

Outsourcing Driver Road Skills Testing Study

2018 Report

**Virginia Department of Motor Vehicles
November 2018**

Table of Contents

1	Introduction	6
2	Road Skills Testing in Virginia	7
2.1	DMV Administered Road Skills Testing	8
2.1.1	Non-commercial and Motorcycle Road Skills Testing	9
2.1.2	CDL Road Skills Testing	12
2.2	Road Skills Tests Administered by Commissioner’s Designees	13
2.2.1	Class B (non-commercial) Driver Training Schools	14
2.2.2	Virginia Rider Training Program	15
2.2.3	Third Party Testers	15
2.3	DMV Costs Associated with Road Skills Testing	17
3	Research	18
3.1	Outsourcing in the United States	18
3.2	Outsourcing in Canadian Provinces and Territories	22
3.3	Results of DMV Surveys	22
4	Options Considered	23
4.1	Stakeholder Discussion	24
5	Conclusion and Additional Considerations	30
Appendices		32
	Appendix A:.....	33
	List of Stakeholders.....	33
	Appendix B:.....	34
	Jurisdictional Survey Results.....	34
	Appendix C:.....	39
	Cost Analysis Spreadsheets.....	39
	Appendix D:.....	46
	Stakeholder Letters Regarding the Report.....	46
	Appendix E:.....	68
	Type of CDL Road Skills Test Administered by Testing Location.....	68
	Appendix F:.....	70
	Statutory Authority.....	70

Executive Summary

During the 2018 Special Session I, the General Assembly approved language in the 2018-2020 Biennium Budget directing the Department of Motor Vehicles (DMV), in consultation with stakeholders, to study the “feasibility and advisability of outsourcing of driver license road tests for adults.”

DMV administers three types of road skills tests: (i) non-commercial motor vehicle road skills tests, (ii) motorcycle road skills tests, and (iii) commercial motor vehicle road skills tests. Virginia law permits the Commissioner to designate entities to administer road skills tests on behalf of the DMV. Under this authority, DMV road skills testing is outsourced in part to Class B (non-commercial) driver training schools (DTS) for the administration of non-commercial skills tests, third party testers (TPT) for the administration of commercial driver’s license (CDL) skills tests, and Virginia Rider Training Program (VRTP) sites for the administration of motorcycle skills tests. In Fiscal Year 2018, approximately 187,000 road skills tests were administered in Virginia. Of those tests, approximately 97,000 were administered by DMV and the balance were conducted by the Commissioner’s designees. By outsourcing some or all of the road skills tests administered by DMV, DMV would be able to repurpose personnel conducting road skills tests to processing other transactions, and thereby reduce wait times for other DMV customers.

In response to the General Assembly’s directive, DMV formed an internal working group to research the issue, and convened a study group consisting of DMV’s internal working group and stakeholders. DMV invited highway safety advocates, law enforcement, and transportation and insurance industry representatives to participate. The stakeholders met three times over the summer to discuss the General Assembly’s directive, and to develop a recommendation on outsourcing road skills testing for adults.

DMV’s internal working group conducted research to provide insight on the best method of outsourcing that is fiscally responsible, while still maintaining the integrity of the road skills testing programs. The working group conducted and presented research on how jurisdictions across North America outsource road skills testing and the associated fees charged for road skills tests. The research showed that the majority of states have a combination of government examiners and non-government examiners administering all types of road skills testing. The research also showed that the government entities that have a fee for road skills testing, on average, \$15 for non-commercial and motorcycle road skills tests and \$50 for CDL road skills tests.

DMV also distributed a survey to entities, including Class A (commercial) DTS, Class B (non-commercial) DTS, VRTP sites, and TPT that could be affected by the outsourcing of road skills tests. Respondents gave an overall positive response to the idea of outsourcing and expressed a willingness to participate in an outsourcing program. However, some respondents raised concerns of potential fraud as a result of outsourcing.

Based on the research, survey responses, and stakeholder discussions, the study group developed the following six outsourcing options. In all scenarios, customers would be charged a fee for the road skills test, whether taken at a DMV location or through a non-DMV examiner.

Fees charged by non-DMV examiners would be expected to be higher than those charged by DMV.

Option One. Option One outlines an outsourcing program in which DMV would outsource all current skills testing, including the motorcycle, CDL, and non-commercial road skills testing administered by DMV. These skills tests would be outsourced to non-DMV examiners, including Class A (commercial) DTS, Class B (non-commercial) DTS, and VRTP sites, that currently administer some road skills tests in Virginia. DMV would need to license or certify new non-DMV examiners to ensure that all customers seeking road skills tests would receive timely service.

Option Two. Option Two outlines an outsourcing program in which DMV would retain CDL road skills testing, but would outsource the motorcycle and non-commercial skills testing administered by DMV. These skills tests would be outsourced to non-DMV examiners, including Class B (non-commercial) DTS, and VRTP locations, that administer road skills tests in Virginia currently. DMV would likely also need to license or certify new non-DMV examiners to ensure that all customers seeking road skills tests would receive timely service. DMV would begin charging a fee for CDL skills tests.

Option Three. Option Three outlines an outsourcing program in which DMV would outsource the motorcycle, CDL, and non-commercial skills testing administered by DMV. These tests would be outsourced to a single entity to administer testing statewide or a single entity for each region of the state through a Request for Proposal (RFP).

Option Four. Option Four outlines a scenario in which DMV would retain all current road skills testing, but would begin to charge a fee for all road skills testing.

Option Five. Option Five outlines an outsourcing program in which DMV would retain road skills testing, but would also give customers the option of receiving a road skills test with non-DMV examiners. These non-DMV examiners would be located in high-volume and high population density areas in the Commonwealth.

Option Six. Option Six outlines an outsourcing program in which DMV would retain skills testing for non-commercial and motorcycle road skills testing for a fee, but would outsource CDL road skills testing to licensed non-DMV examiners.

