



July 2015

COMMERCIAL DRIVER'S LICENSING

Federal Oversight of State Programs Could Be Improved

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Why GAO Did This Study

Commercial motor-vehicle industry stakeholders have raised concerns that prospective drivers may face delays taking the skills test generally needed to obtain a CDL. As of July 2015, state CDL programs are subject to revised federal regulations that increase federal safety standards and place new requirements on states' licensing agencies. FMCSA must oversee states' compliance with these rules.

GAO was asked to review issues related to CDL skills testing. This report examines: (1) how states administer skills tests; (2) what is known about waits for skills tests; and (3) how FMCSA oversees these tests. GAO reviewed FMCSA regulations and oversight policies and documentation; compared FMCSA's policies and practices to federal internal control standards; surveyed licensing agency officials in 50 states and D.C.; interviewed licensing agency officials in 12 states, selected to include states that use a mix of test administration methods and had the largest number of CDL holders, among other factors; and interviewed representatives of industry stakeholders, such as training schools and motor carriers, and FMCSA officials.

What GAO Recommends

GAO recommends that FMCSA (1) clarify agency policy on oversight of states' CDL programs and (2) improve or obtain a mechanism to track oversight activities. The Department of Transportation agreed with GAO's recommendations.

What GAO Found

A majority of states (29 of 50) use both state testers, such as departments of motor vehicle sites, and third party testers to administer commercial driver's license (CDL) driving "skills" tests. Some of the states that use third party testers allow a wide range of training schools, motor carriers, and others to be testers, but other states are more restrictive. For example, some only allow motor carriers to test their own employees. These 29 states, as well as 10 others that reported only using third party testers, indicated that the states' licensing agency uses third parties to increase the availability of the driving skills test, among other reasons. Eleven states and D.C. chose not to use third parties because, for example, some perceived greater fraud risk with third party testers.

Skills test appointments are likely available within a week or two, but waits can be longer depending on a range of factors. Most officials from licensing agencies that had state test sites reported that skills test appointments were typically available within 2 weeks at those sites, while most officials from the states that had third party testers reported likely availability at those sites within 1 week. Multiple factors, such as federal- and state-mandated wait times (intended to encourage drivers to practice) and state resources may affect scheduling and add weeks to the wait for a skills test. However, stakeholders generally indicated that the wait for a skills test was not an obstacle to obtaining eventual employment with a carrier given the high demand for people with CDLs.

In 2013, the Federal Motor Carrier Safety Administration (FMCSA) established a policy for overseeing states' compliance with its CDL regulations, including requirements for FMCSA field office personnel to conduct periodic reviews. This policy and its implementation has several weaknesses.

- Some elements of FMCSA's oversight policy are unclear. For example, the policy does not clearly delineate the frequency and type of skills test reviews that should be completed. Consequently, there is a lack of assurance that FMCSA personnel responsible for conducting oversight will have a clear understanding of what is expected of them and that oversight will be conducted consistently.
- FMCSA's data system for tracking oversight activities does not readily provide management with accurate and complete information on oversight reviews because it is difficult for users to input or review some information. In 6 of the 12 states in which GAO conducted interviews, FMCSA field office personnel indicated that they primarily used the data system to monitor non-compliance and were less likely to use the system for logging oversight activities because of, for example, difficulties in using the system. As a result, FMCSA management does not have complete and accurate information on what oversight reviews are completed and whether they are conducted per agency policy.

Without a clear policy on oversight of CDL programs and a mechanism to accurately track these activities, consistent with federal standards for internal control, FMCSA cannot provide reasonable assurance that state CDL programs comply with applicable federal regulations, the primary objective of FMCSA oversight.

Contents

Letter		1
	Background	5
	Most States Use Both State Testers and Third Parties to Administer CDL Skills Tests	10
	Most States Indicated That Test Appointments Were Typically Available within 2 Weeks, but Various Factors May Affect Wait Times	19
	FMCSA's Oversight of State CDL Programs Could Be Enhanced	27
	Conclusions	37
	Recommendations	38
	Agency Comments	39
Appendix I	Objectives, Scope, and Methodology	42
Appendix II	Copy of Survey to Points of Contact at States' Licensing Agencies	46
Appendix III	Comments from the Department of Transportation	57
Appendix IV	GAO Contact and Staff Acknowledgments	58
Tables		
	Table 1: Summary of Selected Federal Commercial Driver's License (CDL) Regulations with Mandatory Compliance Date of July 8, 2015	7
	Table 2: Selected Oversight Requirements and Recommendations in FMCSA's Policy for Formal Commercial Driver's License (CDL) Oversight Reviews	31
Figures		
	Figure 1: Typical Process to Receive a Commercial Driver's License (CDL), as of July 8, 2015	6
	Figure 2: Testing Methods Used by States to Administer Commercial Driver's License Skills Tests (2015)	11

Figure 3: Typical Availability for a Commercial Driver's License Skills Test Appointment at State Testing Sites, among 40 States Reporting Use of Such Sites	20
Figure 4: Likely Availability of Commercial Driver's License Skills Test Appointments at Third Party Testing Sites, among 39 States Reporting Use of Such Sites	22

Abbreviations

AAMVA	American Association of Motor Vehicle Administrators
ACRS	Automated Compliance Review System
CDL	commercial driver's license
CDLIS	Commercial Driver's License Information System
CLP	commercial learner's permit
CSTIMS	Commercial Skills Test Information Management System
FMCSA	Federal Motor Carrier Safety Administration
Inspector General	Department of Transportation's Inspector General
SAFE PORT Act	Security and Accountability For Every Port Act of 2006
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
TEA-21	Transportation Equity Act for the 21 st Century

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July 15, 2015

Congressional Requesters

Commercial motor vehicles, such as large trucks and buses, are integral to interstate and intrastate commerce and daily mobility for millions of people in the United States. The commercial driver's license (CDL) is the main qualification drivers need to operate many of these vehicles.¹ In 2013, over 500,000 motor carriers operated in the United States and about 3.9 million people held CDLs.² Commercial motor vehicles are involved in a disproportionate percentage of highway fatalities. For example, in 2013, the most recent year for which data are available, 3,964 people were killed, and 95,000 injured, in vehicle incidents involving large trucks alone, accounting for over 12 percent of total highway fatalities even though these vehicles account for about 4 percent of vehicles on the road and 9 percent of total vehicle miles traveled.³ In the coming years, demand for commercial vehicle drivers is expected to be high. The American Trucking Association estimates that many hundreds of thousands of new drivers will be needed by 2022 to drive commercial vehicles—and do so safely—as the current commercial vehicle driver workforce, which is older than the overall workforce, retires and the industry grows. Each of these new drivers will likely need a CDL.

Federal oversight of state CDL programs is an important element in assuring that those programs operate both efficiently, to provide a sufficient number of qualified and licensed drivers to meet the needs of commerce and to ensure effectively that these drivers possess the needed skills to drive safely. Following the enactment of the Commercial

¹A CDL is not required to operate certain types of commercial motor vehicles, such as vehicles designed for less than 16 people or that weigh 26,000 pounds or less.

²U.S. Department of Transportation, Federal Motor Carrier Safety Administration, *2014 Pocket Guide to Large Truck and Bus Statistics* (Washington, D.C.: October 2014).

³U.S. Department of Transportation, National Highway Traffic Safety Administration, *Traffic Safety Facts 2013 Data: Large Trucks*, (Washington, D.C.: May 2015) and *Traffic Safety Facts Research Note 2013 Motor Vehicle Crashes: Overview*, (Washington D.C.: December 2014).

Motor Vehicle Safety Act of 1986,⁴ the federal government established the basic standards states need to follow when issuing a CDL. The Federal Motor Carrier Safety Administration (FMCSA) administers the federal CDL program by setting federal standards for CDL knowledge and driving skills tests; establishing processes and regulations for state driver licensing agencies (state licensing agencies); and overseeing state CDL programs.⁵ Federal regulations allow states to use their driver licensing agencies to administer the knowledge and the skills tests or elect to use third parties, such as public and private commercial vehicle training schools, school bus operators, and motor carriers, to administer skills tests provided the state abides by specific federal rules. In 2011 and 2013, FMCSA issued final rules amending CDL regulations that establish national standards for the content of written knowledge tests and on-road driving tests, or skills tests, and delineated other requirements for how states must administer and oversee their CDL program. As part of its oversight responsibilities, FMCSA oversees states' licensing agencies' compliance with federal requirements and monitors states' readiness to implement and follow these revised rules and regulations.

In prior work, we have identified areas in FMCSA's oversight that were in need of improvement, such as how FMCSA targets motor carriers for roadside inspections and vets new entrants before providing an entity with federal authorization to operate as an interstate motor carrier.⁶ In the context of CDLs, industry stakeholders have raised concerns about excessive delays in applicants getting appointments to take CDL skills tests and suggested that increasing the use of third party testers may provide a solution. The Department of Transportation's Inspector General

⁴Pub. L. No. 99-570, title XII, 100 Stat. 3207, 3207-170 (1986). Among other things, the Commercial Motor Vehicle Safety Act of 1986 required the Secretary of Transportation to issue regulations to establish minimum federal standards for testing and ensuring the fitness of persons who operate commercial motor vehicles.

⁵The Association of American Motor Vehicle Administrators sets the testing standards through its Test Maintenance Subcommittee. FMCSA is represented on that subcommittee to assure AAMVA meets federal CDL regulations.

⁶GAO, *MOTOR CARRIER SAFETY: Improvements to Data-Driven Oversight Could Better Target High Risk Carriers*, [GAO-15-433T](#) (Washington, D.C.: Mar. 4, 2015); GAO, *FEDERAL MOTOR CARRIER SAFETY: Modifying the Compliance, Safety, Accountability Program Would Improve the Ability to Identify High Risk Carriers*, [GAO-14-114](#) (Washington, D.C.: Feb. 3, 2014); and GAO, *MOTOR CARRIER SAFETY: New Applicant Reviews Should Expand to Identify Freight Carriers Evading Detection*, [GAO-12-364](#), (Washington, D.C.: Mar. 22, 2012).

(Inspector General) concluded that preventing CDL fraud—which the Inspector General found in fiscal year 2012 was especially at risk with third-party test administration—was a top challenge for the department and it remains an area of interest.⁷ GAO was asked to review issues related to CDL skills testing. This report examines (1) how states administer CDL skills tests; (2) what is known about wait times for a CDL skills test; and (3) how FMCSA oversees CDL skills tests and the opportunities, if any, that exist to enhance FMCSA's oversight.

To determine how states administer CDL skills tests, we reviewed pertinent federal laws and regulations on state administration of skills testing, including test standards and oversight practices.⁸ We surveyed and obtained responses from licensing agency officials in all 50 states and the District of Columbia (D.C.).⁹ In surveying these officials, we used closed- and open- ended questions to determine, respectively, how states and D.C. administered the test and reasons for their choice of administration. To further understand how states administer skills tests, we conducted in-depth interviews with officials from 12 states' licensing agencies, selected to include states that had the largest number of CDL holders nationwide and that represented a mix of different test administration methods, among other factors. We also interviewed 22 industry stakeholders, including 6 industry associations, representatives from 5 private training schools, 4 public training schools, 4 motor carriers, and 3 private testing businesses,¹⁰ which we identified through interviews with industry associations and states' licensing agencies. To determine what is known about wait times for skills tests, we asked the surveyed licensing agency officials closed- and open-ended questions related to skills test wait times in their states. We also interviewed officials from the 12 states' licensing agencies and industry stakeholders cited above

⁷Department of Transportation, Office of Inspector General, *Top Management Challenges for Fiscal Year 2012*, PT-2012-006, (Washington, D.C.: Nov. 15, 2011). The most recent *Top Management Challenges*, published in fiscal year 2015 does not include CDL fraud, but we confirmed with the Inspector General that it is a topic of ongoing interest.

⁸See, e.g., the Commercial Motor Vehicle Safety Act of 1986 and implementing regulations at 49 C.F.R. Parts 383 and 384.

⁹We included the District of Columbia in the scope of our review and report information on D.C.'s administration of CDL skills testing separately from state licensing agencies.

¹⁰For our purposes we defined private businesses that were not motor carriers and did not offer training as "private testing businesses."

regarding their experiences with wait times for skills tests, including any challenges experienced with scheduling tests or delays getting a desired appointment. The views of these states and stakeholders are not generalizable to all states and stakeholders, but rather help inform the experience that states and stakeholders may have experienced with CDL skills testing.

