier Safety Administration is adjusting how it tracks safety performance of individual motor carriers for audits, enforcement, and other interventions.
- Businesses that use motor carriers to move goods (i.e., shippers and brokers) may need to adjust how they select motor carriers to account for these changes and reduce liability risk for vehicle accidents.
- Private and for-hire motor carriers should consider adjustments to their compliance programs to account for these changes.
- Acquirers of motor carriers should consider these changes when evaluating a target carrier's compliance and liability risk.

On November 20, 2024, the Federal Motor Carrier Safety Administration (FMCSA) [announced enhancements](#) to its Safety Measurement System (SMS), which tracks motor carriers' safety performance for FMCSA intervention. These changes affect how the FMCSA scores and categorizes safety performance and intervenes to address a motor carrier's safety. They also may impact shippers' selection of carriers, their liability exposure and how companies assess risks when acquiring motor carriers during merger and acquisition transactions.

These enhancements follow a February 2023 proposal by FMCSA and 90-day public comment period. The FMCSA will incorporate the enhancements into a new SMS website but has not announced a launch date.

Key Changes to SMS:

- The FMCSA is simplifying, reorganizing and renaming the SMS safety performance categories that track motor carrier violations of the Federal Motor Carrier Safety Regulations (FMCSRs) and Hazardous Materials Regulations and carrier accidents. FMCSA previously called these categories the **Behavior Analysis and Safety Improvement Categories (BASICS)** and is renaming them **Compliance Categories**. Previously, there were seven BASICS: **Unsafe Driving**, **Crash Indicator**, **Hours-of-Services (HOS) Compliance**, **Vehicle Maintenance**, **Controlled Substances/Alcohol**, **Hazardous Materials (HM) Compliance** and **Driver Fitness**. The FMCSA is merging the **Controlled Substances/Alcohol** category into **Unsafe Driving** and including all operating-while-out-of-service violations in this category. It is dividing the **Vehicle Maintenance** category into **Vehicle Maintenance—Driver Observed** and **Vehicle Maintenance** categories. This change helps differentiate between maintenance violations that drivers can identify and those beyond their ability to detect. To better identify high-risk carriers in each segment, the agency also will segment the **Driver Fitness** and **Crash Indicator** categories by straight and combination carriers. Similarly, it is segmenting the **Hazardous Materials Compliance** category into **cargo tank** and **non-cargo tank carriers** to account for the different operations of these carriers.
- FMCSA is replacing its 1-to-10 scoring system for violations with a more simplified score of 1 or 2, depending on whether the offense results in an out-of-service order. This aims to reduce subjectivity and focus on violations severe enough to result in an out-of-service order.
- The FMCSA is changing the method for calculating carrier safety performance ranking to reduce

unexpected jumps in performance rankings, offering a clearer reflection of a carrier's actual safety performance.

- The FMCSA is loosening the intervention thresholds for the **Hazardous Materials Compliance** and **Driver Fitness** categories to reflect the lower crash risk associated with these categories.
- The FMCSA is narrowing the lookback period it uses for including violations in SMS scoring. The FMCSA currently assigns percentiles to certain SMS categories if a carrier's last inspection in the past two years resulted in a violation. The FMCSA is reducing this to 12 months for the **HOS Compliance, Vehicle Maintenance, Vehicle Maintenance—Driver Observed,** and **Driver Fitness** categories to sharpen the agency's focus on more recent violations.
- The FMCSA is raising the annual mileage limit for applying the Utilization Factor, which adjusts carrier scores in the **Unsafe Driving** and **Crash Indicator** categories if they have an above-average exposure to safety events and inspections due to higher vehicle mileage. The limit will increase from 200,000 to 250,000 miles per vehicle per year to reflect that carrier vehicle mileage has increased since the FMCSA first developed the Utilization Factor.

These changes to the SMS aim to improve FMCSA's ability to identify and target the carriers that pose the highest safety risk more effectively and to enforce safety regulations more rigorously. Carriers should be aware of how the new system might change their exposure to enforcement risk, while shippers and brokers should consider how these changes will impact carrier selection and safety evaluation practices.

FOR MORE INFORMATION

If you have any questions regarding the FMCSA's changes to its SMS or its impact on you, please contact:

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