DMV estimated the potential fiscal impact of each of these options as follows:

Estimated DMV Fiscal Impacts of Outsourcing Options

	Current	Option 1 (All tests conducted by multiple external examiners)	Option 2 (Non – comm. and motorcycle tests conducted externally, CDL testing remains at DMV)	Option 3 (All tests conducted through a single source provider)	Option 4 (All tests conducted by DMV)	Option 5 (20% of tests conducted by external examiners, 80% of tests conducted by DMV)	Option 6 (CDL tests conducted externally, non-CDL and motorcycle tests conducted by DMV)
Revenue	-	\$293K	\$795K	\$293K	\$1.9M	\$1.5M	\$1.4M
Cost to administer Non-Commercial and Motorcycle tests	(\$1.8M)	\$0	\$0	\$0	(\$1.8M)	(\$1.5M)	(\$1.8M)
Cost to administer CDL skills tests	(\$1.3M)	\$0	(\$1.3M)	\$0	(\$1.3M)	(\$1.0M)	\$0
Cost for audit, administration and law enforcement	(\$843K)	(\$1.5M)	(\$1.4M)	(\$1.1M)	(\$843K)	(\$887K)	(995K)
Net program cost	(\$3.9M)	(\$1.2M)	(\$2.0M)	(\$0.9M)	(\$2.0M)	(\$1.9M)	(1.4M)
Estimated DMV net fiscal impact of each option	-	\$2.8M	\$2.0M	\$3.1M	\$1.9M	\$2.1M	\$2.5M

The study group discussed these options and the potential net fiscal impact to DMV, but was unable to come to a consensus on a recommendation for outsourcing road skills testing. Most stakeholders did not express support or objection to the outsourcing options. However, some stakeholders were vocal regarding the current wait times that CDL road skills testing customers encounter. Stakeholders also expressed objection to outsourcing road skills testing through an RFP. During the stakeholder discussions of the options, concerns were also raised regarding the potential for fraud as a result of outsourcing.

Additionally, during the course of the study, DMV became aware of a study being conducted by the American Association of Motor Vehicle Administrators. The aim of this study is to modernize CDL regulatory requirements for testing and reduce the space and time required to administer such road skills tests.

Given the concerns for potential fraud and the uncertainty regarding the regulatory requirements for CDL road skills testing, DMV recommends that road skills testing for adults

not be outsourced at this time, and that DMV retain its current program. Administratively, DMV will identify strategies to enhance the efficiency and the cost-effectiveness of the testing program. For example, DMV plans to pilot a policy of using "designated examiners" in a select number of its Customer Service Centers (CSCs) to determine if such a policy will reduce costs associated with the training of Customer Service Representatives (CSRs) while allowing DMV to retain its current level of customer service.

If there is concern regarding the wait times for those seeking CDL road skills tests, the study group recommends two potential solutions. The first is for the General Assembly to authorize DMV to charge \$50 for the administration of a CDL road skills test. This recommendation is based on the national average of the fees charged by governmental entities for CDL road skills tests collected in the jurisdictional research conducted by DMV's internal working group. DMV also recommends that the General Assembly increase from \$85 to \$100 the fee DMV may charge for road skills tests administered to individuals from out-of-state. With the additional revenue generated by the fee and the fee increase, DMV would be able to hire additional DLQA personnel to administer more CDL road skills tests, and thus shorten the wait time for such customers. Concurrently, DMV will continue to work with trucking and other companies that employ commercial motor vehicle drivers to grow DMV's current third party testing program.

The second potential solution is for the General Assembly to authorize DMV to develop and implement a limited pilot program allowing existing Class A (commercial) DTS to administer CDL road skills tests at a cost to the customer. DTS eligible to participate in the pilot would be determined by criteria set by the Department. Implementing a pilot would allow DMV the opportunity to determine the financial impacts on the Department and to test metrics for detecting and preventing fraud on a limited scale with less risk. DMV will work with the General Assembly to draft legislation to implement such a program.

1 Introduction

During the 2018 Special Session I, the General Assembly approved language in the 2018-2020 Biennium Budget directing the Department of Motor Vehicles (DMV), in consultation with stakeholders, to study the “feasibility and advisability of outsourcing of driver license road tests for adults.”¹ Section 46.2-325 of the *Code of Virginia* requires DMV to administer a behind-the-wheel or “road skills” test to every applicant who applies for a Virginia driver’s license.² In Fiscal Year (FY) 2018, approximately 187,000 road skills tests were administered in the Commonwealth. Of those road skills tests administered, over 97,000 were administered by DMV. By using alternative resources to administer some or all of the road skills tests administered by DMV, DMV could repurpose its Customer Service Representatives (CSRs) and Driver Licensing Quality Assurance (DLQA) personnel who administer road skills tests to process more transactions, thereby reducing customer wait times.

In response to the General Assembly’s directive, DMV formed an internal working group to research the issue, and convened a study group consisting of DMV’s internal working group and stakeholders. DMV invited highway safety advocates, law enforcement, and transportation and insurance industry representatives to participate. Driver training schools (DTS), third party testers (TPT), and Virginia Rider Training Program (VRTP) sites participated in the study by providing their input to a survey distributed by DMV.

Over the course of three meetings, the study group examined DMV’s road skills testing programs. The group examined road skills testing and related processes for the issuance of non-commercial driver’s licenses, commercial driver’s licenses (CDLs), and motorcycle classifications (M, M2, and M3).³ Because DMV currently accepts road skills tests administered by non-DMV examiners, the study group also examined the road skills testing programs and related policies for those programs. This includes processes for DTS, the VRTP sites, and TPT. The study group also looked at DMV’s licensing, credentialing, and oversight programs used to ensure the integrity of the testing provided by non-DMV examiners. Stakeholders considered feedback from DTS, TPT, and the VRTP sites; the costs associated with administering DMV’s current road skills testing program; and the results of a jurisdictional survey illustrating how other jurisdictions currently outsource road skills testing.

As the Budget language provides, the study focus is road skills testing administered by DMV to adults. Road skills testing administered to youth was not considered in the stakeholder meetings and is not discussed in this report. Tests for those younger than 18 are, however, included in the total counts of road skills tests presented. Testing for youths is generally handled by the Commonwealth’s public school system and through licensed DTS as part of the driver education program. The vast majority of road skills tests for youths are not administered by DMV and therefore, do not impact the results of this study. Additionally, the study group did not

¹ “Adult” refers to an individual who is age 18 or older.

² *Virginia Code* § 46.2-100 defines “Driver’s license” as any license including a commercial driver’s license as defined in the Virginia Commercial Driver’s License Act (§ 46.2-341.1 et seq.) issued under the laws of the Commonwealth authorizing the operation of a motor vehicle. Throughout this report, the term “driver’s license” shall refer to the same, unless otherwise specified.

