



## **ADMINISTRATIVE RULES**

### **Fiscal Estimate & Economic Impact Analysis**

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.
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.

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#### 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 \$6.4 million awarded to the state from MCSAP annually. Safety is a priority of the DSP. The medical card requirement would ensure physically fit drivers are driving commercial motor vehicles in Wisconsin. 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 39 CFR 350.231, all states that are noncompliant are at risk of losing federal funds. The department is currently awarded \$6.4 million from FMCSA annually with a potential increase to \$9.3 million due to the signing of the Bipartisan Infrastructure Bill. 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.

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#### 14. Long Range Implications of Implementing the Rule

This proposed rule change will clarify when a medical card is needed to operate a commercial motor vehicle in intrastate commerce. This proposed rule change will also eliminate provisions for drivers who cannot meet medical standards but are currently grandfathered from certain medical requirements in 49 CFR 391. By implementing a sunset clause to the grandfather provision, drivers who are currently grandfathered will be required to follow the same standards as someone obtaining a commercial driver's license after 07/29/1996. Currently, a CDL driver who has met state medical qualifications as found in ch. Trans 112 and was issued a valid WI CDL prior to 07/29/1996 which has not been revoked is grandfathered from the 49CFR391 medical standards.

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.

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#### 15. Compare With Approaches Being Used by Federal Government

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

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#### 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.

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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### ATTACHMENT A

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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)

There are currently 79,199 Wisconsin residents who have a valid CDL and are grandfathered from the medical card provisions. Of these 79,199 CDL drivers who are grandfathered, 31,677 do have a valid medical card on file with the Wisconsin DMV or operate in an industry not requiring a medical card. This proposed rule will require the 47,522 drivers who are still operating under the grandfather provision to obtain a medical card unless they operate in an industry not requiring a medical card or no longer drive a CMV as defined in Ss. 340.01(8). To obtain a medical card a driver must get a physical and meet the medical criteria contained in 49CFR391. This medical exam costs between \$85.00 and \$100.00 depending on where the physical is conducted. The medical card generally lasts for 2 years from date of issuance.

|                                   |               |
|-----------------------------------|---------------|
| Tier 1 grandfathered drivers..... | <b>25,578</b> |
| Tier 2 grandfathered drivers..... | <b>5,538</b>  |
| Tier 3 grandfathered drivers..... | <b>561</b>    |
| Tier 4 grandfathered drivers..... | <b>47,522</b> |
|                                   | -----         |
| Total.....                        | <b>79,199</b> |

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.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The data used on drivers who are grandfathered is actual data from the Wisconsin DMV. ELD costs were gathered from various ELD provider websites.

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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:

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

The grandfather medical card provision will have a sunset over a 103-month period or upon renewal. This will allow CMV drivers who are currently operating under the grandfather provision time to get the medical exam completed to obtain a medical card. The ELD requirement will not be required for 1 year after the effective date of this rule.

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5. Describe the Rule's Enforcement Provisions

All CMV drivers who are currently operating under the medical card grandfather provision will need a medical card by the 103rd month or upon renewal of a commercial drives license. The ELD requirement will not be required for 1 year after the effective date of this rule.

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

Yes  No

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