To determine how FMCSA oversees CDL skills testing and examine the opportunities, if any, that exist to enhance FMCSA's oversight, we reviewed pertinent FMCSA regulations and agency policies, such as its 2013 Roles and Responsibilities Memo for oversight of state CDL programs, and evaluated FMCSA's oversight actions in all 50 states and D.C. in calendar year 2014, as recorded in its Automated Compliance Review System (ACRS), against the responsibilities identified in agency regulations and policies, such as the 2013 memo. We assessed ACRS data and determined that they were sufficiently reliable to assess the frequency of required FMCSA oversight actions, but determined they were unreliable for assessing the frequency of other oversight actions recommended in agency policy. For our review of recommended oversight actions, we relied on interviews with FMCSA field offices and other documentation gathered from FMCSA field office personnel. We compared the agency's policies and practices against the Standards for Internal Control in the Federal Government.¹¹ We also interviewed FMCSA headquarters officials, as well as personnel from FMCSA field offices located in our 12 selected states. A full description of our scope and methodology can be found in appendix I.

We conducted this performance audit from August 2014 to July 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹¹GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999). An update of these standards goes into effect in October 2015.

Background

The Commercial Motor Vehicle Safety Act of 1986 established the federal CDL program and required the Secretary of Transportation to establish minimum requirements to obtain a CDL, such as passing a written knowledge test and a driving skills test. This Act was designed to help prevent commercial motor-vehicle accidents, fatalities, and injuries by establishing that all operators of specified types of commercial motor vehicles be qualified and meet uniform testing and licensing standards. Three broad categories, or classes, of commercial motor vehicles can be authorized on a CDL.¹² CDL applicants can also seek an endorsement on their CDL to indicate operation of a special motor vehicle, such as a school bus or commercial motor vehicle carrying hazardous materials. Applicants must, among other things, have a state motor vehicle driver's license and be at least 18 years old to apply for a CDL allowing intrastate transit and at least 21 years old for a CDL allowing interstate transit.

Federal regulations delineate the process for getting a CDL and have been revised over the past several years. Effective July 8, 2015, states must comply with revised federal regulations that change the CDL-issuing process, establishing for the first time a commercial learner's permit (CLP) requirement and implementing new standards and processes, which are discussed below, for both the knowledge and skills tests. States have been revising their programs accordingly since these regulations were amended in 2011 and 2013. Under these revised regulations, to receive a CLP, applicants must first pass the knowledge test and meet other federal requirements, after which they are eligible to pursue a CLP.¹³ After receiving the learner's permit, applicants must wait at least 14 days before taking the skills test. During this period, applicants may train on their own with a CDL holder, with a commercial-vehicle-training school, or with a motor carrier to prepare for the skills test. After the wait, applicants must pass all three parts of the skills test—pre-trip

¹²Classes of vehicle are defined by type and weight. For example, Class A vehicles include heavy-tractor trailer trucks; Class B vehicles include school buses and dump trucks; and Class C vehicles include small passenger buses or small vehicles transporting specified quantities of hazardous materials.

¹³Under 49 C.F.R. § 384.301(f), states must come into substantial compliance with 2011 and 2013 revisions to the CDL regulations not later than July 8, 2015. When an applicant registers for the knowledge test, the licensing agency is to conduct a records check of the applicant's driving record in certain specified databases as well as state record checks in all of the states (and the District of Columbia) where the applicant has previously been licensed during the preceding 10 years. Applicants must also provide medical certification that confirms the applicant is medically fit to operate a commercial motor vehicle.

inspection, basic control skills, and an on-the-road driving test—in the type of vehicle they intend to operate with their license.¹⁴ After passing the skills test, applicants are issued a license by the state licensing agency in their state of domicile. Figure 1 illustrates this process of obtaining a CDL.

Figure 1: Typical Process to Receive a Commercial Driver’s License (CDL), as of July 8, 2015



Source: GAO. | GAO-15-607

Note: Military service members who meet certain qualifications may apply for a CDL without skills testing.

FMCSA’s revised regulations also amend the minimum standards it sets for the content of the knowledge and skills tests. The revised regulations require states to adopt a knowledge- and a skills-testing system comparable to that issued by the American Association of Motor Vehicle Administrators (AAMVA) in 2005, and amended in 2010 and 2014, that were previously recommended by FMCSA. Some states already met or exceeded these standards prior to the federal requirement; other states had to increase their CDL testing standards to meet the July 8, 2015, effective date. The new requirements also stipulate specific activities that the state must perform to oversee its program. Table 1 summarizes these requirements.

¹⁴The pre-trip inspection includes a walk-around inspection of the vehicle to ensure it is functioning appropriately and in appropriate condition for use. The basic controls portion of the test includes performance of various driving maneuvers on a driving pad. The on-the-road driving test includes performance of specific maneuvers, such as merging into moving traffic.

Table 1: Summary of Selected Federal Commercial Driver's License (CDL) Regulations with Mandatory Compliance Date of July 8, 2015

Issue area	Current revised regulation
Knowledge and Skills Testing System Requirements	States must use a testing system comparable to that developed by the American Association of Motor Vehicle Administrators (AAMVA). ^a
Issuing Commercial Learner's Permit (CLP)	<ul style="list-style-type: none"> States must create a Commercial Driver's License Information System (CDLIS) record for a CLP and post all CLP transactions to CDLIS.^b Applicant must obtain a CLP and hold it for a minimum of 14 days before testing for a CDL.
Issuing CDL	<ul style="list-style-type: none"> For the purpose of issuing a commercial driver's license (CDL), states are required to accept an applicant's test results from a skills test taken in another state when driver training was done in that state. Third party skills examiners are prohibited from administering skills tests to applicants they train. For example, an instructor at a CDL training school, that is also certified to administer skills tests, may not administer the test to the students he/she has trained.
Oversight	<ul style="list-style-type: none"> States must conduct criminal background checks of all state and third party CDL examiners and regularly oversee state and third party test examiners in an effort to prevent CDL fraud. States must audit each third party tester once every 2 years. Each third party tester must submit a schedule of skills test appointments to the state licensing agency no later than two business days in advance of administering the test.

Source: GAO analysis of federal regulations. | GAO-15-607

^aAAMVA is a voluntary non-profit membership association, educational association that represents the state and provincial officials in the United States and Canada who are responsible for the administration and enforcement of laws pertaining to the motor vehicle and its use. AAMVA worked with FMCSA to develop the skills-testing standards implemented in the July 8, 2015 federal regulations.

^bCDLIS is an information system that connects the databases of all licensing jurisdictions nationwide. Through this system, states can exchange CDL information such as driver status and conviction history reports to ensure that the driver does not possess a CDL from more than one jurisdiction or have any restrictions that would disqualify him or her.

State governments, typically through states' licensing agencies such as departments of motor vehicles, manage the CDL process for all applicants. This includes responsibility for conducting background checks, administering tests, and issuing licenses. Federal regulations allow states to use third parties to administer skills tests, but state governments ultimately decide if they will use them and the types they will use. Third party testers are entities other than the state licensing agency authorized by a state to employ skills test examiners to administer skills tests. Third party testers can include training schools, motor carriers, private-testing businesses, and other state government agencies, such as a state police department or transit agency. The skills tests given by the third party must be the same as those that would otherwise be given by the state using the same version of the skills tests, the same written instructions for test

applicants, and the same scoring sheets. States are required to take prompt and appropriate remedial action against a third party tester that fails to comply with state or federal standards for the CDL program or with any other terms of the third party contract. Additionally, states set testing fees and may elect to establish wait time scheduling policies above the minimum federal requirements for any portion of the CDL process. In addition, state licensing agencies or third parties permitted by a state licensing agency to administer skills tests manage the scheduling of skills tests through a scheduling system of their choosing. All states establish their own processes for test scheduling. Some states use established information systems like the Commercial Skills Test Information Management System (CSTIMS). CSTIMS was created by AAMVA, with FMCSA funding, to help states track the scheduling and entry of skills test results by jurisdiction and third party examiners. States also use nationwide data systems such as CDLIS to share licensing information with one another, such as convictions for safety violations that disqualify a driver from legally operating a commercial vehicle, and help prevent fraudulent licensing of CDLs from multiple states to the same driver.

Under federal regulations, state licensing agencies are also responsible for overseeing all testing entities, including monitoring and certification of testers and examiners, to ensure compliance with state and federal regulations. States are required to conduct annual compliance reviews and provide FMCSA with a self-certification statement that they are in substantial compliance with federal CDL requirements. States must establish both training standards and training classes for CDL knowledge and skills test examiners and maintain databases with information on all testing entities and examiners to facilitate oversight. For example, states must have a database that tracks skills tests administration, with the examiner's identification information and pass-fail rates. These data are intended to help states focus oversight on test examiners who have unusually high pass or fail rates, a potential sign the examiner is incorrectly applying test standards too strictly or fraudulently passing applicants who have not demonstrated competency in required skills.

CDL fraud has been detected by state and federal investigations in both knowledge and skills testing.¹⁵ For example, in cases of fraud involving

¹⁵The Department of Transportation Inspector General works with other law enforcement agencies—such as the state licensing agency's law enforcement division, state police, and the Federal Bureau of Investigation—to investigate fraud cases.

skills testing, which has occurred among state and third party examiners, applicants have bribed examiners or entire schools to present false test results that would enable their students to receive passing scores, according to investigative reports. In the Top Management Challenges for Fiscal Year 2012, the Department of Transportation Inspector General noted that FMCSA must focus on CDL program weaknesses that allowed individuals and third party testers to exploit the program, resulting in hundreds of fraudulently issued CDLs across multiple states. CDL fraud and the implementation of revised CDL regulations remains an ongoing area of interest, according to the Inspector General, though there are currently no open recommendations from the Inspector General in this area.

FMCSA also has key oversight roles and responsibilities in assuring that states comply with federal CDL regulations when issuing CDLs and preventing CDL fraud. FMCSA, through field office personnel, oversee state licensing agencies to ensure compliance with federal regulations through various formal and informal activities.¹⁶ FMCSA field offices personnel are also often engaged in various enforcement and inspection activities in addition to overseeing the CDL program. FMCSA also has four regional service centers that provide additional support to the field offices.

FMCSA's oversight policy is delineated in an internal policy memorandum issued in May 2013, which, among other things, outlines various roles and responsibilities.

- FMCSA established new CDL oversight roles for FMCSA's CDL division in headquarters, service centers, and field office personnel. According to the policy, field office personnel are expected to take the lead role in formal reviews, and FMCSA's service center staff and CDL's division staff assist and may provide expertise as needed. When field office personnel identify areas of concern or findings of a deficiency in state CDL practices, this information should then be sent to the relevant service center and CDL division staff for review. According to the policy, the CDL division at FMCSA headquarters, with the assistance of FMCSA counsel, makes final determinations of

¹⁶FMCSA has approximately 1,200 employees total, almost 900 of whom work in field offices located in each of the 50 states and D.C., and an enacted budget of \$572 million in fiscal year 2014.

states' non-compliance. When deficiencies are found, state licensing agencies must provide FMCSA with a corrective action plan for approval. Field office personnel subsequently monitor states' progress toward implementing corrective actions.

- The 2013 policy also delineates two types of formal CDL oversight reviews. The formal reviews are the annual program review, which compares state CDL programs to federal requirements, and the skills test review, which involves direct observation of an examiner performing a skills test. The skills test reviews verify that the state, and any designated third party, has put the correct testing procedures into practice and is a federal check against fraud. The policy also includes expectations for recording and documenting the occurrence and results of these formal reviews in an FMCSA database—called the Automated Compliance Review System (ACRS)—which is accessible to agency and state licensing agency personnel to track the status of non-compliance findings.