³ The M2 classification permits credential holders to operate a two-wheeled motorcycle. The M3 classification permits credential holders to operate a three-wheeled motorcycle. The M classification permits a credential holder to operate both a two- and three-wheeled motorcycle.

examine DMV’s medical review testing⁴ for either non-commercial or commercial driver’s licenses, or the Skills Performance Evaluations (SPE)⁵ for CDLs. DMV determined that because these tests require special training for test administration and could result in the suspension or revocation of a customer’s privilege to drive, the administration of such testing should remain with DMV.

This report summarizes the scope and research of the study group. Section 2 provides a brief overview of the current process to administer road skills testing and the associated costs. Section 3 addresses research the stakeholders considered, including the results of a jurisdictional survey of the U.S. and Canadian jurisdictions; and the results of a survey distributed to non-DMV examiners providing road skills testing. Section 4 explains the options developed by the study group. Section 5 presents a summary and explanation of the conclusions reached as a result of the study.

2 Road Skills Testing in Virginia

Section 46.2-325 of the *Code of Virginia* requires DMV to test the driving skills of any individual who is applying for any driving credential. In relevant part, the statute provides:

The Department shall examine every applicant for a driver’s license before issuing any license to determine (i) his physical and mental qualifications and his ability to drive a motor vehicle without jeopardizing the safety of persons or property and (ii) if any facts exist which would bar the issuance of a license...

Pursuant to this requirement, DMV currently administers three types of skills testing for the issuance of a driving credentials: (i) non-commercial motor vehicle skills testing, (ii) motorcycle skills testing, and (iii) commercial driver’s license skills testing.

Section 46.2-326 of the *Code of Virginia* grants the Commissioner authority to designate non-DMV examiners to administer skills tests to driver’s license applicants. The statute provides:

The Commissioner shall designate persons within the Commonwealth to act for the Department in examining driver’s license applicants. Any person so designated shall conduct examinations of driver’s license applicants under this title and report his findings and recommendations to the Department.

⁴ Medical review testing is conducted pursuant to § 46.2-322. Under this statute, DMV initiates medical review testing when DMV, or has received notice from a physician or other identified source, that an individual suffers from a medical condition that impairs that ability to safely operate a motor vehicle on the Commonwealth’s roadways.

⁵ A Skills Performance Evaluation or “SPE” is an evaluation conducted pursuant to 49 C.F.R. § 391.49. Under this federal regulation, if an applicant for a CDL has a missing or impaired limb, he or she must submit to an evaluation, typically administered by a certified Federal Motor Carrier Safety Administration (FMCSA) examiner, to determine their fitness to operate a commercial motor vehicle. In 2014, FMCSA allowed specially certified DMV employees to administer the SPE on behalf of FMCSA. Virginia is currently the only state permitted to do so.

Pursuant to this provision, DMV does not require road skills testing by DMV personnel for customers who provide evidence that a road skills test was administered by non-DMV examiners designated by the Commissioner to administer such testing. This is often referred to as a “waiver”. A discussion of the structure of the road skills testing program administered by DMV and the structure of the licensing, certification and oversight processes of the road skills testing programs administered by non-DMV examiners follows.

2.1 DMV Administered Road Skills Testing

The following table shows the volume of road skills tests administered in the Commonwealth in FY 2018 by type of entity and license type. In FY 2018, roughly 187,000 road skills tests were administered to examinees applying for a non-commercial driver’s license, motorcycle classification, CDL or CDL endorsement, such as the passenger, airbrake, or school bus endorsements. Of the 187,000 road skills tests administered in FY 2018, approximately 97,000 were administered by DMV. Of the number of tests administered at a DMV location, approximately 83,900 were non-commercial road skills tests, 1,600 were motorcycle road skills tests, and 11,900 were CDL road skills tests.⁶ Over 37,000 road skills tests were administered to youths by the public school system through the driver’s education program. Approximately 33,000 were administered to youths by Class B (non-commercial) DTS.

⁶ CDL road skills tests locations and number of tests administered in each location are as follows: Bristol (753), Chester (3,225), Clifton Forge (136), Manassas (2,956), Martinsville (1,001), Melfa (0), Middletown (1,046), Norton (149), South Boston (146), Suffolk (2,353), and Wardell (103). Further information regarding the breakdown of type of CDL test by testing location can be found in Appendix E.

Volume of Tests Administered by License Type and Location

License Type	Locations Road Skills Tests Administered	Volume of Road Skills Tests FY 18
Non-Commercial Driver's License (Non-CDL)	DMV Customer Service Centers	83,912
	Driver Training Schools	41,408 ¹
	Department of Education Public Schools	37,285 ²
Motorcycle Classifications Two-Wheel Endorsement (M2), Three-Wheel Endorsement (M3)	DMV Customer Service Centers (M2)	1,575
	DMV Testing Sites (M3)	16
	Virginia Motorcycle Rider Training Program	8,866
Commercial Driver's License	DMV Commercial Driver's Licensing Testing Sites	11,868 ³
	Third Party Testers	1,916
¹ Volume of road skills certifications issued by driver training school. ² Volume of students that received in-car instruction in 2016-2017. ³ FY2018 Completed road tests, including retests, and pre-trip failures.		

The number of road skills tests currently waived by DMV for certain applicants is not included in this table. For non-commercial driver's license applicants, Virginia currently provides reciprocity for all U.S. jurisdictions, as well as Canada, France, Germany and South Korea. Applicants in these jurisdictions are able to exchange their driving credential for a Virginia license without having to take a knowledge or skills test. DMV does not require a road skills test for applicants with a valid driving credential from Taiwan, but will require those applicants to take a knowledge examination. For motorcycle classifications, DMV does not require a DMV-administered motorcycle road skills test if the applicant can show that he or she has a valid motorcycle classification from another U.S. jurisdiction, has completed a safety course with a VRTP location, or a motorcycle safety course administered at a military installation. DMV also does not require a CDL road skills test if the applicant can show that he or she has a valid CDL issued by another U.S., Canadian, or Mexican jurisdiction. Additionally, if an applicant has a Military Operator's Permit and provides proof that he or she has operated a commercial motor vehicle for a period of two years in the military prior to making application, DMV will waive a CDL road skills test.⁷

2.1.1 Non-commercial and Motorcycle Road Skills Testing

Currently, for non-commercial driver's licenses and motorcycle classifications issued in Virginia, DMV CSRs administer the vast majority of road skills tests for adults. DMV

⁷ A Military Operator's Permit is the equivalent of a military issued CDL.

administers non-commercial road skills tests at 72 CSC locations⁸, as well as through its DMV Connect and DMV 2 Go mobile programs.⁹ On average, at the 72 CSC locations that administer road skills testing, it takes a CSR 20 minutes to administer this test.¹⁰ DMV administers motorcycle skills tests for the M2 classification (required to operate a two-wheel motorcycle) at 48 of its CSC locations.¹¹ On average it takes a CSR 24 minutes to conduct an M2 road skills test. Because of the space requirement to successfully execute a road skills test for the M3 classification (required to operate a three-wheeled motorcycle), these tests are administered at DMV's 11 CDL testing sites. On average it takes a Driver's License Quality Assurance (DLQA) examiner approximately 24 minutes to conduct this test. DMV administers all non-commercial and motorcycle skills tests to customers free of charge.

