

*The New Entrant Safety  
Assurance Program*



*State Programs Division*

# **Historical Background**

Congress required the Secretary (FMCSA) to establish minimum requirements for new interstate motor carriers seeking to operate in interstate commerce. These minimum requirements including having the carrier certify that it has systems in place to ensure compliance with the Federal Motor Carrier Safety Regulations (FMCSR). The carrier is told a safety audit will be accomplished within the first 18 months of the carrier's interstate operation.

# **Historical Background**

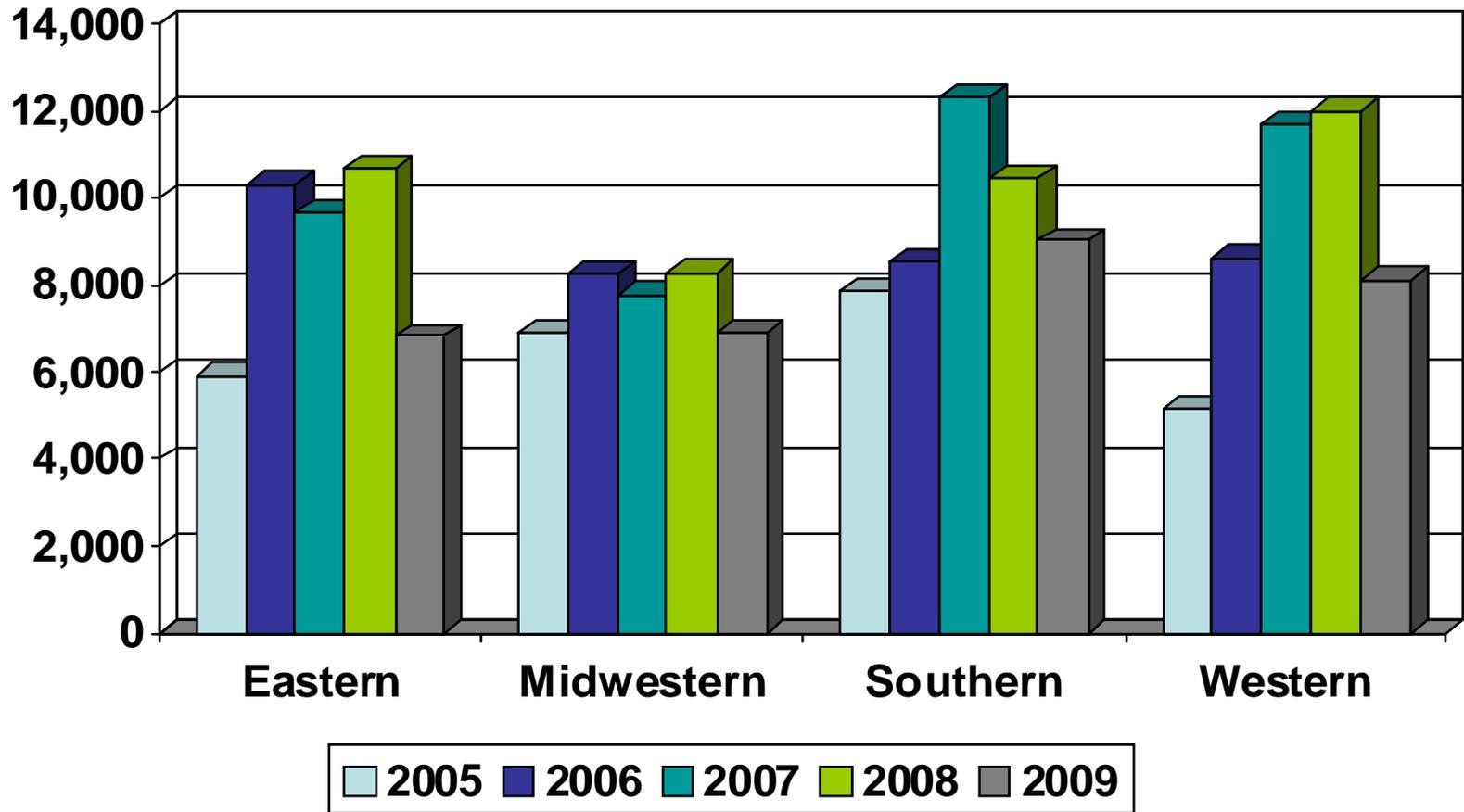
The Secretary may make grants to States and Local governments for New Entrant Safety Assurance Program (NE) motor carrier audits without requiring a matching contribution from such States and local governments.

The regulations require an 18-month monitoring period to allow the carrier time to begin interstate commerce operations. It also provides the carriers an opportunity to learn about FMCSR and establish a historical safety record for review and evaluation.

# Historical Background

During the 18-months a safety audit will be performed at the carriers place of business. The safety audit will include a review of a new entrant's safety data, a review of requested motor carrier documents, and an interview with the motor carrier. It is anticipated that the New Entrant Safety Assurance Program (NE) will affect approximately 41,000 new interstate carriers annually.

