

What is a Compliance Review?



U.S. Department of Transportation
Federal Motor Carrier Safety Administration



F M C S A
Federal Motor Carrier Safety Administration

Overview

- This Training Module is designed to educate Management on FMCSA Compliance Review (CR).

What is a Compliance Review?

- A Compliance Review is an on-site examination of a motor carrier's operations by a U.S. federal safety investigator to determine a motor carrier's safety fitness.

What is a Compliance Review?

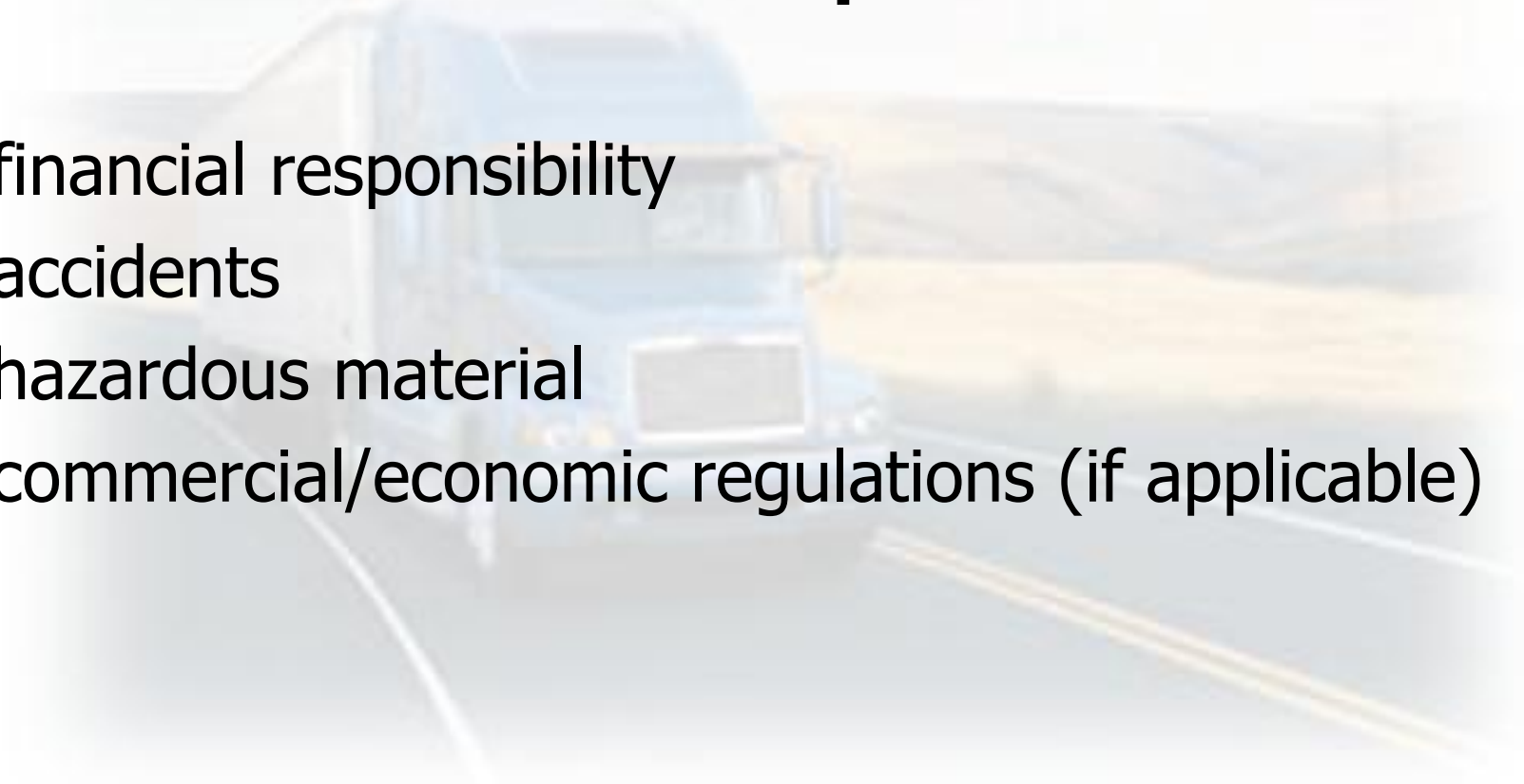
Review of motor carrier operations such as:

- driver's hours of service
- vehicle maintenance and inspection
- driver qualification
- controlled substance and alcohol testing
- commercial driver's license requirements

What is a Compliance Review?