For non-commercial and motorcycle road skills tests, customers can either make an appointment with DMV in advance by calling DMV Direct (DMV's call center) or by walking into a CSC. Customers may also walk into a CSC and wait for the next available DMV examiner for a road skills test. Customers are required to provide their own vehicle for skills testing. When a customer arrives at the CSC, the customer must provide proof of his eligibility to take a road skills examination. Proof of eligibility includes proof of identification and a valid temporary driving credential that was held for the statutorily required time frame. Additionally, the customer must provide proof that the vehicle being used for the road skills test has valid registration. Once eligibility has been determined, the CSR handling the transaction will administer a vision screening and inquire into the National Driver Register to ensure that the customer is not prohibited from receiving a driving credential based on a violation of law that occurred in another jurisdiction or is otherwise ineligible to be licensed. The CSR then takes the customer's photograph and records the customer's signature which will appear on the customer's credential. Once the CSR completes the eligibility check at the front counter, the individual is accompanied by a trained CSR to the customer's vehicle to initiate the road skills test.

The road skills test for both the non-commercial and the motorcycle classification consists of two parts, the pre-road skills safety check and the in-vehicle examination. The pre-road skills safety check includes a preliminary check of the vehicle to ensure the safety of the

⁸ Not including the Arlington Metro, Fair Oaks, or Pentagon CSCs

⁹ *DMV 2 Go* is a mobile outreach program that serves busy Virginians at locations convenient to them. DMV has four offices on wheels located throughout the Commonwealth. The mobile offices supplement services at DMV Selects and also provide service at businesses, university and college campuses, military bases, and more. DMV Connect is an "office in a suitcase" that serves Virginians who may not be able to travel to a DMV office. DMV has seven Connect teams located throughout the Commonwealth. The program was originally created to provide identification cards to offenders pending release from incarceration but was expanded to serve customers at retirement communities, government centers, homeless shelters, and more.

¹⁰ The average times for the administration of road skills tests by DMV were calculated by taking a statewide sampling from the Form CSMA - 664 on which the CSRs record the time from leaving the facility to perform a skills test to the time they re-enter the building. The time presented is the average of the times collected through the sampling.

¹¹ DMV administer road skills tests for the M2 motorcycle classification at the following CSCs: Abingdon, Alexandria, Altavista, Bristol, Charlottesville, Chesapeake, Chester, Chesterfield, Christiansburg, Clintwood, Courtland, Covington, Culpeper, East Henrico, Emporia, Farmville, Fort Lee, Franconia, Fredericksburg, Galax, Gate City, Hampton, Harrisonburg, Hopewell, Jonesville, Kilmarnock, Leesburg, Lexington, Lynchburg, Manassas, Marion, Martinsville, Newport News, North Henrico, Petersburg, Portsmouth, Pulaski, Roanoke (only on Saturdays), Rocky Mount, South Boston, South Hill, Stafford, Tappahannock, Tazewell, Virginia Beach Buckner, Waynesboro, West Henrico, Woodbridge, and Wytheville.

CSR conducting the test and the safety of the general public on the road. This includes a check that the vehicle is in safe working condition and that the vehicle has valid license plates, and a valid Virginia Safety Inspection, if registered in Virginia. During the safety check, the CSR will also assess whether the customer is able to communicate with and understand the instructions given by the CSR. If the CSR determines that the vehicle is not in safe working condition or that the customer is not able to understand the CSR, the CSR may end the road skills test and require the customer to return with a safe vehicle or when the customer is able to comprehend and safely follow the instructions of the CSR.

If the vehicle passes the pre-road skills safety check and the CSR determines that the customer is able to understand instructions, the CSR will initiate the in-vehicle portion of the skills test. The in-vehicle portion of the non-commercial skills test is conducted on a predetermined route that is used for all customers' road skills testing at the CSC. The road skills test evaluates basic driving techniques including completion of right, left, and U-turns, observation and reaction to road signs and traffic signals, ability to stay in the driving lane, ability to appropriately pass other vehicles and maintain adequate following distance, as well as other techniques. The on-vehicle portion of the motorcycle skills test is adapted from a test developed by the Motorcycle Safety Foundation. It is conducted on a range and assesses the rider's ability to turn, swerve, and brake on the motorcycle.

If the CSR determines that the customer has achieved a passing score on the road skills test, the CSR records the score on a DMV form and enters a "Pass" into the customer's record. At this point, the customer returns to the office and a CSR completes the driver's license transaction, collects the applicable fees¹², issues a temporary credential to the customer, and when necessary, invalidates the customer's other driving credential. The customer's credential is printed at DMV's driver license and identification card vendor's production facility in Danville and mailed to the address on file and is usually delivered within seven to ten business days of completing the road skills test.

Test Administration Certification

Currently, all DMV CSRs are trained to administer non-commercial and motorcycle road skills tests. This training is based on best practices issued by DMV's trade association, the American Association of Motor Vehicle Administrators (AAMVA).¹³ CSRs receive this training at the beginning of their employment with DMV. This training includes up to 32 hours of instruction. Instruction includes information on professionalism, Virginia laws for driver licensure, methods for completing DMV forms, how to conduct the pre-road skills safety inspection of a vehicle prior to taking the customer on the road, how to score a customer's performance on a road test, and how to finalize a license transaction once the road skills test has

¹² DMV currently charges \$32.00 for an eight-year non-commercial motor vehicle license. \$30.50 is retained by DMV to cover the expenses of the Department and \$1.50 is distributed to the Department of Education. DMV currently charges \$16.00 for an eight-year motorcycle classification, all of which is distributed to the Motorcycle Safety Fund. DMV pays DMV's license vendor a per license fee from the revenue retained by DMV. It is also important to note that licensing fees are one of the only fees in which DMV retains a substantial portion.

¹³ The American Association of Motor Vehicle Administrators, Certified Driver Examiner Program Overview (2015).

been completed. This training covers the administration of both road skills testing for non-commercial motor vehicles, as well as motorcycles.