Most States Use Both State Testers and Third Parties to Administer CDL Skills Tests

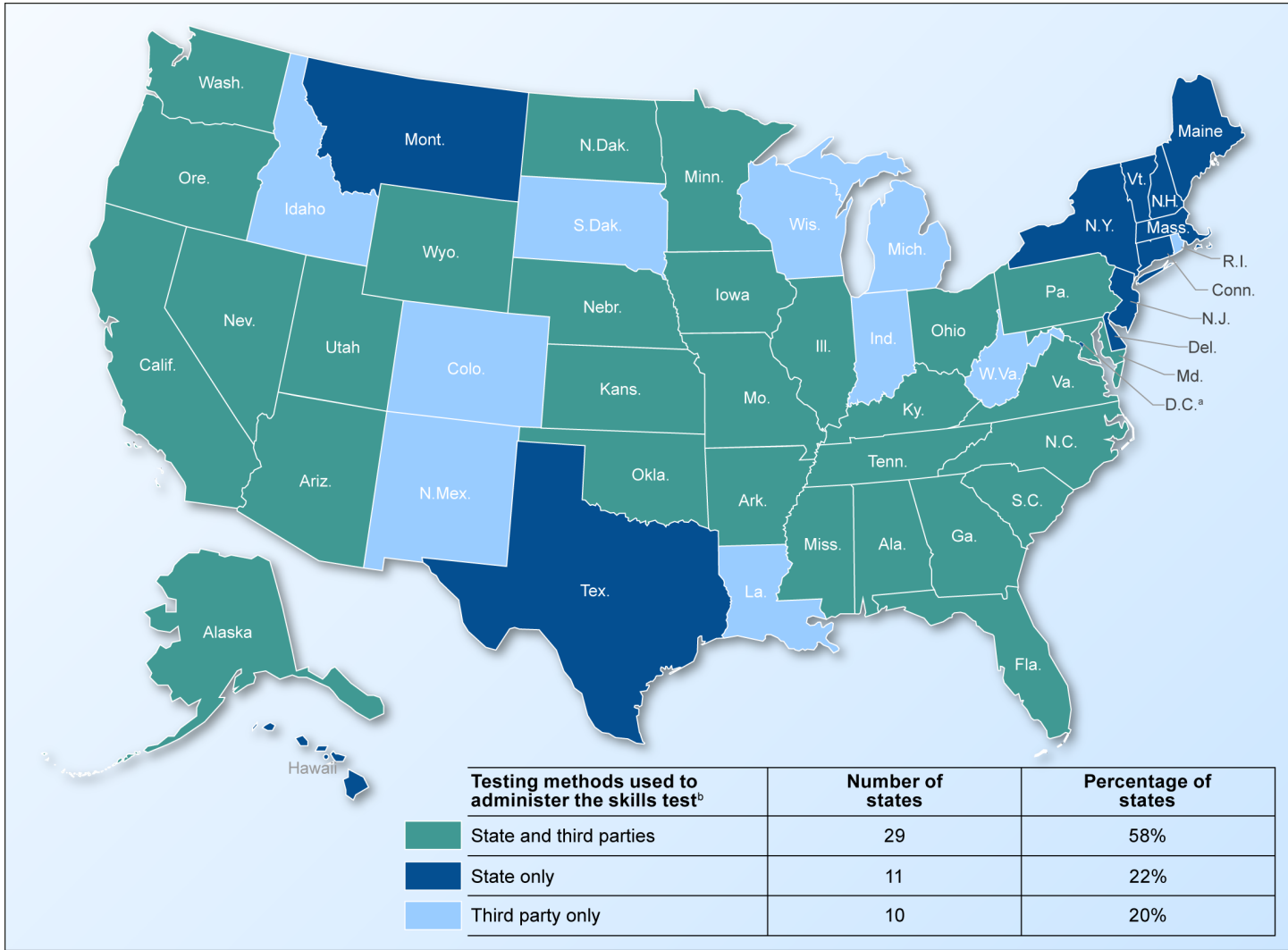
States Often Use Both State Testers and Third Parties, but Some States Only Use One Method or the Other

Twenty-nine of the 50 states we surveyed reported using both state testers and third parties to administer CDL skills tests.¹⁷ Five of these 29 states reported that third parties administered over half of their state's skills tests in 2014, including 3 states in which third parties administered over three-quarters of the tests. For example, Florida's licensing agency officials told us that third parties administered nearly all of the state's skills

¹⁷In surveying licensing agency officials, we defined a state tester as an office of the state licensing agency, such as a department of motor vehicles, that employs skills test examiners to administer the CDL skills tests. We defined third party testers as an entity—such as a motor carrier, a private or public trucking school, or a local government—authorized by the state licensing agency to employ skills test examiners to administer the CDL skills test.

tests in 2014 and that the state has only one state testing site that conducts few tests. Licensing agency officials from 11 states reported that skills tests were only administered by state testers, and officials from 10 states reported that the test was only administered by third parties. Figure 2 describes the methods that licensing agency officials reported using to administer skills tests.

Figure 2: Testing Methods Used by States to Administer Commercial Driver’s License Skills Tests (2015)



Sources: GAO analysis of survey information and Map Resources. | GAO-15-607

^aA licensing agency official from the District of the Columbia (D.C.) noted that D.C. only administers the skills test through the D.C. licensing agency. D.C. is not included in the number of states reported in the figure above.

^bSome states' licensing agencies that reported only using third party testers for skills tests may also maintain some state examiners. For example, although West Virginia reported that all of its skills tests in 2014 were administered by third party testers, a state licensing agency official told us that state examiners are used to conduct skills tests in special cases, such as when an applicant appeals the results of a test conducted by a third party tester to the state.

The 39 states that reported some or complete reliance on third parties to administer skills tests, varied with regard to the third party entities that offered the test or that were allowed by the state to offer the test. Eleven states, such as Florida and Pennsylvania, reported that public and private training schools, motor carriers, and other third parties, administered the test in their state. The remaining states, such as California and Georgia, reported that some, but not all, of these types of third parties administered the tests in their state, as discussed below.

States generally reported increases in the number of CDLs issued as a result of an applicant's passing a skills test between 2013 and 2014, and some licensing agency officials indicated that their state may increase the use of third parties over the next 2 years to help meet anticipated growth in demand for CDLs.¹⁸ Thirty-eight of the 51 licensing agencies reported data on new CDLs issued in 2013 and 2014. Overall, these 38 states issued nearly 395,000 new CDLs in 2014, up 10 percent from 2013, and 30 of these states reported an increase in the number of new CDLs issued between 2013 and 2014. The number of CDLs issued varied significantly among states. Some states, such as Tennessee and Texas reported that they had each issued over 35,000 new CDLs in 2014, while other states, such as Hawaii and New Hampshire, each issued less than 1,000 new CDLs. Licensing agency officials from 12 states indicated that they expected their states' use of third parties to increase over the next 2 years, and officials from 3 of these states added that their state may expand their use of third parties to help meet growing demand for CDLs. Officials from 2 states, however, reported that they expected their states'

¹⁸States may issue CDLs without performing skills tests to applicants who hold a valid CDL in another state and are transferring this CDL to a new state of domicile. We surveyed states on the number of new CDLs issued as a result of applicants' passing the skills tests. While developing the survey questionnaire, licensing agency officials and AAMVA representatives identified challenges states would experience providing data on the number of skills tests. For example, officials from one state told us that the data they have on skills tests were limited to a count of initial applicant skills tests, not re-tests. Officials from another state told us that they count each part of the three-part test as one skills test. AAMVA representatives added that states often do not have data readily available on the number of skills tests conducted in their state.

use of third parties to decrease, in part, due to their understanding that some third parties may be challenged by restrictions or expenses associated with complying with the revised federal CDL regulations, a decrease that potentially may result in closure of some testing sites.¹⁹

States Identified Test Availability and Perceived Fraud Risk, among Other Reasons, for Using Certain Entities to Administer the Test

Among the 39 states that reported using third party testers, licensing agency officials cited a variety of reasons for using them, including the following:²⁰

- **Increase test availability:** In 21 states, licensing agency officials reported that the state used third parties to increase availability or access to the skills test for prospective applicants. For example, Wisconsin's licensing agency officials noted that its third-party testing sites, unlike its state testing sites, can offer more testing appointments throughout the day, including on weekends in some cases, and are more widely dispersed geographically across the state. Similarly, Tennessee's licensing agency officials added that third party testers allow the state to better meet demand for CDLs because they have more flexibility over hiring and operating hours than the state.
- **Augment state resources:** In 15 states, licensing agency officials reported that the state used third parties to supplement state-run testing resources. For example, Illinois's licensing agency officials told

¹⁹Licensing agency officials from 6 of our 12 selected states also told us that test sites in their state had closed or were expected to close as a result of the requirements in the revised federal CDL regulations. For example, New Jersey's licensing agency officials told us that the state will close four of its 12 testing sites in July 2015 due to revised federal CDL regulations because, according to the officials, the regulations will require more space than is available at those sites to conduct newly required testing maneuvers. The officials added that after the site closures, they expect to handle test demand by using a "mobile CDL team"—i.e., a group of state employees that the licensing agency temporarily deploys to help meet demand for skills tests at remaining state and other sites capable of accommodating the test maneuvers. A licensing agency official from South Carolina we surveyed added that the state expects it will have to close 25 of its 34 state testing sites due to the revised federal CDL regulations because those sites are not adequately sized to accommodate the driving maneuvers required by the regulations. The official added that some elements of the regulations, such as permission for an applicant to inspect fewer items of a vehicle during the test than previously required in the state's skills tests, may help shorten the overall test time and reduce the impact of the test site closures.

²⁰This survey question was open-ended and in many cases, survey respondents identified more than one reason for using third parties. Appendix I describes our methods for analyzing the open-ended responses in more detail.

us that its third-party testers alleviate demand from the state's testing sites. Another state's licensing agency officials added that third parties supplement state's testing resources that have been constrained by challenges finding applicants for state examiner positions.

- **Reduce wait times:** In 9 states, licensing agency officials reported that they use third parties to help reduce backlogs of applicants waiting to take the test. For example, South Carolina's licensing agency officials reported that third parties help the state to reduce wait times for applicants seeking a test appointment. As discussed below, several licensing agencies we surveyed and stakeholders we interviewed noted that third parties generally maintained shorter wait times than state testers.
- **Cut costs:** In 7 states, licensing agency officials reported that using third parties was more cost-effective than using state-run testing sites. For example, Florida's licensing agency officials told us the costs of overseeing its third party testers was less than the cost of maintaining state testing sites and retaining state examiners to meet all the demand for CDLs in the state. Licensing agency officials from one state that we interviewed that does not use third parties added, however, that they believe third parties would be too costly, as discussed below.

As previously discussed, some states that use third parties do not use or allow some entities to administer skills tests as third parties. Among the 12 states we interviewed, 9 reported using third parties for skills tests, but officials from 5 of these states told us that certain entities were restricted from administering skills tests as third parties. For example, California's licensing agency officials told us that they only allow employers, such as motor carriers, to administer the test to their own employees. The officials added that allowing other entities, such as training schools and private testing businesses, to administer the test as third parties would require the state to study the benefits and costs of doing so, and then write related regulations—a process that the officials said could take 2 to 3 years. Officials from some states cited concerns about allowing particular entities to offer the test. For example, officials from one state told us that the only third parties allowed to offer the test are employers and that these employers can only test their own employees because, the officials believe that employers, unlike training schools, have a more vested

interest in ensuring that applicants are properly tested and licensed.²¹ Licensing agency officials from some states, such as Indiana and Wisconsin, added that although public training schools can offer the test in their state, the training and testing operations of the schools must be separated.²²

Among the 11 states that only use state testing sites, licensing agency officials most commonly reported the reasons for not using third parties were that they believed they were sufficiently meeting demand with state testing sites or considered third parties too much of a fraud risk.²³ In 7 states, licensing agency officials indicated that they did not use third parties because they believed their licensing agencies were able to sufficiently meet demand through their state testing sites.²⁴ In 6 states, licensing agency officials indicated potential fraud risk as a consideration for not using third party testers. For example, licensing agency officials in New York and Texas told us that knowledge of fraud cases in other states involving third parties influenced their states' decisions to only use state examiners. Licensing agency officials in Texas added that they believe it would be too costly to conduct required background checks and oversight of third party examiners relative to any potential benefits.

Among the 22 stakeholders we interviewed, representatives of all 5 of the private training schools, all 4 of the public training schools, and 3 of the 4 motor carriers expressed a preference for states either to allow them to administer the test as third party testers or to offer some type of third-

²¹The state's licensing officials added that employees who pass a skills test with their employer are issued a CDL that only allows the employee to use the CDL when working for the company at which they passed the skills test.

²²Under 49 C.F.R. § 383.75(a)(7), a third-party skills test examiner who is also a skills instructor is prohibited from administering a skills test to an applicant who received skills training by that skills test examiner.

²³This survey question was open-ended and in many cases, survey respondents identified more than one reason for not using third parties. The reasons described for not using third parties were gathered from survey responses and interviews with our selected states.

²⁴A D.C. licensing agency official added that current demand for testing did not warrant the use of third party skills testers.

party testing option.²⁵ The reasons most commonly cited by these training schools and motor carriers were to increase test availability, such as to help reduce logistical challenges getting to test sites, and to reduce wait times. For example, representatives of one of the private training schools told us that it would prefer to operate as a third party tester because currently its students and staff sometimes have to travel as far as 100 miles to access a state test site with available test appointments, which requires staff time and resources, such as trucks, that the school would rather use elsewhere. Representatives of another private training school noted that the school would like third party testing to be an option in their state to help reduce wait times but would not want to offer the test themselves due to potential conflicts of interest. Specifically, the representatives said that they want to keep any third party testing business separate from the school's training business to avoid the risk of an examiner employed by the school being more lenient towards the school's students. Some third-party testers we interviewed also believed that they could maintain shorter wait times for skills test appointments than state testing sites, as discussed below.

