

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Chapter Trans 327 - MOTOR CARRIER SAFETY

3. Subject

Update Chapter Trans 327 to meet Federal Motor Carrier Safety Regulations (FMCSR)

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.395(5)(dy)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

Update current language to meet Federal Motor Carrier Safety Administration (FMCSA) 2009 Audit.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

Wisconsin School Bus Association and Wisconsin Motor Carrier Association

11. Identify the local governmental units that participated in the development of this EIA.

None.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Intrastate commercial motor vehicles that do not meet outlined exemptions will be required to have an Electronic Logging Device (ELD) installed. The estimated average one-time cost of a base level ELD meeting the basic logging requirements of this rule is approximately \$165. There are other units costing upwards of \$832 that offer additional software options not required by this rule. The FMCSA has estimated that most carriers will elect to exceed the base ELD requirements to take advantage of additional telematics, geographical location, and fleet management services that can be purchased as add-ons to the devices. These additional telematic services are estimated to be \$419 per unit for an annual subscription. While the rule does not require carriers to purchase an ELD with telematics, when the final federal rule was passed, FMCSA conservatively assumed that drivers would purchase an ELD with these extra options.

In fiscal year 2021, there were 25,917 trucks registered in Wisconsin weighing between 32,000 and 80,000 pounds with a base plate. Many of these vehicles are exempt from needing an ELD in intrastate commerce. The exemptions include:

1. Short-haul operations: The driver operates within a 150 air-mile radius (172.6 statute miles) of the normal work reporting location and returns to the normal work reporting location within 14 hours. This is very common.

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2. The vehicle does not meet the definition of a commercial motor vehicle in s. 340.01 (8), Stats. There are no hours-of-service limits for drivers of these vehicles no matter the distance traveled or amount of time in work status.
3. Drivers who use paper to record their record of duty status (RODS) for not more than 8-days during any 30-day period. This allows a motor carrier/driver to extend the 150 air mile radius from point 1 above, for not more than 8 days in a rolling 30-day period.
4. Drivers who conduct driveaway-towaway operations, where the vehicle being driven is the commodity being delivered.
5. Drivers of vehicles manufactured before model year 2000.

Based on those exemptions, the Division of State Patrol (DSP) estimates that 10%, or 2,591, of registered Wisconsin intrastate trucks will need to install an ELD. The overall cost for Wisconsin intrastate commercial motor vehicles that are not exempt to install a device that is compliant with the basic ELD regulations is estimated to be approximately \$427,515. However, if all carriers were to subscribe to optional ELD fleet management and other telematics services as FMCSA estimates, but not required by this rule, installation cost would range from \$427,515 to \$2,155,712 with \$1,085,629 in annual subscription fees.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

If this rule is not implemented, DSP would be in jeopardy of not receiving full Motor Carrier Safety Assistance Program (MCSAP) grant funds of \$9.3 million awarded to the state from MCSAP annually. Safety is a priority of the DSP. The ELD requirement would help keep fatigued commercial motor vehicle drivers from driving which in turn reduces crashes.

ELDs significantly reduce drivers' paperwork and recordkeeping duties. FMCSA's Regulatory Impact Analysis (RIA) estimated that the savings in clerical time spent retaining paper RODS and eliminating the need to purchase paper logbooks is \$144 and \$42, respectively. Additionally, drivers' time spent completing RODS and forwarding RODS to their employers while away from the motor carriers' terminal is \$558 and \$65, respectively. The total annual paperwork savings is \$809 per driver. In Wisconsin, these savings amount to \$2,096,119 a year.

FMCSA's RIA calculated an average safety benefit of \$187 per long haul ELDs. The safety benefit for long haul ELDs is \$484,517. FMCSA estimates that ELDs save 26 lives, prevent 562 injuries, and avoid 1844 crashes nationally. There is no data that estimates how many of these lives, injuries, and crashes happen in Wisconsin, making the estimated savings for crashes, injuries, and deaths indeterminate.

Under 49 CFR 350.231, all states that are noncompliant are at risk of losing federal funds. The department is currently awarded \$9.3 million in MCSAP grant funding. A no-action alternative would significantly reduce funding. During the fiscal year that FMCSA notifies the state of its noncompliance, the department risks up to 5 percent of MCSAP funds. The department then risks up to 10 percent of MCSAP funds for the first fiscal year of noncompliance, 25 percent for the second year, and up to 50 percent for the third and subsequent full fiscal year of noncompliance.

14. Long Range Implications of Implementing the Rule

ELD requirement: The FMCSA released "Evaluating the Potential Safety Benefits of Electronic Hours of Service Recorders Final Report," a report from the Center for Truck and Bus Safety of Virginia Tech Transportation Institute. The report found that commercial drivers using ELDs had a significantly lower total crash rate (11.7% reduction) and a significantly lower preventable crash rate (5.1% reduction) than those who do not use ELDs.

15. Compare With Approaches Being Used by Federal Government

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These rule changes conform to language used by the federal government.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)
To remain eligible for MCSAP funding, all states are required to enact laws that are compatible with the Federal Motor Carrier Safety Regulations. 49 CFR 350.309. Illinois, Iowa, Michigan, and Minnesota have all implemented laws that are compatible with the Federal Motor Carrier Safety Regulations.

17. Contact Name Captain Karl Mittelstadt	18. Contact Phone Number 608-215-2804
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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

It is not known how many carriers employ drivers who will require an ELD to be installed in a commercial motor vehicle in intrastate commerce. Installation of an ELD into a commercial motor vehicle as defined in s. 340.01 (8) and operating in intrastate commerce is estimated to cost approximately \$165 per truck. This estimate can be increased to \$832 per truck if the carrier or driver elects to purchase available add-on services which are not required by this rule. However, once an ELD is installed the carrier is no longer required to keep time records in the commercial motor vehicle which will save on time and costs.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses
ELD costs were gathered from various ELD provider websites.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

The ELD requirement will not be required for 1 year after the effective date of this rule.

5. Describe the Rule's Enforcement Provisions

The ELD requirement will not be required for 1 year after the effective date of this rule.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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