At the conclusion of the training, the CSR must successfully administer a road skills examination and pass an end-of-training assessment with no less than an 80% score. CSRs must meet these training requirements every four years to retain their road skills testing certification. A CSR will not be certified or recertified if he has lost his driving privileges within one year prior to application for certification or recertification. Additionally, a CSR will be disqualified immediately from road skills testing upon notification that the CSR has a suspended license through DMV's Driver Alert Program.¹⁴

2.1.2 CDL Road Skills Testing

For CDLs issued in Virginia, DMV's DLQA personnel administer the majority of road skills tests. In FY 2018, DLQA personnel administered 11,868 CDL road skills tests. These tests are conducted by appointment only, and the customer must make an appointment by calling the DLQA office prior to arriving at a DLQA site for testing. CDL road skills testing is conducted at 11 CDL testing sites around the Commonwealth. Currently, the wait time for an appointment is approximately two weeks. However, wait times of three to four weeks or longer are possible at times. On average, a road skills test takes approximately two hours to complete. This time is split between the pre-trip safety inspection, the range portion of the road skills test and the on-road portion of the road skills test. All CDL road skills tests, except for tests administered to out-of-state applicants, are administered free of charge to the customer. Out-of-state customers are charged \$85 per road skills examination. If a customer misses an appointment for a CDL road skills test scheduled with a DLQA examiner, he or she is assessed a \$50 fee.

The customer is required to provide his or her own vehicle for testing that is representative of the type of vehicle the customer intends to operate. DLQA personnel will ensure that the customer's vehicle has valid registration and a valid safety inspection. DLQA personnel will also check the eligibility of the customer to take a skills test. This includes verification that the customer is the individual who is scheduled for examination, as well as a check against the Commercial Driver's License Information System (CDLIS) and the National Driver Register to determine whether the customer has another license that may need to be invalidated or the customer has been disqualified from possessing a CDL by another state. Once the eligibility check has been completed, the DLQA examiner initiates the three-part skills test.

It is important to note that recently the requirements for CDL skills testing have changed. These changes greatly impacted DMV's CDL road skills testing program. In 2015, FMCSA requirements for road skills testing regulations changed based on AAMVA's recommendations for CDL road skills testing. The AAMVA changes introduced additional requirements for both the pre-trip safety inspection and the backing maneuvers for the range portion of the skills test. These new requirements expanded both the space and time required for administering a CDL road skills test. Prior to the 2015 changes, a CDL road skills test could be administered within

¹⁴ Through the Driver Alert Program, DMV's Human Resources Office will notify the supervisor of a CSR if the CSR's license is suspended. The supervisor will disqualify that individual from administering road skills tests until the CSR has his or her driving privilege reinstated.

an hour and a half. The entire range portion of the skills test could be administered in very little space as a simple backing maneuver was all that was required. As a result of the new requirements, the time required to administer the road skills test expanded to approximately two hours and the space required to administer the range portion increased to a little less than a full acre. Because of the space requirements to administer the new road skills test, DMV went from 40 CDL skills testing locations to the 11 discussed previously. As a result of the reduction in the number of testing sites and the increase in the time required to administer the test, the time that CDL applicants must wait for a road skills test has increased to two weeks. However, some applicants report times as great as four to six weeks.

At the conclusion of the road skills test, the DLQA examiner issues a temporary driving permit and transmits the results of the road skills test to DMV through the use of a tablet. To complete the transaction, the customer must return to a DMV CSC location. At the CSC, the CSR will confirm that the customer meets the other eligibility requirements for CDL licensure in Virginia, and collect applicable fees.¹⁵ Once the transaction has been completed, the credential is printed and mailed to the customer at the address on file. The credential is usually received by the customer within seven to ten business days.

Test Administration Certification

In addition to the certification requirements discussed previously for non-commercial and motorcycle road skills test administration, DLQA examiners are also required to undergo further training for CDL road skills test administration. This training is also based on best practices issued by AAMVA. The training consists of 40 hours of instruction and includes information regarding the administration of CDL skills testing in accordance with federal and state law.

DLQA examiners must submit an application, pass an end-of-training assessment with an 80% score, and successfully complete a road skills examination. DLQA examiners are required to undergo the same training process and receive recertification every four years. A DLQA examiner will not be certified or recertified if he has lost his driving privileges within one year prior to application for certification or recertification.

2.2 Road Skills Tests Administered by Commissioner's Designees

As stated previously, the Commissioner may designate non-DMV examiners to administer skills tests. Currently, the Commissioner has designated licensed Virginia Class B (non-commercial) DTS to administer non-commercial road skills tests, VRTP sites to administer motorcycle classification road skills tests, and certified TPT to administer CDL road skills tests. After completion of a road skills test by a non-DMV examiner, the customer is required to visit a DMV CSC location to finish the licensing transaction. A temporary credential is issued and the driving credential is mailed to the customer's address on record and usually received within seven to ten business days of completing the transaction. In FY 2018, over 21,000 road skills tests for adults were administered by non-DMV examiners.

¹⁵ DMV currently charges \$64.00 for an eight-year CDL. \$62.50 is retained by DMV to cover the expenses of the Department and \$1.50 is distributed to the Virginia Department of Education.

2.2.1 Class B (non-commercial) Driver Training Schools

There are currently 295 licensed Class B (non-commercial) DTS which are located throughout the state.¹⁶ Roughly 9,000 road skills tests were administered to adults for a non-commercial license by those licensed Class B (non-commercial) DTS in FY 2018.

Licensure and Operational Requirements

Section 46.2-1701 of the *Code of Virginia* requires all DTS and their instructors to be licensed by DMV in order to operate in Virginia. To become licensed, the owner of a DTS must submit an application to DMV. As part of its application, the DTS is required to submit the applications for licensure for its instructors. The DTS and the instructor are required to submit the same application annually for re-licensure. Once a DTS application has been approved by DMV, DLQA personnel will go to each location the DTS is applying to license, to inspect the premises and provide training on Virginia laws and regulations pertaining to the operation of a DTS. At the conclusion of the inspection and training, DLQA will issue the DTS a license.

Upon licensing, a DTS is permitted to provide training to students. Under Virginia law, during the time of the school's licensure, the school is required to maintain business records pertaining to student training and assessment. DTS are also required to maintain vehicle inspections and safety as well as update the DMV with a certificate of insurance in the event that the school purchases or leases a new vehicle for student training and testing. To ensure that schools maintain the appropriate business and testing practices, DTS are also required to submit to regular inspection and auditing by DMV.