Review of motor carrier operations such as:

- financial responsibility
- accidents
- hazardous material
- commercial/economic regulations (if applicable)



What is a Compliance Review?

- **The Compliance Review focuses on the carrier's:**
 - safety management controls
 - operational performance
 - U.S. regulatory compliance

What is a Compliance Review?

- Compliance Review will determine whether the company's operation is in regulatory compliance with U.S. Federal Motor Carrier Safety Regulations (FMCSRs) and applicable U.S. Hazardous Materials Regulations (HMRs).
- The Information needed can be found at:
 - Federal Motor Carrier Safety Regulations links <http://www.fmcsa.dot.gov/rulesregs/fmcsr/fmcsrguide.htm>
 - Hazardous Materials Regulations links: <http://hazmat.dot.gov>

Compliance Review Process

- Compliance Review of motor carriers are generally conducted at the carrier's principal place of business.
- Scheduling the Compliance Review
 - FMCSA's Division Offices and/or State Offices are responsible for calling the carrier to schedule a mutually agreeable time and location for conducting the Compliance Review.
 - The Investigator's call to the carrier will be followed by a letter to the carrier confirming when and where the Compliance Review will be conducted.

Compliance Review Process

- **The Compliance Review process consists of 9 steps:**
 1. Opening Interview
 2. On-Going Interviews with Carrier Staff
 3. Accident Review
 4. Financial Responsibility
 5. Maintenance Review

Compliance Review Process

- **The Compliance Review process consists of 9 steps: (continued)**
 6. Commercial Drivers License, Controlled Substance Testing & Driver Review
 7. Hazardous Material
 8. Hours of Service Review
 9. Close Out Interview

Compliance Review Process

- **The Opening Interview is conducted with a motor carrier/shipper official who has knowledge of the entire operation:**
 - President
 - Vice President
 - General Manager

Compliance Review Process

- **During the Opening Interview, the U.S. federal investigator:**
 - will explain the purpose of the visit
 - may request a tour of the facilities to see how the general day-to day operations work

Compliance Review Process

- **During the Opening Interview, the investigator:**
 - will explain the various company records to be reviewed
 - will ask to talk to the individuals in the company responsible for compliance with the safety, hazardous materials, financial responsibility, and commercial/economic regulations

Compliance Review Process

- Upon the arrival of an investigator at a motor carrier's principal place of business, regional office, or driver work-reporting location, those records that are maintained at such locations **must** be produced for inspection immediately upon request.

Compliance Review Process

- A motor carrier with multiple offices or terminals may maintain required records at these locations.
- All required records maintained at these locations must be made available for inspection upon request by the investigator at the principal place of business or other location specified by the investigator **within 48 hours** after a request.

Compliance Review Process

1. Accident Review – 49 CFR Part 390
2. Financial Responsibility - 49 CFR Part 387
3. Maintenance Review – 49 CFR Part 393 & 396
4. Commercial Drivers License, FMCSRs, Controlled Substance Testing & Driver Review – 49 CFR Part 382, 383, 391 & 392
5. Hours of Service Review – 49 CFR Part 395
6. Hazardous Material – 49 CFR Part 171-180

Compliance Review Process

■ **Accident Review – 49 CFR Part 390**

- The review of motor carrier's procedures for handling and evaluating accidents.
- Inquires about actions that the motor carrier have taken to stop certain type of accidents from reoccurring.
- It covers the 12 month period prior to the initiation date of the Compliance Review.

Compliance Review Process

- **Financial Responsibility - 49 CFR Part 387**
 - Verifies that motor carriers have the required minimum levels of financial responsibility subject to Part 387.
 - Cites violation of Part #387(a) and initiates enforcement action for the motor carriers subject to Part 387 that do not have the required minimum level of financial responsibility in effect.

