

**Prepared Remarks for Anne S. Ferro
FMCSA Administrator
American Truck Dealers Board of Directors Meeting
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Introduction/Economic Outlook

Good morning. Thank you for the warm welcome and – kudos to the American Truck Dealers Association for singling out Jack Saum for national recognition...

Jack's campaign, A New Truck is a Green Truck, made real headway among Maryland elected leaders and clearly represented ATD's interests exceptionally well. His award is a great recognition for the principal of different interests working together to achieve a common goal.

Thank you, all, for what you do as suppliers to the motor carrier industry and adapter of latest technologies and best practices to help your customers and America – its economy, its environment, and its safety.

Every truck you sell helps our economy grow. And with trucking hauling 70 percent of the freight in our nation, it's a leading indicator of our economy. For the nation as a whole, we are moving in the right direction in our economic recovery. After 22 straight months of job losses, our economy has created private sector jobs for six months in a row – totaling nearly 600,000 new jobs so far this year.

For the business of trucking, reports look brighter than before but not as bright as we would like. Even today's reports on the Federal Reserve data show trucking companies around the country are reporting a pick up in business, and in hiring, as firms ramp up inventories and consumers begin buying again.

Recent ATA reports found that truck tonnage increased about seven percent in May over the year before. This is the sixth straight month of gains. However, June tonnage reports just released show a 1.4 percent drop from May.

While the recovery is slower than we would like, we can truly say we are moving in the right direction. However, there is much more to be done to ensure that our transportation system supports the economic recovery. ATD's recent announcement encouraging federal incentives to truck buyers is an example of the kind of measures that could help.

With regard to federal programs, I know the ATD Board is interested in hearing about what actions or programs the DOT is working on that could impact the truck market in the months and years ahead.

Fuel Economy Standards

As you know, President Obama recently signed a first-of-its-kind order clearing the way for medium and heavy duty trucks to meet new fuel economy standards.

Your leadership on this initiative was a landmark move by major truck and engine makers and a landmark for the USDOT to have this level of partnership between NHTSA and EPA

The rule is on an aggressive schedule, with NHTSA and EPA set to publish a final rule by July 30, 2011, to make these standards law.

Once they become law, fuel economy is expected to increase by as much as 25 percent in trucks using technologies that already exist today.

While meeting the new standards will likely increase the price tag for new trucks – and many trucking companies can ill afford to pay more right now, as Jack Saum demonstrated, shippers and consumers are embracing the market for new and “green” trucks which will contribute to continued market and economic growth.

Finally, with fuel costs being one of the greatest expenses for a trucking company, the estimated 25 percent fuel efficiency gains that will be achieved under the new standards will be a strong selling point for the long term.

Improving Safety in Trucks

At FMCSA, we have several technology programs in the works to improve truck safety. We know from our own studies that drivers are the critical factor in most truck crashes where there is the loss of life and not the truck.

IntelliDrive is a program that offers real promise to reduce crashes by allowing the driver to be aware of hazards on the road.

IntelliDrive offers wireless monitoring of the a driver's safety status and a real time parking information system to help drivers locate safe parking at the end of their work day.

IntelliDrive also has the ability to monitor the speed and location of an approaching vehicle to help drivers avoid crashes.

In the context of crash avoidance, most of you are familiar with the work FMCSA has done to research and document the life-saving results of crash avoidance technologies such as lane departure warning systems, stability control, and advance braking. I applaud the companies in this room who are adopting some or all of these technologies into your basic models.

FMCSA Core Principles

As for FMCSA, to meet our safety mission of significantly reducing severe and fatal crashes with commercial vehicles, , we work in a framework shaped by three core principles: to raise the safety bar to enter the industry; to maintain a high safety standard to remain in the industry; and to remove high-risk carriers, drivers and service providers from operating.

Let me share some examples of work that is underway in support of these three core principles.

Raising the Safety Bar

We are raising the safety bar to enter the motor carrier industry by several new and ongoing initiatives that get at drivers, vehicles and motor carrier companies. We recently strengthened a new entrant safety assurance program to identify start-up truck and bus companies deficient in key areas that must be addressed in order to continue operations.

We are addressing passenger carriers that operate illegally and place passengers at risk. These are carriers that “reincarnate” themselves and apply for operating authority under new names and addresses to avoid enforcement actions and civil penalties for unsafe practices under their previous business name.

Putting these carriers out of business requires near constant attention, ample resources and incredible diligence if we are to stay ahead of the “bad actors.” We recently expanded our program that performs “background checks” to include household goods carriers. We’ll be expanding the effort to apply to all authority applicants over the next several years.