Oversight and Agency Action

DMV conducts three types of audits to maintain oversight of the DTS program: (1) initial licensure audits, (2) annual audits, and (3) random audits. These audits are conducted by DLQA personnel and DMV sworn law enforcement officers.

If, as a result of any audit, DMV finds a deficiency in the operations of a DTS, DMV may take action on the DTS license. Depending on the nature of the deficiency, the DMV may (1) notify the DTS of its deficiency and give the school 30-60 days to cure the deficiency before action is taken on the school's license, (2) may notify the school that DMV will take action on the school's license and notify the school of the pending hearing date, or (3) immediately suspend the school's license pending an administrative hearing. Depending on the nature of the violation and the result of the hearing, a school's license may be suspended, cancelled, or revoked with or without the possibility of re-licensure.

¹⁶ DTS are required to be relicensed annually during the calendar month in which they were initially licensed. New schools are licensed and currently licensed DTS choose not to renew their licenses regularly, therefore, the number of licensed Class B (non-commercial) DTS may fluctuate on a monthly basis. This number is accurate as of October 2018. A list of the Driver Training Schools currently licensed to conduct road skills tests may be found at: https://www.dmv.virginia.gov/drivers/#cdl_schools.asp.

2.2.2 Virginia Rider Training Program

The Virginia Rider Training Program is a program that provides motorcycle safety training and testing to its students. There are currently 28 licensed VRTP providers operating 39 sites around the Commonwealth.¹⁷ DMV data indicates that 8,866 motorcycle road skills tests were administered by these VRTP sites in Fiscal Year 2018.

Licensure and Operational Requirements

Non-DMV examiners must be licensed by DMV to operate a VRTP site. Owners wishing to operate a VRTP site must submit an application which must include, among other things, the address and description of the location or locations that the applicant wishes to have licensed, the planned course schedule including course type, course dates and hours of course conduct, the number of students the applicant anticipates will be trained in the following calendar year, and detailed specifications of the curriculum proposed to be used. Owners must also submit verification of adequate insurance coverage for the vehicles used by the VRTP sites, as well as insurance to cover general and employee liability. Additionally, the applicant must submit criminal background checks on all officers, owners, administrators, and individuals authorized to act on behalf the training center.

All facilities, equipment, curricula, and geographic locations of each facility must be approved by DMV. The site is required to maintain records and provide reports as requested by DMV to ensure the integrity of the program. DMV is also required to monitor and evaluate the performance of the licensed training center and the effectiveness of the program in training its customers.

Oversight and Agency Action

DMV contracts with a third party to conduct auditing for VRTP sites. If a deficiency is found in the operations of the VRTP site, DMV may take action on the site's license. Depending on the nature of the deficiency, the DMV may (1) notify the site of its deficiency and give the site 30-60 days to cure the deficiency before action is taken on the site's license, (2) notify the site that DMV will take action on the site's license and notify the site of the pending hearing date, or (3) immediately suspend the site's license pending an administrative hearing. Depending on the nature of the violation and the result of the hearing, a site's license may be suspended, cancelled, or revoked with or without the possibility of re-licensure.

2.2.3 Third Party Testers

Federal regulations permit states to allow non-government examiners to conduct CDL road skills tests provided that the state administers a program that meets federal regulatory

¹⁷ VRTP sites are located in the following locations: Alberta, Abingdon, Alexandria, Ashland, Bristol, Broadway, Charlottesville, Chester, Danville, Dublin, Cape Charles, Fairfax (3), Franklin, Fredericksburg (3), Glens, Hampton, Keysville, Clifton Forge, Sterling, Lynchburg, Manassas, Martinsville, Portsmouth, Prince George, Cedar Bluff, Richmond, Roanoke, Staunton, Suffolk, Virginia Beach, Warsaw, Weyers Cave, Winchester (2), and Woodbridge.

requirements.¹⁸ Under this regulatory scheme, Virginia adopted a limited TPT program. Under Virginia law, a non-state entity may administer CDL road skills tests if the entity is in the motor carrier industry, employ 75 commercial motor vehicle drivers, and administers the skills tests to individuals who are in its employ. Additionally, Virginia permits governmental entities such as the community colleges and localities to act as third party testers. Virginia law requires TPT to comply with all federal regulations regarding CDL skills testing and to administer the same test as that conducted by DMV. However, governmental entities are not required to be in the motor carrier industry and employ 75 commercial motor vehicle drivers. Currently, there are 52 entities certified as TPT in Virginia. In FY 2018, these TPT administered 1,916 road skills tests.

Certification and Operation Requirements

Any entity that wishes to administer CDL road skills tests is required to be certified by DMV. To receive certification, an entity must submit an application and enter into an agreement with DMV. In addition to the FMCSA regulations, in Virginia a TPT must employ at least 75 drivers of commercial motor vehicles, and be in the motor carrier industry.¹⁹ TPT must also maintain a bond of at least \$5,000 to pay for retesting of drivers in the instance that a student's test is determined to be invalid as a result of fraudulent activity by the third party tester. Notwithstanding these requirements, the Commissioner is permitted to certify the Commonwealth's school divisions and Community Colleges as TPT. Additionally, the TPT must employ at least one third party examiner in his employ that is certified by DMV to administer testing.

To qualify for certification as a third party examiner, an individual must submit an application to DMV which includes a national criminal background check and verification of employment by a TPT. The applicant must have a valid Virginia CDL with all the classifications and endorsements of the type of vehicle used for testing. The applicant must also not have had any disqualification of that credential within the three years prior to application. An examiner must satisfactorily complete an examiner training course administered by DMV prior to certification and must continue to receive refresher training every four years. Once an examiner is certified, he may only administer CDL skills tests to individuals to whom he did not provide training. In addition, the third party examiner must administer at least ten road skills tests per year.

Oversight and Agency Action

In accordance with state and federal law, TPTs are required to submit to audits by both DMV and FMCSA. DMV will revoke the certification of any examiner, effective immediately, if he does not (i) complete the required refresher training course or (ii) administer at least ten road skills examinations annually. DMV may cancel a TPT or examiner's certification, effective immediately, upon the (i) failure to comply with the Virginia CDL Act (§ 46.2-341.14 et. seq.), (ii) failure to pass a national criminal background check, (iii) commission of any act that calls the integrity of the TPT program into question, or (iv) falsification of any record or information

¹⁸ 49 C.F.R. § 383.85.

relating to the TPT program. DMV has the discretion to postpone such cancellation for 30 days to give the TPT or examiners the opportunity to correct the deficiency.

