The Office of Inspector General is initiating an audit of the Federal Motor Carrier Safety Administration's (FMCSA) response to National Transportation Safety Board (NTSB) recommendations to improve the New Entrant Safety Assurance Program. Under this program, FMCSA oversees newly registered motor carriers (known as new entrants) by informing them of motor carrier safety standards and regulations, and determining whether new entrants are complying with those standards and regulations. Exercising vigilant oversight of new entrants is critical because the crash rate for these motor carriers is significantly higher than the rates for experienced carriers. FMCSA also faces a significant challenge in ensuring that motor carriers FMCSA has put out-of-service do not evade the law and become new entrants again under different names—these carriers are referred to as "reincarnated" or "chameleon" carriers.

After its investigation of a 2008 motor coach crash in Victoria, Texas, that resulted in one fatality and several injuries, NTSB issued a report to FMCSA recommending that it address weaknesses in the New Entrant Safety Assurance Program, including reducing the risk of reincarnated or chameleon carriers. Specifically, NTSB recommended that FMCSA establish new program requirements and develop new computerized methods of identifying carriers that try to evade detection, assist the National Highway Traffic Safety Administration (NHTSA) in developing a new database of information on commercial vehicles, and seek statutory authority to enhance its ability to oversee new entrants. In its July 2010 committee report on the

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fiscal year 2011 appropriations bill, the House Committee on Appropriations directed the Office of Inspector General to evaluate FMCSA’s response to specific NTSB recommendations, all of which remain open.

Accordingly, the objective of this audit is to evaluate FMCSA’s efforts to improve the New Entrant Safety Assurance Program by addressing key NTSB recommendations. Specifically, we will assess FMCSA's progress in (1) improving oversight to detect and deter new entrant motor carriers that try to evade enforcement of Federal requirements; (2) strengthening its ability to identify and track motor carriers whose vehicles are not in compliance with Federal safety requirements; and (3) making any needed changes to regulations or ensuring it has sufficient statutory authority to oversee new entrants.

We will conduct the audit at FMCSA Headquarters and other locations, as necessary. We plan to begin audit field work in November 2010, and will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630 or Tom Yatsco, Acting Deputy Assistant Inspector General for Highway and Transit Audits, at (202) 366-1302.

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cc: National Highway Traffic Safety Administrator
    Audit Liaison, FMCSA
    Audit Liaison, NHTSA
    Audit Liaison, OST

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