Selected States Employ a Variety of Strategies and Tools to Oversee Skills Testing

State licensing agencies conduct oversight of their own skills testing operations as well as of third party testers. FMCSA relies on partnerships and collaborations with states across many programs. FMCSA CDL division officials indicated that they rely on state oversight of testing, particularly for third party testers, but try to stay out of the administration of state CDL programs, including oversight activities because the specific activities needed across states may vary depending on each state's resources and circumstances. However, federal regulations do set minimum oversight standards for states. Per the revised federal CDL regulations, by July 8, 2015, at least once every 2 years states must conduct an on-site inspection of every third party tester as well as conduct overt and covert monitoring of examinations performed by state and third party skills test examiners, focusing on examiners with unusually high or low pass or fail rates to assure that examiners are

²⁵Among the other stakeholders were 6 industry associations and 3 private testing businesses—i.e., private businesses that did not offer training and whose primary business was to conduct skills tests. A representative of one motor carrier told us he had no preference for how the state in which the carrier operates administered skills tests.

applying test standards correctly.²⁶ Licensing agency officials from several of our selected states noted that their state used a variety of oversight strategies or tools to maintain the integrity and quality of their skills-testing programs and to comply with federal CDL regulations.²⁷ For example, Michigan's licensing agency officials told us that to conduct the required monitoring of examinations performed by all examiners, the state, among other things, compared examiner fail rates to the state's average fail rate to see if there is a significant variance and, if such a variance exists, targets those examiners for additional monitoring. Licensing agency officials from some states, such as Georgia and Wisconsin, added that their state audited third party testers and examiners more frequently than the minimum federal requirement. Georgia's licensing agency officials told us that at least twice a year, the state both inspected every third party tester in the state and covertly and overtly monitored all state and third party examiners in the state. Licensing agency officials from Tennessee and two other selected states added that examiners in their states used tablet computers when conducting skills tests, a process that allows state auditors to monitor tests in real time and identify discrepancies in examiners' scoring without the costs and time needed for an on-site audit.²⁸ Tennessee's licensing agency officials told us that the tablets help to prevent fraud because examiners know that the licensing agency may be watching how the examiner is scoring a skills test. Licensing agency officials in Illinois told us they more frequently oversee the skills tests of applicants seeking passenger endorsements because they identify these applicants as a greater safety risk since they could be carrying children and other passengers in their vehicle.

²⁶See, 49 C.F.R. § 383.75(a)(2), 49 C.F.R. § 384.229(c). FMCSA regulations do not define what constitutes an unusually high or low pass or fail rate, thereby leaving such determination to the discretion of the states. Overt monitoring involves monitoring a skills test being performed in the open, such as when an auditor rides alongside an examiner and applicant during a skills test. Covert monitoring involves monitoring a skills test without the examiners knowledge that the monitoring is taking place, such as when an auditor follows the examiner and applicant in another vehicle and makes a separate score sheet of the applicants driving performance.

²⁷We did not independently review or assess states' oversight activities to determine their compliance.

²⁸Tennessee licensing agency officials added that they had used FMCSA grant funding to help purchase the tablet computers for its CDL program.

Representatives of all 10 of the third party testers we interviewed told us they had been subject to state audits and, in some cases, FMCSA audits. For example, representatives of a public training school in Wisconsin reported that the state audits all of the school's examiners at least once per year and that the audits included a "ride-along" and a review of examiner scoring.²⁹ A representative of a motor carrier in California that offers the test to its employees reported that the state regularly retested 10 percent of the carrier's employees that passed the carrier's skills test in the state within 30 days of receiving their CDL. California licensing agency officials told us that the state regularly aims to retest 10 percent of drivers who received their CDL as a result of passing a skills test at a third party tester in their state to verify that these individuals were qualified to pass the skills test. In addition, the motor carrier representatives told us that the state conducts an annual audit of the carrier's paperwork. Representatives of a private training school in Florida reported that the state assigns officials to monitor testing in different regions of the state and that these officials review the school's paperwork and conduct overt and covert observations of skills tests. Three of the 10 third-party testers we interviewed told us that FMCSA had audited their skills testing operations, while the remaining seven told us that, if they had been audited by FMCSA, they were not aware of it. According to an FMCSA official we interviewed, a tester may not be aware of an FMCSA audit, particularly if the audit was covert and did not result in any findings against the tester.

²⁹A "ride-along" involves the state auditor's observing in person an examiner administering a skills test to a student.

Most States Indicated That Test Appointments Were Typically Available within 2 Weeks, but Various Factors May Affect Wait Times

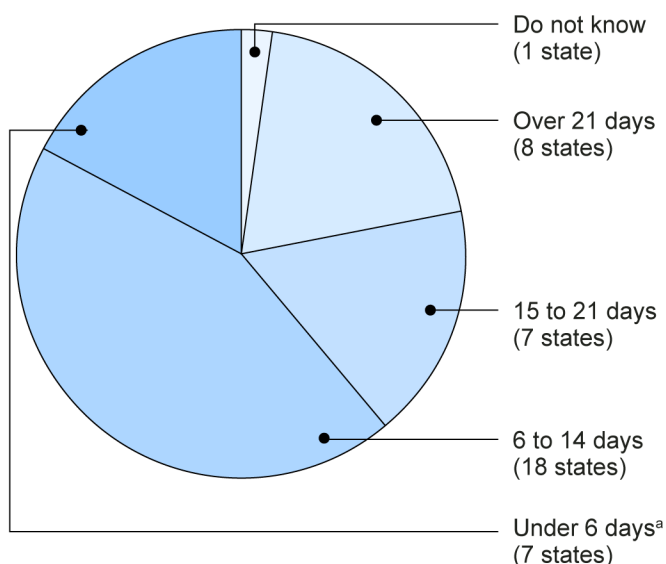
Most States Reported Test Appointments Were Typically Available within 2 Weeks at State Sites and Likely within 1 Week at Third Party Sites

Some industry stakeholders we interviewed raised concerns that applicants experienced delays—up to 7 weeks in some states—in getting skills tested. Representatives of a training school and a motor carrier we interviewed noted that these delays can sometimes contribute to a decline in applicants’ skills as they wait to be tested and create logistical challenges for training schools or motor carriers that may have specific availability for the staff and trucks used to take applicants to a test site. However, state licensing agencies generally do not track “delays”—i.e., the number of days between the date an applicant would like to take the test and the date of the scheduled appointment. State licensing agencies do, however, routinely track some scheduling information, such as scheduled test appointments and appointment availability, and licensing agency officials we surveyed from most of the 50 states and the District of Columbia reported information to us on typical appointment availability for eligible applicants—i.e., applicants who have completed mandated wait times for taking the skills test.³⁰

Among the 40 states that reported some or complete reliance on state testing sites, licensing agency officials from most (25 of the 40) indicated that appointments were typically available for eligible applicants at these sites within 2 weeks (see fig. 3). Licensing agency officials from some of these 40 states, however, reported that an applicant would typically have to wait over 3 weeks for an available appointment.

³⁰These mandated wait times, and how they may affect the scheduling of appointments, are discussed below.

Figure 3: Typical Availability for a Commercial Driver's License Skills Test Appointment at State Testing Sites, among 40 States Reporting Use of Such Sites



Source: GAO analysis of licensing agency survey responses collected between February and April 2015. | GAO-15-607

^aA D.C. licensing agency official reported that skills test appointments were typically available within 6 days at its licensing agency site. D.C. is not included in the 40 states in the figure above.

Some licensing agency officials added that typical availability for an appointment can vary across testing locations within their state. For example, a North Dakota's licensing agency official reported a typical wait of over 3 weeks for available appointments across all of its state testing sites, but added that the typical wait fluctuated from as low as 5 days in some locations to over 70 days in locations where growth in the state's energy industries has increased the volume of CDL applicants. Georgia's officials we interviewed told us that waits for available appointments were typically longer at state testing sites in urban areas, such as Dalton, which has high demand to accommodate large carpet-manufacturing operations, and shorter in less-populated parts of the state, such as central, rural Georgia.

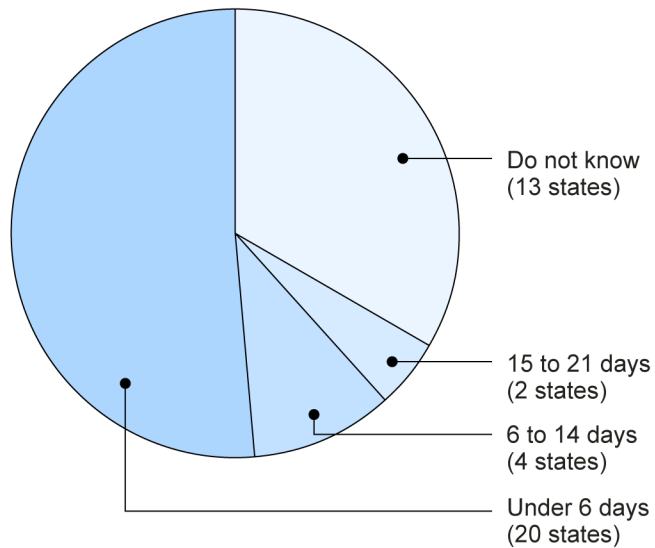
Some licensing agency officials indicated that they had reduced wait times for available appointments in recent years. For example, Tennessee's licensing agency officials reported that a typical wait is

currently over 21 days at its state testing sites, but added that 3 years ago the wait was as long as 6 months because the state did not have enough resources to meet demand. Tennessee's officials told us that they expected the ongoing transition to use more third party testers would continue to shorten wait times. Georgia's licensing agency officials noted that although the typical wait at state sites for an available appointment is about 2 to 3 weeks, it was as long as 8 to 9 weeks a few years ago, prior to expanding test sites and increasing the number of available test slots. In New Jersey, a state that only uses state testing sites, licensing agency officials reported a typical wait of 15 to 21 days, but added that the wait was as long as 3 months about 5 years ago due to the temporary closure of testing sites for renovation and cutbacks in the number of examiners in response to the recession. These officials told us that the state had reduced wait times, in part, by employing "mobile CDL teams"—groups of state examiners temporarily deployed to address areas of high testing demand.

State licensing agencies generally have less information on appointment availability at third party testers because according to representatives of an industry association for licensing agencies, third parties, not states, manage scheduling or testing at those locations. About two-thirds of licensing agency officials we surveyed in states using third party testers, however, reported some knowledge of the likely wait for an available test appointment at those locations (see fig. 4).³¹ Among these 39 states that reported having third party testing sites, officials from over half indicated that test appointments were likely available in under 6 days.

³¹Nine states reported that they did not know, and 4 states did not report an answer. Hereafter, we characterize these 13 responses as "don't know."

Figure 4: Likely Availability of Commercial Driver's License Skills Test Appointments at Third Party Testing Sites, among 39 States Reporting Use of Such Sites



Source: GAO analysis of licensing agency survey responses collected between February and April 2015. | GAO-15-607

Among the 29 states that reported using both state and third party testers, licensing agency officials from most (19 of these 29 states) indicated that they believed that waits were shorter at their third party testing sites, while licensing agency officials from 7 states reported that they did not know how the wait compared or did not answer the question.³² Some of these licensing agency officials, however, added that the wait was shorter at third party testers because these testers were not always open to the general public or could prioritize their students or employees in the scheduling process. For example, Kentucky's licensing agency officials noted that although wait times were shorter at the state's third party testers, these third party testers only tested applicants to become school bus drivers, whereas the state testing sites were open to the general public. North Dakota's licensing agency officials added that although wait times were shorter at its third party testers, these third parties were

³²Officials from two states noted longer waits at third-party testing sites. For example, officials from one of these two states reported that third party testing in their state was restricted to schools that require applicants to complete a training program prior to taking the test. Officials from another state noted that the wait was about the same at state and third-party testing sites.

schools that only tested their own students, while the state's examiners had to test CDL applicants, as well as applicants seeking a traditional driver's license. Third party testers we interviewed that operate in states using both testing methods told us that they believe they can maintain shorter wait times than state sites—sometimes while also accepting applicants from the general public—because they have more flexibility with their testing operations than the state. For example, representatives of the private training school that also tests the general public told us that they could more easily hire new examiners to meet changes in demand than the state, which may only be able to increase testing resources after an annual budgetary process. A representative of the motor carrier that can only test its own employees added that it could more easily adjust its testing days and hours to meet demands than state testing sites, which may have more limited operating hours and days.

