Understanding FMCSA's Item Response Theory Model For Identifying At-Risk Carriers

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• Audio streamed through computer speakers
• Widgets are resizable and moveable
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  • Expand/shrink
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Understanding FMCSA's Item Response Theory Model For Identifying At-Risk Carriers

May 8, 2019
**FMCSA’s Item Response Theory**

This webcast will cover ...

- A regulatory overview
- Best practices in compliance
- A case study in implementation
- Question & Answer

**Attention Attendees:**

- Thank you for attending!
- You will be muted during the event.
- Please use the Q&A feature to send in questions to us. We’ll try to answer them during the Q&A period if they are not covered in the presentation.
- The slides and recording will be posted within 7 days at: www.jjkeller.com/nptcinf

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**Meet Your Presenters**

<table>
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<tr>
<th>Gary Petty</th>
<th>Tom Bray</th>
<th>Tom Moore, CTP</th>
<th>Randy Maddox, CTP</th>
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<tbody>
<tr>
<td>President &amp; CEO, NPTC</td>
<td>Industry Consultant, J. J. Keller &amp; Associates, Inc.</td>
<td>Senior Vice President, NPTC</td>
<td>Regional Manager, Oldcastle APG</td>
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**Item Response Theory: The New Measurement Model**
Problems with Existing System

- Subject-matter-expert driven
  - Severity and time weights assigned by experts
  - No statistical base for many severity and methodology decisions
- Only a few BASICs closely related to future crash risk
  - Does not correlate into safety culture
    - Carrier can be intervened with due to one bad BASIC, while carrier one point under the threshold in all seven BASICs in not even looked at
  - Which one is safer?

Item Response Theory (IRT)

- Would replace the existing math used in the BASIC methodology
- Used heavily in education and health care

Item Response Theory (IRT)

- Statistically driven
  - Provides information on which violations should be used and what the severity should be based on data in the system
  - Can be set up to consider the probability of being selected for an inspection
  - Multi-dimensional
    - Multiple stages in developing score
      - $Y_{ijk}|N_{ijk} > 0 \sim \text{binomial}(N_{ijk}, p_{ik}), \logit(p_{ik}) = \beta_k - \alpha_k \theta_i, \theta_i \sim N(0,1)$
  - Adapts over time as data develops
Item Response Theory (IRT)

- Will require “consolidating” violations
- Current system uses too many separate violations
  - Would not eliminate the use of, but would consolidate
  - Similar to current “violation groups” that are information-only in current BASICs

Item Response Theory (IRT)

- Patterns in the data are watched, not just raw numbers
- Under IRT carriers with one repeating issue will be viewed differently than carriers that are mediocre across the board

Item Response Theory (IRT)

- Would lead to an overall “safety culture” rating
- BASICs may remain or change
  - What will change is the math used to develop the BASIC scores
- Much more complex system
  - \( Y_{ij}(N_{ij} \geq 0) \sim \text{binomial}(N_{ij}, \rho_i), \logit(\rho_i) = \delta_i - \alpha_i\theta_i \)
  - \( \theta_i \sim \text{N}(0,1) \), replaces
  - \( T/S \) weighted violations ÷ number of relevant inspections

Tom Bray
Industry Consultant – Transportation
J. J. Keller & Associates, Inc.
Hurdles to Overcome

• Very complex model
• Data quality issues
  • MCS-150 data issues
  • Roadside inspection data issues

Current Timeline

• FMCSA developing
• Small-scale tests: Spring/summer 2019
• Full model first run: Fall 2019
• Rollout/implementation: 2019 to ???
  • All dates are estimates!

Things to Remember

• This system is what will select carriers for intervention
  • Warning letters
  • ISS Optional or Inspect
  • Focused or compliance reviews
• The secrets will remain the same
  • Prevent crashes
  • Avoid roadside inspection violations
  • There will still be “winners and losers”
Beyond Compliance
Preparing for IRT

Creating a Culture of Safety

- Past methods not yielding results? Overcoming WHADITW
- Use data to drive results
- Gather benchmarking
  - CSA Scores
  - Benchmarking
  - Driver input
- Drowning in a sea of data
  - Data never lies, it just never tells the whole truth
  - “Managing the eaches”

DOT RECORDABLE ACCIDENTS

Accidents per Million Miles of Travel

- 2007: 0.97
- 2008: 0.57
- 2009: 0.51
- 2010: 0.44
- 2011: 0.42
- 2012: 0.49
- 2013: 0.49
- 2014: 0.55
- 2015: 0.61
- 2016: 0.49
- 2017: 0.53
### CSA Scores

<table>
<thead>
<tr>
<th>Year</th>
<th>Unsafe Driving</th>
<th>Fatigued Driving</th>
<th>Driver Fitness</th>
<th>Controlled Substance</th>
<th>Vehicle Maintenance</th>
<th>Injured</th>
<th>Crash</th>
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<tr>
<td>2014</td>
<td>12.1</td>
<td>10.9</td>
<td>10.7</td>
<td>0.91</td>
<td>20.8</td>
<td>1.94</td>
<td>27.2</td>
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<tr>
<td>2015</td>
<td>11.9</td>
<td>12.9</td>
<td>13.0</td>
<td>0.5</td>
<td>21.9</td>
<td>1.3</td>
<td>22.3</td>
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<tr>
<td>2016</td>
<td>14</td>
<td>12</td>
<td>6.3</td>
<td>0.12</td>
<td>18</td>
<td>1.7</td>
<td>25.7</td>
</tr>
<tr>
<td>2017</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>0.8</td>
<td>17</td>
<td>2.6</td>
<td>20</td>
</tr>
<tr>
<td>2018</td>
<td>14</td>
<td>12</td>
<td>9</td>
<td>0.7</td>
<td>19</td>
<td>8.4</td>
<td>20</td>
</tr>
<tr>
<td>2019</td>
<td>12</td>
<td>16</td>
<td>11</td>
<td>3</td>
<td>23</td>
<td>7</td>
<td>23</td>
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### Onboard Technology Dominates