2.3 DMV Costs Associated with Road Skills Testing

The following table shows the annual cost for DMV to administer its road skills testing program and the average cost per test for DMV to administer non-commercial, CDL, and motorcycle road skills tests.

Estimated FY 2018 Costs for Road Skills Tests by Type

	Non-CDL	M2	M3	CDL	Medical ²⁰	Total
Annual Direct Labor Costs¹	\$1,304,502	\$31,250	\$305	\$883,174	\$52,069	
Annual Allocated Costs²	\$470,066	\$10,181	\$146	\$395,551	\$24,957	
Total Annual Costs	\$1,774,568	\$41,431	\$451	\$1,278,725	\$77,026	\$3,172,201
Annual Total Test Counts	86,689	1,874	15	12,158	1,886	
Estimated Cost Per Test	\$20.47	\$22.11	\$30.05	\$105.18	\$40.84	

¹ Annual direct labor costs include the labor costs for DMV Direct call center agents to schedule road skills tests, and DMV labor costs for the administration of road skills testing. Annual allocated costs for non-commercial and motorcycle skills testing includes the time spent by DMV personnel receiving training and the time spent by DMV personnel providing training. The allocated costs also include annual travel expenses for DMV trainers. ²¹

² CDL allocated annual costs include not only the training costs for DLQA examiners but also the maintenance and recurring costs associated with CDL testing locations.

As indicated in the table above, across all types of road skills tests, DMV expends approximately \$3.1 million annually on road skills testing. Approximately, two-thirds of the total annual cost for each road skills testing program is associated with direct labor. The other one-third of the total annual cost is associated with training personnel to conduct road skills tests. About 99% of DMV’s total expenditures annually for road skills testing are for non-commercial and CDL road skills testing. Finally, the per test costs for motorcycle classification tests and non-commercial tests average around \$20. However, the CDL road skills test is substantially higher at around \$105 per test. This higher CDL cost is largely due to the substantial time it takes to complete the test compared to the other test types.

²⁰ The cost associated with medical tests is included in this table to show the overall costs of DMV’s skills testing program. However, the outsourcing of medical review testing is not considered in this study.

²¹ For more detailed information on these calculations, see Appendix C.

3 Research

DMV conducted research to gather information on other jurisdictions' experiences with outsourcing road skills testing. Jurisdictional research included all U.S. and Canadian jurisdictions.²² The research inquired into what entities administer road skills tests for non-commercial and commercial vehicles, and motorcycles. The research also looked into how much government entities were charging for the various road skills tests. With some jurisdictions, such as Idaho, Michigan, Alberta, and Ontario which outsource road skills testing entirely, and Pennsylvania, which has recently concluded an outsourcing pilot, DMV conducted more in depth research to better understand their outsourcing programs.

3.1 Outsourcing in the United States

As shown in the following table, almost half of U.S. jurisdictions outsource at least a portion of non-commercial and CDL skills testing, and all jurisdictions permit the outsourcing of motorcycle skills testing to non-government entities through approved basic rider courses.

**Number of U.S. Jurisdictions Conducting Road Skills Testing
By Type of Test and Type of Entity conducting Road Skills Testing**

	Non-Commercial	CDL	Motorcycle
Government Examiners Only	24	13	0
External Examiners Only	2	11	8
Both	25	27	43

The research showed that other jurisdictions outsource road skills testing to a variety of entities including certified driving schools, community colleges, TPT, public school systems, and Motorcycle Safety Foundation training sites. Two states, Michigan and Idaho, outsource their road skills testing entirely.

As shown in the following table, none of the jurisdictions bordering Virginia outsource road skills testing entirely; government examiners retain some portion of the road skills testing programs.

²² Research of the Canadian jurisdictions included all 13 Canadian provinces and territories. However, Nunavut does not currently have an equivalent to a state licensing agency and does not currently administer road skills tests for the types of licenses discussed above. Therefore, DMV's analysis only consists of the remaining 12 Canadian provinces and territories. Research of the U.S. jurisdictions included all 50 states and the District of Columbia. DMV did not obtain information from the U.S. Territories.

**Entities Conducting Road Skills Testing in Virginia and Bordering Jurisdictions
By Type of Test**

	Non-Commercial	CDL	Motorcycle
Virginia	Both ²³	Both	Both
District of Columbia	Both	Government Examiners	External Examiners
Kentucky	Government Examiners	Government Examiners	Both
Maryland	Government Examiners	Both	Both
North Carolina	Government Examiners	Both	Both
Tennessee	Both	Both	Both
West Virginia	Government Examiners	External Examiners ²⁴	Both

Jurisdiction research showed that:

- Forty-nine jurisdictions conduct non-commercial road skills testing through a government entity. Of those jurisdictions, 21 (43%) charge a fee and 28 (57%) do not charge a fee. The fees charged by government entities range from \$5 to \$40. The average cost for a non-commercial road skills test is \$16.07.
- Forty jurisdictions conduct CDL road skills testing through a government entity. Of those jurisdictions, 28 (69%) charge a fee and 12 (31%) do not charge a fee. The fees charged by government entities range from \$5 to \$250. The average cost for a CDL skills test is \$51.36.
- Forty-three jurisdictions conduct motorcycle skills testing through a government entity. Of those jurisdictions 15 (35%) charge a fee and 28 (65%) do not charge a fee. The fees charged by a government entity range from \$5 to \$35. The average cost of a motorcycle road skills test is \$14.73.

As the following table illustrates, three of Virginia’s bordering jurisdictions do not charge for road skills tests administered by a government examiner. Of the remaining jurisdictions, District of Columbia charges \$10 for its non-commercial and CDL road skills tests, and Kentucky and Tennessee charge \$50 and \$75, respectively, for CDL road skills tests.

²³ “Both” indicates that road skills testing is administered by both Government Examiners and by External Examiners

²⁴ External Examiners here are third party testers as defined under federal regulations.

