



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

SP-98-002-CE

Subject Cost Eligibility - Mandatory Level V State Bus Inspection Program

Date August 3, 1998 (stamped)

From Director, Office of Motor Carrier Safety & Technology

Reply to

Attn of HSA-30

To Mr. Doug Sawin
Regional Director, Office of Motor Carriers (HMC-05)
Olympia Fields, Illinois

This responds to the request from the State of Ohio regarding the cost eligibility of a Mandatory Level V State Bus Inspection Program, State or local mandatory Level V (terminal) inspection programs are not an eligible cost under the Motor Carrier Safety Assistance Program (MCSAP).

During the past two years, the MCSAP program has moved from an activity-based program to one that focuses on performance. This requires States to identify specific problems based on commercial vehicle accidents, high roadside inspection out-of-service violations, past compliance history of high-risk carriers and many other performance-based criteria. A State mandated Level V vehicle inspection program, which requires all vehicles to be inspected, is not consistent with this new program direction.

49 CFR Part 396.17 requires every commercial motor vehicle, as defined in 390.5, to be subjected to a periodic inspection. With the approval of FHWA, mandatory State inspections may allow the carrier to meet this requirement. Supporting such inspections with MCSAP funding would, in essence, underwrite the motor carriers' compliance with this requirement. Further, this would be inconsistent with the intent of the MCSAP program, which is to enhance (rather than fully support) a State's commercial vehicle safety program of roadside driver/vehicle inspections, compliance reviews, public awareness and data collection.

Level V inspection are conducted at the carrier's terminal, without a driver present, and are generally prearranged either through appointment or at the carrier's request. These circumstances often preclude the detection of violations which would otherwise be discovered during an "unannounced" roadside inspection and would be a more reliable indicator of the carrier's overall safety status. In addition, MCSAP policy limits the number of Level V inspections to no more than five percent of the total inspections conducted by a State. Funding a mandated State or local inspection program would result in exceeding this limitation.

For these reasons, mandatory State inspections are not a MCSAP eligible cost.

Rose A. McMurray

cc: Regional Directors
State Program Managers