States and Stakeholders Indicated That Multiple Factors, Including Mandated Wait Times, Can Affect Skills Test Scheduling

Licensing agency officials and stakeholders noted that a variety of factors can affect the scheduling process, sometimes adding to the wait an applicant may face before taking a skills test. Some factors are state and federal policy choices designed to enhance safety, while other factors such as weather, may be out of a state's control.

- **State and federally mandated wait times:** Licensing agency officials from 29 states and D.C. reported that applicants must wait a designated time after getting a learners permit to take the skills test. In some states this was in anticipation of the revised federal CDL regulation requiring, by July 8, 2015, a 14-day wait after obtaining a learners permit. In other states, the wait is a state policy or practice, such as in New York, which requires applicants to wait 4 to 5 weeks, according to state licensing agency officials.³³ New York's licensing agency officials told us that this wait period is meant to encourage drivers to spend time practicing prior to taking the test because they believe it leads to safer drivers. Licensing agency officials from 33 states and D.C. also reported that they required applicants to wait

³³New York's licensing agency officials told us that they planned to integrate the 14-day wait required by federal regulation into the state's 4 to 5 week required wait time.

before re-taking the skills test after failing their first attempt.³⁴ One state licensing agency official noted that requiring applicants to wait for a retest was important both to encourage applicants to practice before the retest and to free up state resources to test other applicants.

- **Limited resources:** Licensing agency officials from 27 of the 40 states that use state testers and D.C. indicated that limited resources, such as available test sites or appointments, most commonly contributed to an applicant's getting a later-than-desired test date. Licensing agency officials in one state told us that they had fewer testing sites open than they needed to meet demand, but that it would take time to adjust resources, given that it can take years to approve desired changes through the state's legislative and budgetary processes. Other states, such as one that reported a 2-week typical wait for available appointments, indicated that current resource levels were satisfactory relative to other state priorities. A representative of a private testing business told us that hiring examiners to meet applicant demand was sometimes challenging because the state only offered required examiner certification courses once every 2 to 3 years, and as a result, the supply of qualified examiners was constrained. Representatives of two private testing businesses also told us that their state's testing sites, unlike their own testing sites, do not rent or otherwise make available vehicles for applicants to use for their skills test, a circumstance that, they said, added to the logistical challenge applicants can face to get a desired test time. Representatives of all of the training schools we interviewed that offer the test also told us that they have vehicles available at the convenience of the school for their students to use for skills tests.
- **Weather or seasonal demand:** Licensing agency officials from 12 states noted that weather or seasonal factors affected demand for skills tests and, potentially, the wait that applicants faced getting a test date. In particular, in some states, such as New York, officials noted that wait times may be longer in some locations in the warmer months

³⁴Sixteen states reported requiring a wait of less than 6 days, 17 required 6 to 14 days, and 1 required 15 to 21 days. Some states' licensing agency officials indicated that wait times for a re-test also varied based on the number of failures. For example, according to officials from one state, if an applicant failed any one portion of the skills test three times, the applicant would have to wait 90 days to re-take the test, and if they failed any one portion three times more, they would have to wait 1 year to re-take it.

because more applicants prefer to take the test then to avoid taking it during the winter when conditions for the driving portion of the test are less optimal. In three states, officials added that demand for school bus drivers for an upcoming school year can also lead to more demand and longer wait times in later summer in some locations.

- **State restrictions on testing entities:** Representatives of two private training schools told us that they can test their students when they complete their training with little to no wait time at their training school campuses located in states that allow them to offer the test. However, in the states where the school has a campus but is not allowed to offer the test, these representatives said that the wait for their students in these states is often 3 weeks after the students complete their training and sometimes, particularly when a student fails the test and needs to re-take it, as long as 7 weeks.³⁵ Representatives of an industry association for private training schools and an industry association for motor carriers added that they believed delays getting applicants tested at desired test times were common in states that do not allow them to offer the test.
- **Test failure/retesting:** As previously discussed, many states require applicants to wait before re-taking the skills test after failing their first attempt. Representatives of the industry association for private training schools noted that when an applicant fails the skills test, it can create challenges for training schools because they may need to reallocate staff or a vehicle to retrain and retest the student and for students because they must find ways of keeping their skills sharp while waiting for a retest appointment. Representatives of a private training school and a motor carrier added that although scheduling applicants' initial skills test can be timed to coincide with the completion of their training program and thus eliminate or minimize any delay in testing, if a student fails the test, he or she has to wait for a new test appointment, which may take several weeks in some states. Licensing agency officials from the majority of states we

³⁵Challenges related to scheduling retests are discussed below.

surveyed (31 of 50) reported that, in 2014, between 20 and 50 percent of applicants failed the test on their first attempt.³⁶

- **State scheduling practices:** Representatives of a private training school and a private testing business told us that state scheduling practices, such as how and when they allow tests to be scheduled, can contribute to wait times for a skills test. Representatives of this private training school noted that the state in which they are located only schedules skills tests through a call center or in-person and that it can often take several hours to schedule appointments, whereas in another state where the school is able to administer the skills test, scheduling changes can be made immediately, thus saving the school staff resources and reducing the wait for applicants to get a test slot. In another state, representative of the private testing business noted that the state licensing agency is only open for scheduling once a week by phone or an online system and that it can be difficult for some prospective test takers to make the call or access the Internet at that time.

Although stakeholders noted several factors that can lead to scheduling issues and other challenges in the skills testing process, most indicated that the length of time a person waited for a skills test was not an obstacle to eventually obtaining employment with a motor carrier given the high demand for persons holding a CDL. For example, one training school noted that occasionally its students have lost an employment offer from a motor carrier because of the amount of time it took them to get a CDL was too long, but that those students had no trouble getting another offer, often from the same carrier, once they did. Representatives of two of our selected motor carriers noted that their demand for drivers with CDLs outweighed any amount of time they may have to wait for applicants to pass a skills test and obtain a CDL. Some stakeholders we interviewed, however, added that wait times can be a burden for those seeking a CDL and lead them to seek employment that doesn't require a CDL. For example, representatives of an industry association we interviewed told us that CDL applicants at training schools sometimes incur debt and forgo a paying job during their training programs and, consequently, delays

³⁶Among the remaining states and D.C., licensing agency officials from 9 noted that less than 20 percent of applicants failed on their first attempt, officials from 5 noted that 51 to 75 percent failed on the first attempt, officials from 1 noted that over 75 percent failed on their first attempt, and officials from 5 either did not answer the question or reported that they did not know.

getting tested and starting a new job using their CDL can be financially difficult and can sometimes lead them to give up training to obtain a CDL.

FMCSA's Oversight of State CDL Programs Could Be Enhanced

FMCSA Issued an Oversight Policy in 2013, but Some Elements Are Unclear

FMCSA has established a policy for its oversight of state CDL programs, but some elements of the policy are unclear. FMCSA officials told us the primary purpose of the agency's oversight of state CDL programs—through formal oversight reviews and informal interactions—is to assure states' CDL programs, such as skills testing practices, comply with federal CDL regulations.³⁷ The policy, in a memorandum issued in May 2013, describes specific formal reviews, the frequency of these reviews, and the oversight roles and responsibilities of different parts of the agency. Establishing policies for agency activities, such as oversight, is an important component of federal internal control standards and is a key step in providing reasonable assurance that agencies' programs are meeting their objectives.³⁸ FMCSA's policy describes two different formal reviews—the annual program review and the skills test review.

The annual program review checks, for example, that the state is correctly using the current version of CDLIS (the licensing information system used across states to prevent fraudulent licensing of ineligible applicants), verifying corrective action was taken regarding previous findings of non-compliance, and checking the state's overall compliance with federal CDL regulations. The skills test review assesses how CDL skill standards are put into practice by FMCSA observation of test examiners conducting an actual skills test. FMCSA officials indicated that the specifics of the policy were based on their professional judgment

³⁷FMCSA also provides states with about \$30 million annually in CDL program implementation grants, ranging from less than \$100,000 to over \$1 million, to help states comply with federal regulations. Recent grants have funded projects such as CDLIS modernization, state monitoring of skills testing, and activities to comply with the new commercial learner's permit rule.

³⁸[GAO/AIMD-00-21.3.1](#).

about what was necessary to effectively assure states' compliance with federal regulations given available FMCSA resources. In addition to these formal reviews, the policy encourages field office personnel to meet regularly with state CDL officials, monitor changes in state policies or laws affecting commercial vehicle drivers, and observe the CDL issuance process on an ongoing basis. According to the policy, when FMCSA identifies significant findings of a state's non-compliance with federal CDL requirements and that state subsequently fails to make a good faith effort to address the findings, FMCSA then makes a final determination that a state is in substantial non-compliance with the federal CDL program. In such cases, the Department of Transportation is required by statute to withhold a specified portion of the states' apportioned federal-aid highway funding.³⁹

FMCSA's current oversight approach represents a fundamental change in how FMCSA conducts oversight of state CDL programs. The prior oversight approach relied on a contractor, rather than FMCSA field office personnel in each state, to lead the formal reviews. FMCSA officials explained that upon the expiration of this contract in 2010, the agency decided to pursue a new approach that would provide more frequent oversight of states, take less time to conduct, and reduce costs. FMCSA officials explained that they were not satisfied under the prior approach with the frequency of reviews—contractor-led reviews occurred roughly every 3.5 years and took 6 to 9 months to complete, including preparation, review, comment, and final delivery of the audit summary. The old audit process also did not provide for regular interaction between FMCSA and licensing agencies to assist in correcting and updating findings, according to FMCSA officials. Furthermore, deficiencies found in one review would sometimes still exist at the next scheduled audit, FMCSA officials explained. Accordingly, the 2013 policy included annual formal reviews that occur once a year and take FMCSA field office personnel about 2 days to complete and encouraged more regular contact between the field office personnel and state officials. FMCSA also decided to pursue its current oversight policy—which places more responsibility on its field office personnel in each state—because

³⁹See 49 U.S.C. §§ 31314, 31311. According to FMCSA officials, the agency has sent warning letters to states regarding non-compliance, but to date, states have resolved these compliance problems before the Department of Transportation withheld highway funding.

budgetary considerations necessitated using a more economical approach.

To implement this policy FMCSA conducted training and developed checklists that field office personnel may use when conducting oversight. Each FMCSA field office has one staff responsible for the agency's state-administered programs such as the CDL program. These personnel are also typically responsible for a variety of other programs and activities, such as grant management, and prior to the new oversight policy, they may not have been closely involved with the agency's CDL program, according to FMCSA officials. Following the roll-out of the policy, FMCSA conducted several formal training sessions for field office personnel during the summer of 2013 and annual CDL program training sessions. FMCSA field office personnel we interviewed also indicated that they continue to receive support and training from FMCSA service center or headquarters staff with more CDL program expertise. FMCSA also developed lengthy checklists to help with oversight. These checklists cover dozens of applicable federal regulations, both those regulations then in effect and those that states must comply with in July 2015, that field office personnel can choose to use to track and document the status of a state's CDL program in relation to these requirements. For annual program reviews, FMCSA developed two checklists, one on general CDL requirements—the annual program-review checklist—and one on requirements specific to CDL knowledge and skills test policies—the annual testing review checklist. The annual-testing-review checklist covers policies such as whether the state uses the correct skills-test-scoring sheets and has the appropriate clauses in its agreements with third party testers for state oversight. For skills test reviews, FMCSA developed another checklist on specific parts of the test the examiner must correctly perform while conducting the test, such as observing the applicant bringing the vehicle to a smooth stop.