For drivers, we launched a pre-employment screening program earlier this year that allows companies to access driver inspection and crash records as part of the hiring process. This program gives companies the tools for making informed hiring decisions.

For vehicles, we have developed a virtual weigh and inspection stations at the roadside and are testing tools like infrared brake warning detection to improve safety and increase efficiency on highways.

Maintain High Safety Standards

In order to maintain high safety standards to remain in the industry, we are developing a major centerpiece safety initiative that will unveil later this year. It's called CSA 2010. CSA stands for Comprehensive Safety Analysis.

CSA will help us to more clearly determine motor carrier safety fitness and to better target enforcement efforts against unsafe operators. With significant input from industry stakeholders, including nine listening sessions around the country, CSA is built on three components.

First – is a new rating system based on a much more robust safety data system; Second – is a new safety fitness rulemaking focused on greater flexibility for intervening with problem motor carriers; and, third, an enhanced intervention process with carriers showing performance problems – to accelerate corrections to those safety problems before crashes can occur.

Today, motor carrier safety fitness is based on a few generalized categories that don't give us as clear a picture. Under CSA, however, we will get a fuller picture that includes seven specific high risk factors: unsafe driving; fatigued driving; driver fitness; crash history; vehicle maintenance; improper loading and cargo, and controlled substances and alcohol.

In the area of vehicle maintenance, most violations we see are with brakes, tires and lighting. The most commonly cited violations we hear about are tires with worn treads; lighting that's either defective or not working at all; and brakes – that are out of adjustment or are defective.

We have tested CSA in nine states over a 30 month trial period. In this relatively short amount of time, we were able to conduct one-third more investigations with CSA than under our current approach. This capability alone helps to increase safety on our nation's roads!

CSA is expected to go "live" in every state by the end of this year. At that time, roadside inspectors will use the new measurement system to identify carriers for inspection and to intervene on safety deficiencies to prevent roadway tragedies from happening in the first place.

For more information about CSA 2010, I encourage you to our website: www.fmcsa.dot.gov/.

The hours of service rule that defines how long a commercial truck driver may drive and be on duty is also on the front burner. Late last year we set in play a process to collect and receive information and perspective from a broad range of stakeholders through an open docket and listening sessions around the country. The process gave us a wide range of perspectives when examining the research used to develop the proposal.

As of Monday, July 26, the proposal rests in the hands of the President's Office of Management and Budget. OMB has up to 90 days to complete its review and then we will publish the proposal in the Federal Register and seek public comments.

Our work of maintaining high safety standards is just beginning. To accomplish this goal, we have published a final rule that will require carriers with serious patterns of hours of service violations to install electronic on-board recorders. We expect to publish a proposed rule on the broader use of EOBRs by the end of the year.

Remove High Risk Carriers/Behavior/Drivers

In addressing our third core principle of removing high risk behavior are two initiatives that are focused on drivers. The first, takes an aggressive stance on distracted driving.

Under the leadership of Transportation Secretary LaHood, FMCSA has issued a proposed rule to ban texting for commercial motor vehicles drivers. We expect to publish a proposed rule on cell phone use and a final rule on texting later this year.

The second is a proposed rule to create a national drug and alcohol test clearinghouse and to mandate stricter reporting requirements on CDL holders who test positive for drugs or alcohol or otherwise fail to comply with drug and alcohol testing regulations.

Reauthorization

Looking ahead to the reauthorization of the multi-year, multi-billion dollar federal surface transportation program, we believe that our future resources must keep the focus on achieving the highest level of commercial vehicle safety enforcement.

Over the past year, the Secretary has held listening sessions across the country to thoughtfully plan for the long-term needs of our nation's roads, bridges, public transit systems and safety programs.

All DOT modal administrators attended the sessions and have talked to countless government officials, industry, safety groups, and interested citizens at each location. I participated in the Minnesota session in February and learned a great deal about transportation needs in America's heartland.

The final leg of the listening tour recently took place. The entire Department is eager to review all the feedback so we can move forward with a reauthorization bill that best addresses the needs of our entire surface transportation system.

Conclusion

We are moving in the right direction in our economic recovery. President Obama wants to speed it up and keep the economy growing.

Trucking and truck sales can and should play an important role in leading and sustaining this recovery.

In terms of safety, we are setting the bar high for trucking. We have a bold new safety program ready to go in all fifty states later this year and as an Agency, will continue to pursue the highest standards for the industry through FMCSA's rulemakings.

Thank you for the leadership and support you in this room have shown for many of these initiatives. I look forward to hearing through questions/answers how we can continue to work together to make travel on our roads safe for everyone.