# Number of Completed New Entrant Safety Audits By Service Center

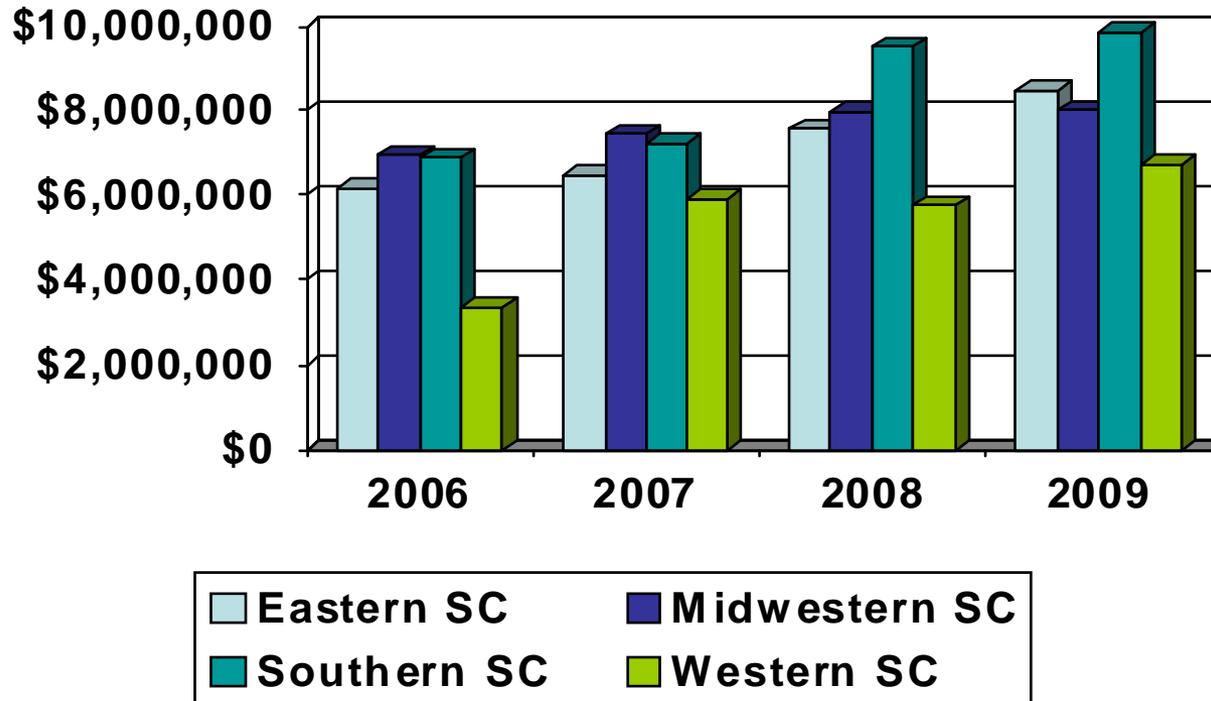


# Number of States Receiving New Entrant Funds

## New Entrant three (3) Year Cost Per Safety Audits

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>3 Year Average</u>
<b>Number of States:</b>	37/51	43/51	46/51	43
<b>Number of Audits:</b>	35,737	41,454	41,478	39,556
<b>Cost Per Audit:</b>	<b>\$939</b>	<b>\$1,042</b>	<b>\$1,117</b>	<b>\$1,033</b>

# Four Year Funding Levels



# FY 2010

## New Entrant (NE) Grant Program

Submit Application to [www.grants.gov](http://www.grants.gov)

By OCTOBER 1, 2009

Required Documentation for **FY 2010 NE**

### Budget Template

- ❖ Program Goals & Objectives
- ❖ Approved Indirect Cost Letter (\*)

\* If charging to NE grant.

# **FY 2010**

## **New Entrant (NE) Grant Program**

### **Approval Process**

✓ **FMCSA DA -Comments**

✓ **Review by Technical Review Panel (TPR)**

**1. Budget Template Review**

**2. Program Cost /Performance Analyzes**

✓ **Unexpended balances from previous years**

## **FY 2010 - New Entrant (NE) Grant Program, Approval Process**

### **✓ SP-08-001-CE (*Cost Eligibility for New Entrant*)**

Circular A-87 (Basic Cost Principles)

Defines what costs are. They must be:

- Eligible
- Necessary
- Reasonable
- Authorized (not prohibited by law or regulation)
- Consistent with policy and procedures
- Consistent treatment (consistently direct or indirect)

## **✓ Panel Recommendations**

# Probable Alternatives Methods for Funding NE Programs

- **Average Cost Per Audit** – Funding program using 3-year average cost per audit by service center.
- **Performance Based** – Number and quality of safety audits conducted.
- **Formula** - Uses of a formula similar to the MCSAP/Incentive.

# **New Entrant Safety Assurance Process Final Rule** *(Aka -New Rule)*

Effective Date: **December 16, 2009**

Funding: **TBD**

FTEs: TBD

CAP will not impact State NE programs

✓ Questions

&

□ Answers

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**Thank You**



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