However, we found that three key elements of FMCSA's oversight policy are unclear. First, the policy does not clearly delineate the frequency and type of skills test reviews that should be completed. In our initial interviews, FMCSA officials provided inconsistent answers when we asked how many skills test reviews were required each year. When we initially sought clarification, agency officials stated that the policy includes both requirements—indicated with language like “must” or “shall”—as well as recommendations—indicated with “may” or “should.” However, the policy never explicitly states the intended meaning of these terms or that some oversight activities are required and others are only recommended. Moreover, some policy language that seems to indicate a requirement is,

according to FMCSA officials, a recommendation. For example, the policy states that one skills test review “shall be conducted as part of the annual program review” and says that in states with both state and third-party testers, “at least one skills test review per year will be conducted on each group.” Accordingly, the policy appears to require one skills test review to be performed in conjunction with the annual review, and in states that use both state and third-party testers, two reviews in total must be completed to cover both types of testers. However, when we asked FMCSA officials about this apparent requirement, they indicated that the language “will be conducted” should be read as a recommendation, and therefore, the policy requires only one skills test review per year, at any time and regardless of the types of testers used.⁴⁰ Second, the policy states that reviews are intended to assess the state’s compliance with applicable regulations, but does not specifically explain how reviewers must or should assess state’s compliance and then document that determination if the state is found to be in compliance. Though there is a process for documenting a finding of a deficiency, there is not a comparable process to document determinations of compliance. For example, the policy does not indicate whether the checklists must be used or are optional. FMCSA officials told us that the checklists are not required for documenting oversight reviews. If field office personnel choose not to use the checklists, then there may not be documentation that shows that they covered all the relevant regulations in their compliance reviews. Third, the policy does not clearly explain what records of FMCSA’s compliance reviews must be recorded in ACRS, its oversight-tracking database.⁴¹ For example, the policy does not specify (1) whether ACRS records must include information on whether a skills test review was overt or covert; (2) if a state or third-party examiner was observed; or (3) how the examiner was selected for observation. Selected requirements and recommendations in FMCSA’s policy, as we now understand FMCSA

⁴⁰We discuss in a subsequent subsection the number of annual program reviews and skills tests reviews FMCSA conducted in 2014 and assess the extent to which those reviews met FMCSA’s 2013 policy requirements and recommendations, as those requirements and recommendations were explained to us by FMCSA officials.

⁴¹FMCSA policy stipulates that the use of ACRS does not remove any agency requirements for documents to be entered into the Electronic Document Management System (EDMS), the official repository for FMCSA documents across multiple programs. We did not review EDMS data because FMCSA officials indicated that ACRS data would be more complete.

intended based on clarifications provided by FMCSA officials, are summarized in Table 2.

Table 2: Selected Oversight Requirements and Recommendations in FMCSA’s Policy for Formal Commercial Driver’s License (CDL) Oversight Reviews

Type of review	Description	Requirements	Recommendations
Annual program review	<ul style="list-style-type: none"> Review state’s corrective action plans for any open findings of non-compliance from prior reviews Compare state commercial driver’s license (CDL) policies and practices to applicable federal requirements, including review of state policies and practices for conducting CDL skills tests, such as use of the correct skills standards and test procedures Review sample of drivers’ records with conviction and withdrawal activity to check that state took appropriate actions 	<ul style="list-style-type: none"> Conduct one per year Log documentation of review, and findings of non-compliance, in FMCSA’s Automated Compliance Review System (ACRS) Record completion of review in ACRS 	<ul style="list-style-type: none"> Review, by FMCSA field office personnel, specific components of the state’s CDL program at any time to determine compliance Use annual program review and annual testing review checklists
Skills test review	<ul style="list-style-type: none"> Observe, either overtly or covertly, a CDL skills test, including checking, for example, if the examiner used the correct test-scoring sheet, checked that the applicant could safely execute basic maneuvers, and used a state-approved test route. 	<ul style="list-style-type: none"> Conduct one review as part of the annual program review Target examiners with high or low pass/fail rates compared to state average Document examiner practices that violate skills test requirements Record completion of review and determinations of non-compliance, if found, in ACRS 	<ul style="list-style-type: none"> Conduct three reviews per year, in separate monitoring sessions throughout the year In states with both state and third-party examiners, conduct at least one review per year of an examiner from each group Conduct at least one overt and one covert observation per year Log documentation of review in ACRS Use skills-testing overt/covert-monitoring worksheet

Source: GAO analysis of FMCSA’s written policy and information provided by FMCSA officials. | GAO-15-607

Establishing clear oversight policies and assigning responsibilities across an organization are important components of how management provides reasonable assurance that it is achieving its objectives. Furthermore, federal internal control standards state that effective documentation assists management by establishing and communicating policy and provides a means to retain organizational knowledge as well as

communicate policy to external parties, including external auditors such as GAO, and stakeholders, such as state licensing agencies.⁴² Management must understandably do so within budget and resource constraints. FMCSA management officials explained that the current policy was written for an internal FMCSA audience and that they believe the policy would be clear to personnel familiar with the agency's practices, but acknowledged it could be misunderstood by some readers. FMCSA personnel responsible for conducting oversight whom we interviewed did not consistently implement the policy correctly or understand what is expected of them. For example, six field office personnel we interviewed indicated that findings of non-compliance were more likely to be logged in ACRS than reviews with no findings, an action that, as discussed below, resulted in incomplete records of oversight reviews. Furthermore, in our interviews, FMCSA field office personnel reported the checklists were regularly used—but not always—and checkboxes for information about the review, such as whether a skills test review was of a state or third-party examiner, were not always completed. Because the checklists are the only documentation FMCSA has developed to guide personnel when conducting compliance reviews, when they are completed and included in review documentation, they provide a basis for management to have reasonable assurance that the compliance review was thorough. However, because personnel are not required to use these checklists or otherwise record how they assessed compliance with each relevant rule or regulation, management does not have this assurance for all reviews. FMCSA's oversight of state CDL programs is intended to provide reasonable assurance that states are complying with federal regulations and conducting CDL skills tests as they should, but FMCSA cannot effectively do so without a clear policy and documentation that each compliance review occurred and covered applicable CDL requirements. Furthermore, since FMCSA regulations now require states to accept test results from other states, such assurance is increasingly important because states—which have no oversight authority over other states—may be reluctant to accept results and issue CDLs to drivers tested in other states, according to some state officials we interviewed, if the accepting states are unsure that other states are complying with federal regulations.

⁴²[GAO/AIMD-00-21.3.1](#).

FMCSA's Data System Does Not Effectively Track Oversight Activities

Federal internal control standards require management to design and maintain an information system to obtain and process information on its activities. This system should provide quality, timely information to help achieve the entity's objectives and that information should be from reliable internal or external sources based on identifiable needs.⁴³ ACRS was designed to provide a complete picture of the agency's CDL oversight activities. Officials stated that ACRS should document what oversight reviews have been completed, what was found in those reviews, and the status of states' progress toward correcting any deficiencies. FMCSA's oversight policy states that ACRS should also track suggestions for improving the federal CDL program, fraud vulnerabilities, and notable practices. However, agency officials explained that ACRS was designed and used for FMCSA's previous contractor-led program reviews and is focused on tracking state activities to resolve findings of non-compliance.

We found that FMCSA's data system for tracking oversight activities does not readily provide management with accurate and complete information on certain requirements and recommendations for compliance reviews. This is because ACRS functionality is limited, making it difficult for users to input or review some information. FMCSA field office personnel we interviewed consistently indicated that it was difficult to input information into ACRS because it was not user-friendly. As a result, personnel had not recorded some completed reviews in the system (specific omissions are discussed below). Additionally, FMCSA headquarters officials explained that ACRS can generate summary reports on current findings of non-compliance, which are required to be logged in ACRS, but gathering more detailed information on some aspects of oversight reviews entails sifting through saved electronic files, such as scanned hardcopies of checklists or other documentation, on a state-by-state, review-by-review basis. For example, although FMCSA's skills-test review checklist—if used, fully completed, and successfully uploaded into ACRS—would indicate if an observation was of a state or third-party examiner and if it was overt or covert, the only way to get this information is by downloading and reviewing the checklists one at a time. As such, headquarters officials do not have an efficient method available to query, across the states' CDL programs, the types of examiners and

⁴³GAO/AIMD-00-21.3.1 and GAO, *INTERNAL CONTROL STANDARDS: Internal Control Management and Evaluation Tool*, GAO-01-1008G, (Washington, D.C.: August 2001).

observations that were performed, but the policy, as explained by agency officials, recommends a mix of both.

FMCSA officials acknowledged the system's shortcomings for tracking oversight activities. FMCSA officials indicated they are developing plans to upgrade or replace ACRS, but have not set a time frame for these actions. In the interim, however, other mechanisms could be developed and used that do not necessarily require extensive resources. For example, much of the information discussed above could be compiled and tracked with off-the-shelf database software or a spreadsheet, as we did in conducting our analysis below. With the current system, FMCSA management cannot know if the oversight reviews FMCSA personnel have conducted comport with FMCSA's policy. Therefore, FMCSA management is not well positioned to focus attention and allocate resources—such as staff in FMCSA field offices and in the CDL division—towards the oversight activities that need to be conducted to meet its oversight policy. Furthermore, without clear and accurate information on its oversight activities, FMCSA cannot know whether oversight reviews are conducted in accordance with oversight policy or provide adequate assurance that states are complying with federal CDL regulations.

FMCSA Conducted Fewer Oversight Reviews in 2014 Than Policy Requires and Recommends

Based on our review of ACRS data and supplemented with information collected in our interviews with 12 FMCSA field offices, in 2014, the first full year that FMCSA's current oversight policy was in effect, FMCSA fell just short of completing the one annual program review and skills test review required by agency policy, but was well short of completing the number and type of skills test reviews recommended.⁴⁴ FMCSA officials stated that they believed information in ACRS on FMCSA oversight in 2014 was largely correct but, for 2013 and before, was incomplete because field office personnel, following the introduction of the current oversight policy in May 2013, were not familiar with the system and did not routinely record their oversight activities in ACRS. However, in our interviews with FMCSA field office personnel, as noted above, six indicated that they primarily used ACRS to monitor non-compliance findings and were less likely to use the system for other purposes, such as recording oversight activities. We determined ACRS data were sufficiently reliable to assess the frequency of required reviews in 2014

⁴⁴Standards for Internal Control in the Federal Government indicate that objectives related to compliance with applicable laws and regulations are important. FMCSA determined the number of reviews to be conducted to ensure compliance. [GAO/AIMD-00-21.3.1](#).

after corroborating ACRS data in interviews with FMCSA field office personnel in 12 selected states. However, we found ACRS data were unreliable for assessing the number and type of recommended reviews that were conducted in 2014 because field office personnel told us they did not always record these reviews in ACRS. For these reviews, we focused only on our 12 selected states and relied on documentation and information gathered during our interviews rather than ACRS data alone.

Our review of ACRS data for 2014 reflected the following for required reviews:

- **Annual program reviews:** In 2014, the agency met its requirement of conducting one annual program review in 48 states.⁴⁵ However, FMCSA did not perform this review for 2 states—Texas and Illinois—and D.C. in 2014.⁴⁶ Most notably, Texas and Illinois issued about 38,000 and 28,000 CDLs that year, respectively, more than nearly any other state, as reported in our survey.
- **Skills test reviews:** In 2014, FMCSA completed at least one skills test review in 47 states, according to ACRS data, with no reviews recorded for D.C., Illinois, Texas, and New Mexico.

Limited resources and expertise factored into why the reviews were not conducted in selected and other states, according to FMCSA officials we interviewed. According to FMCSA field office personnel in Texas and Illinois, 2 of the 12 states in which we conducted interviews, the required reviews did not occur because FMCSA personnel believed they were already aware of the status of the state's CDL program and because they did not have sufficient time or expertise to complete the reviews, respectively. FMCSA officials recognized completing required oversight was a challenge for some field offices with limited resources or expertise in complex areas of the CDL program. Consequently, staff from FMCSA's CDL division assisted or led annual program reviews in 14 states. While acknowledging that not quite all required reviews were completed,

⁴⁵For the purposes of our analysis, we credited an annual program review completed in Indiana in early January 2015 as a 2014 review because scheduling delays prevented it from occurring in December 2014, as intended.

⁴⁶Initial data provided by FMCSA did not show an annual program review or skills test review was conducted in Delaware in 2014 but in subsequent technical comments FMCSA indicated one of each of these reviews did occur.

FMCSA officials noted that the 48 annual program reviews completed in 2014 are significantly more than were completed under the prior oversight approach in which only 17 states were reviewed in a given year.

Moreover, for our 12 selected states, FMCSA fell well short of conducting at least three skills test reviews in 2014, as recommended, in each state, based on ACRS data and supplemented with information gathered in our interviews. FMCSA conducted at least three skills test reviews in 5 of our 12 selected states, 4 more states than indicated by ACRS data.⁴⁷ Field office personnel explained that they had not recorded these reviews because they had not understood that they should be logged into ACRS or that the system was too difficult to use. Among the 12 field office personnel we interviewed, 9 indicated completing CDL reviews was difficult given limited time and responsibilities for other programs that, sometimes, took priority because, in their judgment, these programs were a more pressing safety concern. FMCSA officials agreed that limited resources presented a challenge agency-wide for completing skills test reviews in 2014.