- 2005: 100%
- 2006: 100%
- 2007: 100%
- 2008: 100%
- 2009: 100%
- 2010: 100%
- 2011: 100%
- 2012: 100%
- 2013: 100%
- 2014: 100%
- 2015: 100%
- 2016: 100%
- 2017: 100%
- 2018: 100%
- 2019: 100%

### How Fleets Deploy Technology

- Non-Driving: 100%
- Maintenance: 100%
- Idle Time: 100%
- Sudden Stops: 100%
- Fuel Economy: 100%
- Driving Performance: 100%
- E-logs: 100%
- Speed: 100%
- Fuel Tax: 100%
- Progressive Shifting: 100%
- On-Time Payroll: 100%
Managing “Big” Safety Data

- CSA Indicators
- HOS
- Stability Control
- Use of Cruise Control
- Over Rev
- Idle Time
- PM Performance
- MPG
- Recordable Accident Ratio
- DOT Violations (EOBR)
  - Overall
  - Individual
- Employee Injury Ratio
- Tickets/Violations
- ECM Data

Gap Analysis

1. Define Goals/Objectives
2. Collect Data
3. Identify root causes of problems
4. Develop appropriate solutions
5. Plan and make changes

Narrow data focus to a manageable level by filtering out or reclassifying what we don’t need...so you allow the right data to bubble to the top

Strategies for Success

- Don’t get overwhelmed
- Narrow your focus
- Work on the meaningful few
- Set goals, and measure performance
- Communicate, educate and train
- Beware of analysis paralysis
- Translate it into what could have been done differently
- Design new policies and management practices
The Fleet Perspective:
*Oldcastle APG*

**CRH / Oldcastle**
- 3 Divisions – Materials, Building Envelope, and Architectural Products
- APG – 600 Class 7-8 trucks, 1,100 total pieces of equipment
- CRH – 3,100 Class 5-8 power units and over 6,000 total pieces of equipment
- Regional Manager for Oldcastle
- 31 years in the Transportation Industry
- Develop specs and negotiate prices based on specific company needs

**Information Available in Data Analytics**

**Freight Costs**
- Cost per Mile
- Miles per Gallon
- Repair and Maintenance Costs
- Average Cost per Pallet, Skid, Unit, etc.
- IFTA, IRP, CDL’s, etc.

**Customer Service Costs**
- On-Time Delivery Accuracy
- On-Time Pickup Percentage
- Dwell Time
- Out-of-Network Shipments
- Order Fulfillment Accuracy
Getting Lost in Data Analytics

- Without data, we are just another person with an opinion!
- Which data is the right data to help make the greatest impact for my organization?
- What are my company goals? And how do I know what to look for to support, achieve and exceed those goals?

Who Are You and Who Do You Want To Be?

- Tanker
  - Fuel, foods, chemicals, etc.
- Dry/Box Van
  - Shipping containers
- Flatbed
  - Drop-decks, Conestogas
- Refrigerated

What Are Your Company’s Goals?

- Talk to your CFO and/or President and find out what they are looking for
- Identify no more than 3 to 5 KPI's and focus on them
  - Too many measurements will cause you to lose focus on the original point of impact
- Learn what metrics and measurements are driving the data
  - How many factors touch that data point? First understand, then look to improve
- Deep dive into that specific data point
  - Compare like points to give apple to apple comparisons
DATA – KPI Examples

• Repair and Maintenance costs by VMRS code

DATA – KPI Examples

• Repair and Maintenance costs by OEM and Engine Type

DATA - SME’s (Subject Matter Experts)

• Work with your I.T. Department, they should help you develop the proper points to get to the true data.

• OEM’s – talk to your contact at your dealers. Get more than one OEM and more than one opinion at that OEM.

• Diesel Mechanics – they are hands on with the repairs

• Drivers – They can help you and they can hurt you. They know how to skew the data! Earn their trust by sharing the data and reason for the data with them first before presenting it in a public form to your C-Suite. (It may save you some embarrassment)
DATA – KPI Examples

• Miles per Gallon by location – who is doing a better job of fuel consumption?

Recap

➢ Don’t get lost in the Data – focus on 3-5 KPI’s
➢ Know what means the most to your company – talk to your CFO or President
➢ Understand the mechanics and measurements behind the data
➢ Identify weaknesses and set goals to improve
➢ Continually monitor the results
➢ Never separate the data from the source, share the data with your drivers, learn from them by bringing the data and the drivers together to have a unification of goals
Question & Answer Session

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Tom Bray
Senior Vice President
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Randy Maddox, CTP
Regional Manager
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More Questions?

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How to Use the DataQ System to Remove a Non-Fault Crash from Your Record

Thursday, May 9, 2019
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