Compliance Review Process

■ **Financial Responsibility - 49 CFR Part 387**

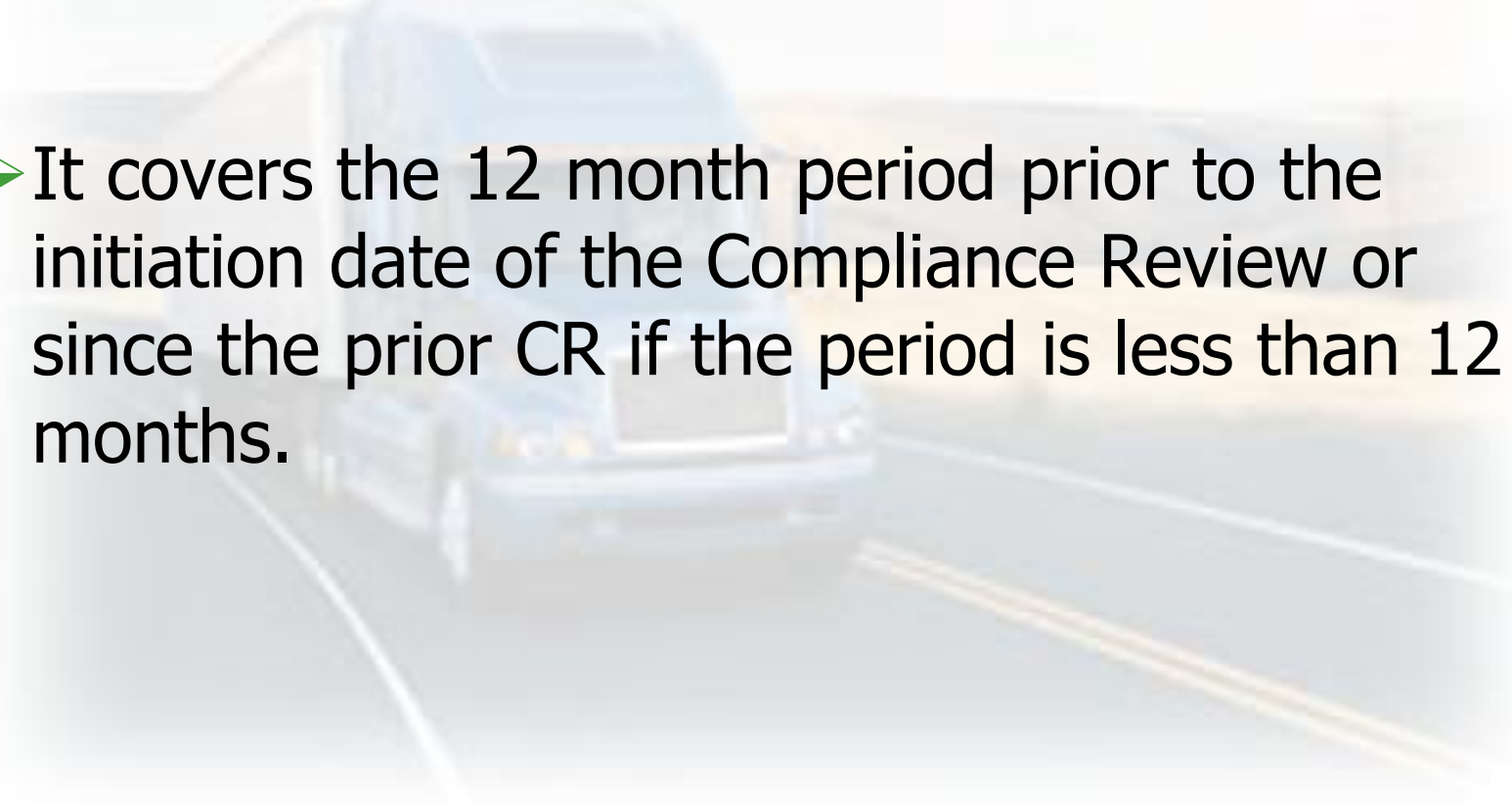
- Reviews motor carriers subject to require cargo insurance, property broker's license, offering arbitration on loss and damage claims, and filing of form BOC-3.