Furthermore, in selected states, FMCSA did not complete the recommended mix of overt and covert observations or the mix of state and third-party observations in skills test reviews. Specifically, FMCSA conducted the recommended minimum of one overt and one covert skills test review in 5 of the 12 selected states in 2014. Likewise, FMCSA conducted the recommended minimum of at least one skills test review for both state and third party examiners in just 1 of the 6 selected states that used both types of tester.⁴⁸ According to FMCSA officials, completing skills test reviews of third party testers was difficult in states in which FMCSA did not have access to third party test schedules. For example, in 5 states FMCSA field office personnel explained that difficulties in getting third party test schedules, or other logistical challenges, made it hard to conduct skills test reviews of these testers. In 2 states, no third party testers were reviewed as a result. In one of these states, even though the field office viewed third party testers as a greater fraud risk, none was

⁴⁷By way of comparison, based on ACRS data for all 50 states and the District of Columbia, FMCSA conducted 3 or more skills test reviews in only 2 states (Nebraska and Wisconsin). We did not corroborate ACRS data on skills test reviews for the 38 states and District of Columbia in which we did not interview FMCSA field office personnel.

⁴⁸Six selected states use only one type of tester, either state or third party.

observed because of difficulties getting accurate schedules due to test cancelations. FMCSA field office personnel explained that they could readily observe state examiners because states could easily share the schedule for state examiners. In future years, revised federal regulations, with which states must be in compliance in July 2015, require that all third party testers provide the state with notice of their testing 2 business days in advance of each test. This should facilitate the agency's skills test reviews of third party testers. Given the increased fraud risks associated with third party testers and FMCSA's recommended policy that all types of testers used by a state are reviewed, it is important that FMCSA has assurance that these testers are conducting tests correctly.

FMCSA officials acknowledged some shortcomings in their 2014 oversight efforts, but emphasized that they believe their compliance reviews, as a whole, are improving. FMCSA officials explained that oversight activities in 2014 increased from 2013 as a result of their efforts to help field office personnel become more accustomed to their oversight responsibilities and more familiar with federal CDL regulations.⁴⁹ In addition, they told us that the number of open findings of state non-compliance has decreased between 2013 and 2014, indicating that states have been able to resolve previous findings of non-compliance.

Conclusions

FMCSA's central mission is to reduce crashes, injuries, and fatalities involving large trucks and buses, and as part of this mission, ensuring drivers have the knowledge and skills required to safely drive commercial vehicles. However, FMCSA and states face competing priorities in their efforts to ensure that CDL programs, including skills testers, supply businesses with the safe drivers they need to operate. In some cases, how a state has chosen to balance its priorities or concerns about fraud risk may result in a longer wait times for a CDL skills test to ensure that only qualified, safe drivers are issued CDLs. Moreover, based on our interviews with an array of industry stakeholders, although wait times may discourage some from seeking a CDL, they do not appear to hamper an applicant's ability to obtain a job once they have passed the CDL skills test.

⁴⁹Our review of FMCSA's oversight activities nationwide is limited to 2014, in part, because of limitations in 2013 data. Without information for prior years, we could not confirm FMCSA's position that oversight activities increased in 2014.

Weaknesses in FMCSA current oversight of CDL skills testing prevents the agency from providing reasonable assurance that state CDL programs comply with applicable federal regulations. FMCSA has established an oversight policy that includes specific roles for different levels of the agency and types of reviews, a policy that is an important component of internal control because meeting this policy is partly how the agency provides reasonable assurance that it is achieving its objectives. However, the lack of clarity in the policy makes it difficult for FMCSA personnel to conduct and document their oversight activities in the way management intended. A clear policy is a first step toward conducting oversight as intended by the agency. Furthermore, without a policy that clearly states how FMCSA field office personnel—who are relatively new to conducting CDL program oversight—are supposed to assess and document their determinations of state compliance, FMCSA management may not have adequate information to know oversight activities cover all applicable regulations. Furthermore, FMCSA does not have an effective mechanism to track its oversight activities. Though FMCSA has indicated some initial plans to improve or replace its current oversight-tracking database, until it has done so, management does not have a mechanism to compile the information it needs to know if oversight activities comport with agency policy. With states required to substantially comply with revised federal CDL regulations by July 2015, FMCSA oversight is particularly important. FMCSA oversight actions are the primary means of assuring that state CDL programs comply with federal standards and consequently, that drivers of commercial motor vehicles hold the qualifications to safely operate these vehicles. As prospective drivers enter the commercial vehicle workforce, it is imperative that FMCSA's oversight activities provide assurance that the testing required to get a CDL meets federal standards and that only qualified, safe drivers earn this credential.

Recommendations

To improve FMCSA's oversight of state's CDL testing programs and ensure the FMCSA's oversight activities provide reasonable assurance that states' programs comply with federal regulations, the Secretary of Transportation should direct the FMCSA Administrator to do the following:

- Clarify agency policy—by revising policy documentation, issuing additional guidance, training, or other mechanisms—on (1) what oversight of states will be conducted by FMCSA in terms of the frequency and type of required and recommend reviews, (2) how compliance determinations should be made and documented, and (3) what information and documentation must be recorded and available

to FMCSA management on oversight activities and compliance determinations.

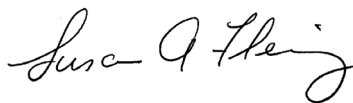
- Improve or obtain a mechanism for tracking oversight activities in order that FMCSA management has a clear and accurate understanding of oversight activities and that they are being conducted in accordance with agency oversight policy.

Agency Comments

We provided a draft of this report of the Department of Transportation for review and comment prior to finalizing the report. The Department of Transportation provided written comments, which are reprinted in appendix III, and agreed with our recommendations.

We are sending copies of this report to the Administrator of FMCSA, the Secretary of the Department of Transportation, and interested Congressional Requesters. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff has any questions about this report, please contact me at (202) 512-2834 or flemings@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.



Susan Fleming
Director, Physical Infrastructure Issues

List of Requesters

The Honorable Peter A. DeFazio
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Eleanor Holmes Norton
Ranking Member
Subcommittee on Highways and Transit
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Mark Amodei
House of Representatives

The Honorable Joyce Beatty
House of Representatives

The Honorable Corrine Brown
House of Representatives

The Honorable G.K. Butterfield
House of Representatives

The Honorable Andre Carson
House of Representatives

The Honorable Jim Costa
House of Representatives

The Honorable Scott DesJarlais
House of Representatives

The Honorable John J. Duncan, Jr
House of Representatives

The Honorable Richard Hanna
House of Representatives

The Honorable Eddie Bernice Johnson
House of Representatives

The Honorable Bill Johnson
House of Representatives

The Honorable Hank Johnson
House of Representatives

The Honorable Daniel Lipinski
House of Representatives

The Honorable Billy Long
House of Representatives

The Honorable Kristi Noem
House of Representatives

The Honorable Reid Ribble
House of Representatives

The Honorable Tom Rooney
House of Representatives

The Honorable Albio Sires
House of Representatives

The Honorable Jason Smith
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Our objectives were to examine (1) how states administer commercial driver's license (CDL) skills tests; (2) what is known about wait times for a CDL skills test; and (3) how the Federal Motor Carrier Safety Administration (FMCSA) oversees CDL skills tests and the opportunities, if any, that exist to enhance FMCSA's oversight. We described the CDL process, using information gathered from the Commercial Motor Vehicle Safety Act of 1986, among other statutes,¹ implementing regulations,² and interviews with FMCSA officials.

To determine how states administer CDL skills tests, we reviewed pertinent federal regulations on state administration of skills testing, including test standards and oversight practices,³ surveyed state licensing agency officials, and conducted interviews with selected licensing agency officials and industry stakeholders. We conducted a survey of officials from 51 licensing agencies, including all states and the District of Columbia (D.C.), using a web-based questionnaire distributed by e-mail to the agencies' directors (see app. II). The recipients were told to consult other agency staff necessary to complete the questionnaire. Prior to launching the survey, we consulted representatives of the American Association of Motor Vehicle Administrators (AAMVA) to help identify questions licensing agencies would be able to answer and pre-tested the survey with three states' licensing agency officials. During pre-testing, we conducted cognitive interviews with officials as they attempted to complete draft survey instruments. We revised questions that officials found to be unclear or imprecise, based on the results of these interviews. We also assessed the difficulty that pre-test participants experienced when attempting to complete the survey. AAMVA staff reviewed drafts of the survey to provide further input on question clarity and feasibility. The survey used closed and open ended questions to determine, respectively, how states and D.C. administered the test and reasons or other factors pertaining to the choice of test administration. We conducted a content analysis of open-ended responses, in which we grouped responses that mentioned reasons for using or not using specific test methods, including increase test availability, augment state resources, reduce wait times, cut costs, meet demand, and prevent fraud. We determined these categories

¹Pub. L. No. 99-570, title XII, 100 Stat. 3207, 3207-170 (1986).

²49 C.F.R. Parts 383 and 384.

³49 C.F.R. Parts 383 and 384.

by analyzing the open ended responses and identifying the most commonly cited reasons for choice of test administration method. Two analysts conducted this content analysis, and the results were reviewed by an independent supervisor. We excluded analysis of responses to some questions after identifying inconsistency in how respondents answered these questions.

To further understand how states administer skills tests, we conducted in-depth interviews with officials from 12 state licensing agencies based on primary and secondary selection criteria and industry stakeholders. The views of these states and stakeholders are not generalizable to all states and stakeholders, but rather help inform the experience that states and stakeholders may have experienced with CDL skills testing. Although the views of these states are not generalizable to all states, we used criteria to select states representing a variety of testing methods and geographic locations. Our primary criteria were to select states having the largest number of CDL holders, based on Bureau of Labor Statistics data on heavy tractor-trailer truck and bus drivers,⁴ and to include a mix of CDL test administration methods—states using only state testers, states using only third party testers, and states using both state and third-party testers. We used secondary criteria to ensure additional variation in our sample of 12 states, including instances of CDL skills testing fraud, as identified by the U.S. Department of Transportation’s Office of Inspector General, and regional representation, to include states in differing parts of the country. The states we selected included: California, Florida, Georgia, Illinois, Indiana, New Jersey, New York, Michigan, Pennsylvania, Tennessee, Texas, and Wisconsin.

We interviewed 22 industry stakeholders, including representatives from industry associations (6), private training schools (5), public training schools (4), motor carriers (4), and private testing businesses (3) to understand their perspectives on skills test administration in their respective states and more generally across the country.⁵ We first identified national industry associations and interviewed them about their perspectives on CDL skills testing, including associations for private

⁴Bureau of Labor Statistics, as of May 2013, Occupation: Heavy and Tractor-Trailer Truck Drivers, Standard Occupational Code 533032.

⁵For our purposes we defined private businesses that were not motor carriers and did not offer training as “private testing businesses.”

training schools (the Commercial Vehicle Training Association), public training schools (the National Association of Publicly Funded Truck Driving Schools), large motor carriers (the American Trucking Association), small motor carriers (the Owner–Operator Independent Drivers Association), state licensing agencies (the American Association of Motor Vehicle Administrators), and commercial vehicle safety issues (the Commercial Vehicle Safety Alliance). We identified training schools, motor carriers, and private testing businesses from within our selected 12 states, including 10 third party testers (5 training schools, 2 motor carriers, 3 private testing businesses). For the purposes of identifying these stakeholders, we divided the 12 states into two groups. The first group included three states in which we would conduct at least two stakeholder interviews to describe more perspectives on the CDL process within certain states. We selected these three states to include those that had the highest number of CDL holders and different methods of test administration, and ultimately chose Texas (only state testers), California (state and third-party testers), and Florida (state and third-party testers). The second group included the remaining 9 of the 12 states, in which we conducted one stakeholder interview each. We identified the type of stakeholder (motor carrier, training school, or private testing business) we would interview in each of the 12 states based on interviews with industry associations and state licensing agencies and based on type of stakeholder to ensure variety among the stakeholders we interviewed. After selecting the types of stakeholders, we spoke with industry associations and state licensing agencies to identify specific motor carriers, schools, and private testing businesses that met our criteria.

To determine what is known about wait times for skills tests, we asked surveyed licensing agency officials closed and open ended questions related to skills test wait times in their respective state. During pre-testing, we asked licensing agency officials and AAMVA questions about the information they would be able to provide on wait times and used these discussions to develop the closed-ended categories included in our questionnaire. We used our content analysis to identify factors that respondents identified as most commonly contributing to scheduling issues with skills tests, and used the results of open-ended responses to illustrate additional factors that may impact wait times for a skills test cited in closed-ended responses. We also interviewed the state and industry stakeholders previously discussed regarding their experiences with wait times for a skills test appointment. We asked these stakeholders to describe any challenges experienced with scheduling a test appointment or delays getting a preferred test time and the impact of these challenges on themselves and CDL applicants.

To determine how FMCSA oversees CDL skills testing and examine the opportunities, if any, that exist to enhance FMCSA's oversight, we reviewed pertinent FMCSA regulations and agency policies, such as its 2013 Roles and Responsibilities Memo for CDL oversight, and evaluated FMCSA's oversight actions in all 50 states and D.C. in calendar year 2014 as recorded in its Automated Compliance Review System (ACRS), against the responsibilities identified in agency regulations and policies, such as the 2013 memo. We assessed the reliability of ACRS data and found them sufficiently reliable to assess the frequency of FMCSA's required reviews, based on corroborating information we gathered during our interviews with FMCSA field office personnel, but not sufficiently reliable to assess the frequency of recommended reviews. For our review of recommended oversight actions, we relied on interviews with FMCSA field offices and other documentation gathered from FMCSA field office personnel. With this information, we determined the number and type of reviews completed in calendar year 2014. We also interviewed FMCSA headquarters officials about the rationale for the requirements established in agency regulations and policy, and FMCSA field office personnel located in our 12 selected states about actions they had taken in response to the 2013 memo and any challenges they had experienced with the responsibilities set out in it. In our interviews with FMCSA field office personnel in 12 states, we also gathered additional information on oversight activities, as available. To identify opportunities to enhance FMCSA's oversight, we compared the agency's 2013 memo and actions taken in response to it against federal Standards for Internal Control in the Federal Government.⁶

We conducted this performance audit from August 2014 to July 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999).

Appendix II: Copy of Survey to Points of Contact at States' Licensing Agencies



U.S. Government Accountability Office

Survey on CDL Skills Testing

Background

The Government Accountability Office (www.gao.gov) is an independent, nonpartisan agency of Congress. GAO investigates government programs and policy to improve federal performance and ensure accountability. Currently, GAO is reviewing the administration of Commercial Driver's License (CDL) skills tests. This survey is intended to gather information from state licensing agencies to inform GAO's understanding of how skills test administration varies nationwide.

This questionnaire should be completed by the person(s) in your agency most knowledgeable about the CDL skills testing processes, such as agency or division directors. Please consult with other knowledgeable staff in your agency or other organizations, as necessary to answer particular questions.

In our report, your responses will be presented only after they have been aggregated with responses from other responding state licensing agencies. We will not disclose any individual agency's survey responses, unless compelled by law or requested by the Congress. Should we wish to directly attribute responses to a responding agency, we will obtain consent from the agency and verify our interpretation of the information received.

We estimate that this survey will take approximately 45 minutes to complete.

Thank you very much for your assistance.

Survey Terminology Guide

Please refer to the following definitions in completing this survey.

A “**CDL skills test**” is the three-part CDL test including (1) pre-trip inspection; (2) basic vehicle control skills; and (3) on-road driving skills.

A “**state skills tester**” is an office of the state licensing agency, such as a DMV, that employs “**skills test examiners**” to administer the CDL skills test.

A “**third party skills tester**” is an entity, such as a motor carrier, a private or public trucking school, or a local government, authorized by the state licensing agency to employ “skills test examiners” to administer the CDL skills test.

SKILLS TEST PRACTICES AND POLICIES

1. Does your state currently use state skills testers?

Yes.....☐

No☐

No answer.....☐

2. Does your state currently use third party skills testers?

Yes.....☐ [Display 2A and 2B]

No☐ [Display 2C]

No answer.....☐

2a. Please identify which of the following third parties conduct the skills test in your state?

	Yes ▼	No ▼	No answer ▼
a. Motor carriers or other employers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Private CDL schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Publicly funded CDL schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Other third party testers not listed above (e.g., other private businesses and other state/local government entities other than the state licensing agency)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2b. Please describe the reasons why your state currently uses third party skills testers.

2c. Please describe the reasons why your state do not currently use third party skills testers.

3. How does your state see its use of third party skills testers changing over the next 2 years?

- ☐ Starting – don't currently use third parties, but plan to
- ☐ Expanding – currently use third parties, and plan to increase usage
- ☐ Reducing – currently use third parties, but plan to decrease usage
- ☐ Remaining about the same – use or non-use of third parties to remain the same

☐ Stopping – plan to stop using third parties

☐ Don't know

☐ No answer

4. Please explain your response to #3.

5. Does your state currently require applicants to hold a learners permit for 14 days in response to the federal regulation requiring this wait time by July 2015?

Yes..... ☐ [Display 5A]

No ☐ [Display 5B]

No answer..... ☐

5a. How long does your state require applicants to wait before taking the initial skills test, in addition to the 14 days that will be required by federal regulation?

☐ No additional required wait time

☐ Under 6 days

☐ 6 to 14 days

☐ 15 to 21 days

☐ 22 days or more

☐ Don't know

☐ No answer

5b. How long does your state require applicants to wait before taking the initial skills test?

☐ No required wait time

☐ Under 6 days

☐ 6 to 14 days

☐ 15 to 21 days

☐ 22 days or more

☐ Don't know

☐ No answer

6. Does your state have a state mandated wait time before an applicant can re-take the skills test?

Yes..... ☐ [Display 6A]

No ☐

No answer..... ☐

6a. What is this wait time to re-take the skills test?

☐ Under 6 days

☐ 6 to 14 days

☐ 15 to 21 days

☐ 22 days or more

☐ Don't know

☐ No answer

7. Does your state currently track the time between a CDL applicant schedules a skills test and then takes the test?

- ☐ Yes, at state testing locations
- ☐ Yes, at third party testing locations
- ☐ Yes, at both state and third party testing locations
- ☐ No
- ☐ No answer

8. If you have any additional comments related to your response to #7, please provide them here:

WAIT TIME TO TAKE A CDL SKILLS TEST

The following questions inquire about issues related to wait times to take a CDL skills test. Please respond with "Not applicable" if questions in this section are not applicable to your state's method of test administration.

9. Please identify the factors that most commonly contribute to an applicant getting a later date than he or she desired to take a CDL skills test at state testing locations. (Please write N/A if your state does not have state testing locations.)

10. Please identify the factors that most commonly contribute to an applicant getting a later date than he or she desired to take a CDL skills test at third party testing locations. (Please write N/A if your state does not have state testing locations.)

11. At state testing locations, generally how long does an eligible applicant (i.e., one who has completed any mandated wait times) have to wait for a "next available" appointment to take a skills test?

- ☐ Under 6 days
- ☐ 6 to 14 days
- ☐ 15 to 21 days
- ☐ 22 days or more
- ☐ Not applicable – State does not currently use state skills testers.
- ☐ Don't know
- ☐ No answer

12. If you have any additional comments related to your response to #11, please provide them here:

13. At third party testing locations, generally how long does an eligible applicant (i.e., one who has completed any mandated wait times) have to wait for a "next available" appointment to take a skills test?

- ☐ Under 6 days
- ☐ 6 to 14 days
- ☐ 15 to 21 days
- ☐ 22 days or more
- ☐ Not applicable – State does not currently use third party testers.
- ☐ Don't know
- ☐ No answer

14. If you have any additional comments related to your response to #13, please provide them here:

15. What is your general perception of how average wait times compare between state and third party examiners in your state?

- ☐ Wait times are about the same
- ☐ Wait times are longer using state examiners
- ☐ Wait times are longer using third party examiners
- ☐ Not applicable – only use state testers or third party testers
- ☐ Stopping – plan to stop using third parties
- ☐ Don't know
- ☐ No answer

16. Please explain your response to #15.

17. How much of a priority is reducing the average wait times between when a CDL applicant schedules a skills test and the test date at state testing locations?

- ☐ Not a priority
- ☐ Small priority
- ☐ Medium priority
- ☐ High priority
- ☐ Not applicable – State does not currently use state skills testers
- ☐ Don't know
- ☐ No answer

18. Please explain your response to #17.

19. How much of a priority is reducing the average wait times between when a CDL applicant schedules a skills test and the test date at third party testing locations?

- ☐ Not a priority
- ☐ Small priority
- ☐ Medium priority
- ☐ High priority
- ☐ Not applicable – State does not currently use third party testers
- ☐ Don't know
- ☐ No answer

20. Please explain your response to #19.

21. Between calendar years 2013 and 2014, have the following resources for skills testing in your state increased, decreased, or stayed the same?

	Increased ▼	Stayed the same ▼	Decreased ▼	Don't know ▼	No answer ▼
Number of examiners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Number of test locations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. Please describe how, if at all, any change or lack of change in your agency's resources have affected your ability to meet the current and expected future demand for skills tests.

23. Please briefly explain how, if at all, you expect changes in FMCSA's regulations on CDL testing and learners permit standards, effective July 2015, to impact your state's resources and applicant wait times to take a skills test.

DATA ON CDL SKILLS TESTING

The following questions inquire about issues related to wait times to take a CDL skills test. Please respond with "Not applicable" if questions in this section are not applicable to your state's method of test administration.

24. In calendar year 2014, approximately what share of skills tests were conducted by third parties?

- ☐ None – state does not use third party testers
- ☐ 1 to 20 percent
- ☐ 21 to 50 percent
- ☐ 51 to 75 percent
- ☐ 76 to 99 percent
- ☐ All
- ☐ Don't know
- ☐ No answer

25. How many new CDLs did you state issue in calendar years 2013 and 2014 as a result of applicants passing the skills test?

Calendar year 2013, Number of new CDLs: ☐ Don't know

Calendar year 2014, Number of new CDLs: ☐ Don't know

26. As of today, how many CDL skills testers, skills test examiners, and skills test sites does your state have in the below categories? If the tester type is not applicable, please enter "NA" in the box. If you don't know a number, please write "DK" in the box.

	Number of skills testers	Numbers of skills test examiners	Number of skills test sites
The state licensing agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor carriers or other employers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private CDL schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publicly funded CDL schools			
Other third party testers not listed above (e.g., other private businesses and other state/local government entities other than the state licensing agency)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

27. In calendar year 2014, approximately what share of applicants failed any section of their initial skills test in your state?

- ☐ Less than 20 percent
- ☐ 20 to 50 percent
- ☐ 51 to 75 percent
- ☐ 76 to 99 percent
- ☐ All
- ☐ Don't know
- ☐ No answer

28. If you have any additional comments related to your response to #27, please provide them here:

29. If you have any additional comments related to CDL skill testing, please provide them here:

Appendix III: Comments from the Department of Transportation



U.S. Department
of Transportation
Office of the Secretary
of Transportation

Assistant Secretary
for Administration

JUL 04 2015

1200 New Jersey Avenue, SE
Washington, DC 20590

Ms. Susan Fleming
Director, Physical Infrastructure Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Fleming:

The Federal Motor Carrier Safety Administration (FMCSA) authority is specific to establishing federal standards for commercial drivers' licenses (CDL) and ensuring compliance through oversight of the States' programs. Conversely, State Driver Licensing Agencies (SDLA) have the responsibility for their programs to include scheduling skills tests. In support of these responsibilities, FMCSA has a robust CDL program that includes requirements for the States to conduct covert and overt monitoring. FMCSA's Division Offices work closely with the States on the annual requirements. In many cases, FMCSA is successful in getting the States to complete more than one Annual Program Review (APR) and Skills Test Review (STR) every 12 months.

FMCSA has reviewed the draft report and offers the following comments:

- While the Automated Compliance Review System (ACRS) fully supports the Agency's programs, it is being modified to be more user-friendly and more robust.
- Although we believe the report discusses topics beyond the actual task regarding delays in the scheduling of skills testing by the SDLA, FMCSA will continue to identify and make the appropriate policy changes and reporting tools to make oversight of this program even stronger.

After reviewing the draft report, the FMCSA agrees with GAO's recommendations and will provide a detailed response to each recommendation after publication of the final report.

We appreciate the opportunity to provide an additional perspective on the GAO draft report. Please contact Patrick D. Nemons, Deputy Director of Audit Relations, at (202)366-4986 with any questions or if the GAO would like additional information.

Sincerely,

Jeff Marootian
Assistant Secretary for Administration

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Susan A. Fleming, (202) 512-2834 or flemings@gao.gov

Staff Acknowledgments

In addition to the individual named above, Sharon Silas (Assistant Director), Amy Abramowitz, Geoff Hamilton, Delwen Jones, Jim Leonard, Josh Ormond, Kelly Rubin, Jasmine Senior, John Stambaugh, and Jeff Tessin made key contributions to this report.

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