Compliance Review Process

- **Maintenance Review – 49 CFR Part 393 & 396**
 - The purpose of this review is to establish the effectiveness of the vehicle maintenance practices of the motor carrier or its agent, and to determine the general condition of the motor carrier's vehicles.
 - Review of the vehicle maintenance files. It may also include vehicle inspections and out-of-service rate calculations.

Compliance Review Process

- **Maintenance Review – 49 CFR Part 393 & 396**
 - It covers the 12 month period prior to the initiation date of the Compliance Review or since the prior CR if the period is less than 12 months.



Compliance Review Process

- **Commercial Drivers License, FMCSRs, Controlled Substance Testing & Driver Review – 49 CFR Part 382, 383, 391 & 392**
 - Verify company's procedures for hiring drivers, testing for controlled substance and alcohol, and maintaining driving record of drivers.
 - Reviews of drivers qualification files, driving records, drivers license status, payroll records, dispatch records, bills of landing, controlled substance and alcohol testing records, and vehicle maintenance files.

Compliance Review Process

- **Hours of Service Review – 49 CFR Part 395**
 - Review for compliance and verify information in the records of duty status (RODS) and/or time records for hour-of-service.

Compliance Review Process

- **Hours of Service Review – 49 CFR Part 395**
 - It covers the 6 month period prior to the initiation date of the Compliance Review or since the prior CR if the period is less than 6 months. When appropriate this may be expanded beyond the six months.

Compliance Review Process

- **Hazardous Material – 49 CFR Part 171-180**
 - Review for compliance hazardous materials shipping papers, material safety data sheets, registration with the Research and Special Program Administration (RSPA), and Hazardous Material incident records.

Compliance Review Process

■ Hazardous Material – 49 CFR Part 171-180

- Interview hazmat employees and verify their training and procedures.
- Check the dock to determine the compliance of shipments in transit.

Compliance Review Process

- **As a result of the Compliance Review, the carrier will be issued a safety rating of:**
 - satisfactory
 - conditional
 - unsatisfactory

Receiving a Satisfactory Rating

- **Receiving a satisfactory safety rating for the Compliance Review reveals that the carrier is:**
 - in compliance with the FMCSRs and HMRs (if applicable) and
 - has basic safety management controls.

Receiving a Satisfactory Rating

- The FMCSA will notify the carrier of its rating **no later than 60 days** after the completion of the Compliance Review.

Receiving a Unsatisfactory Rating

- If the carrier receives an unsatisfactory rating as a result of the Compliance Review the FMCSA will notify the carrier **no later than 45 days** after completion of the Compliance Review of its rating.

Receiving a Unsatisfactory Rating

■ Consequences:

- The carrier's operating authority to operate would be suspended effective 15 days after the service date of the notice and an Operation Out of Service Order would be imposed, prohibiting the carrier from operating any motor vehicle in the U.S., unless the carrier demonstrates, within 10 days of the service date of the notice, that the Compliance Review contained errors.

Receiving a Unsatisfactory Rating

- **Failure to take corrective action:**
 - Within **30 days** of the Suspension Order, the carrier must take the necessary corrective action specified in the Order or the carrier's provisional operating authority will be revoked.

Receiving a Unsatisfactory Rating

■ **Follow-up review:**

- A review may be conducted to ensure that all necessary corrective actions have been taken.

Receiving a Conditional Rating

- If a carrier receives a conditional rating as a result of the Compliance Review, the FMCSA will notify the carrier **no later than 45 days** after completion of the Compliance Review of its rating.

Receiving a Conditional Rating

■ **Consequences:**

- The carrier's Operating Authority will be revoked and an Operating Out of Service will be imposed unless it presents evidence of necessary corrective action within 30 days from the service date of the Order.

Receiving a Conditional Rating

- **Follow-up review:**

- A review may be conducted to ensure that all necessary corrective actions have been taken.

FMCSA Safety Monitoring System

- Compliance Review is part of FMCSA's initiative designed to determine whether carriers comply with applicable U.S. safety regulations and conduct safe operations.

FMCSA Safety Monitoring System

- The Compliance Review is one of the two main components of FMCSA safety monitoring system.
- The other is roadside performance monitoring.

FMCSA Safety Monitoring System

- FMCSA Web site:

<http://www.fmcsa.dot.gov>

- FMCSA Spanish Web site:

<http://www.fmcsa.dot.gov/español>