Testing Fees Charged by Government Examiners in Bordering Jurisdictions

	Non-Commercial	CDL	Motorcycle
Virginia	\$0	\$0	\$0
District of Columbia	\$10	\$10	N/A ²⁵
Kentucky	\$0	\$50	\$0
Maryland	\$0	\$0	\$0
North Carolina	\$0	\$0	\$0
Tennessee	\$0	\$75	\$0
West Virginia	\$0	N/A ²⁶	\$0

DMV conducted additional research into the fees charged by non-DMV examiners for road skills tests administered in bordering jurisdictions. This research provided very little usable data as the majority of non-DMV examiners administer road skills tests to customers in conjunction with training. The majority of non-DMV examiners provide road skills testing at the end of a training period, and the cost for road skills testing is included in the total cost of the training program. However, there are a few exceptions to this, and they are as follows. In the District of Columbia, on average private entities charge \$80 for a non-commercial road skills test. In North Carolina, on average, private entities are charging \$198 for a CDL road skills test. A large majority of private entities in Tennessee charge the state legislated maximum of \$275 for a CDL road skills test. The final exception is West Virginia where private entities are charging \$90 for a CDL road skills test.

Idaho

Since 1998, Idaho has outsourced all of its road skills testing. Through Idaho’s current licensing process, all individuals wishing to administer road skills testing for non-commercial, commercial, and motorcycle classifications must apply to the Idaho Transportation Department for appointment as examiners. These examiners are selected to be licensed based on specific criteria, including the location of the applicant within the state, to ensure that the public has adequate access to qualified examiners. Once licensed, the contact information for these examiners is placed on the Department website. Customers seeking a road skills test find a tester via that website and must schedule an appointment with the examiner. Currently, Idaho has 112 licensed non-commercial and motorcycle examiners and 55 licensed CDL examiners.

All fees and fee caps for skills tests are legislated by the Idaho General Assembly. Currently, Idaho examiners charge \$24 for a non-commercial motor vehicle road skills test, and \$10 for each motorcycle skills tests. A CDL examiner may charge up to \$200 for a road skills

²⁵ Government examiners do not administer motorcycle road skills tests in Washington D.C.

²⁶ Government examiners do not administer CDL road skills tests in West Virginia.

test. To aid the Department in the maintenance and oversight of the outsourcing program, a portion of each non-commercial and commercial skills test fee charged by the independently licensed examiners is remitted to the Department. Of each \$24 non-commercial road skills test fee, \$6.50 is remitted to the Department. Of the fee charged by CDL examiners, \$10 is remitted to the Department.

Michigan

Michigan has outsourced all of its road skills testing since 1997. All testers must be approved by Michigan's Department of State. Currently, there are 195 licensed non-commercial examiners, 81 licensed motorcycle examiners, and 60 licensed CDL examiners. The Department of State does not regulate fees resulting in the cost of road skills tests varying widely across the state. However, a sampling of the fees shows that on average examiners are charging \$52.50 for a non-commercial road skills test, \$43.29 for a motorcycle road skills test, and \$145 for a CDL road skills test.

Pennsylvania Pilot

From 2016 to 2017, Pennsylvania conducted an 18-month pilot for outsourcing non-commercial motor vehicle road skills tests. Prior to this pilot, all non-commercial skills testing was administered by government examiners and was administered by appointment only. Customers in high volume, high population density areas were waiting, in some instances, as long as *six months* for non-commercial road skills tests. This pilot was conducted to explore how the state could use non-government examiners to enhance customer service and reduce wait times for skills tests.

To execute the pilot, the Pennsylvania Department of Transportation (PennDOT) licensed ten locations throughout the state. Licensed locations were required to cover all costs associated with participation in the pilot, including the purchase of a tablet. The tablet gave the licensed entities access to PennDOT's customer records so that the examiners could determine the driver's eligibility for a test prior to test administration. This system was developed internally by PennDOT personnel. The tablet also allowed for the real-time submission of test results.

Legislation for the pilot prohibited the elimination of PennDOT personnel as a result of the pilot. This program included scheduled quarterly visits by PennDOT personnel to each of the ten licensed locations. There were additional overt and covert audits conducted, as well. PennDOT used pass/fail rates, skills test length, and consumer and competitor complaints as its parameters to determine potential issues with a particular location. In the event that a deficiency with a location was found, an investigation was performed and a meeting was held with the examiner or owner of the location in question. Senior PennDOT oversight personnel were responsible for determining the final action taken against an examiner or a location.

During the course of this pilot, approximately 20,000 skills tests were conducted by the licensed external examiners. The fees that licensed examiners charged for testing were not capped by PennDOT and ranged from \$75 to \$100. Overall, the pilot program received positive media attention and customer response. At the close of the pilot program in 2018, PennDOT decided to expand the pilot to more locations.

3.2 Outsourcing in Canadian Provinces and Territories

Of the 12 Canadian provinces and territories included in the research for this study, ten do not outsource their road skills testing. Two provinces outsource their road skills testing entirely. No Canadian province utilizes both government examiners and external examiners to conduct skill testing.

DMV's research showed that all ten of the Canadian provinces that utilize government examiners for road skills testing charge a fee.²⁷

- Fees for non-commercial skills testing range from \$16 to \$61. On average, a non-commercial skills test costs a customer \$31.
- Fees for motorcycle skills testing range from \$16 to \$78. On average, a motorcycle skills test costs a customer \$29.
- Fees for CDL skills testing range from \$39 to \$120. On average, a CDL skills test costs a customer \$49.

Ontario and Alberta

Two provinces, Ontario and Alberta, outsource their road skills testing entirely. Alberta outsources its road skills testing to Registry Agents which are privately owned entities that offer various governmental services. Currently, 225 Registry Agents are licensed in Alberta and the majority of them offer testing services. Ontario utilizes a single provider operating as "DriveTest" to conduct examinations. DriveTest has 55 permanent and 39 part-time "travel point" locations that provide testing.

3.3 Results of DMV Surveys

To ensure that entities in the Commonwealth that could be affected by outsourcing had the opportunity to have input on this study, DMV distributed a survey to 280 Class B (non-commercial) DTS, 28 VRTP locations, and 15 Class A (commercial) DTS. Of those that were sent surveys, the response rate for Class B DTSs was 44% (124), for VRTP locations 21% (6), and for Class A DTS 40% (6).

Overall, the feedback from the survey was positive. Respondents generally indicated support for outsourcing road skills testing and indicated that they would be willing to comply with DMV operational requirements to participate should DMV outsource road skills testing to them. However, many expressed concerns regarding potential fraud. Respondents indicated that should DMV choose to outsource to currently licensed or certified non-DMV examiners, that it should maintain a robust oversight program to ensure the integrity of the skills testing being administered.

DMV asked survey respondents what would be a reasonable fee for skills testing for their location. For Class B (non-commercial) DTS that administer non-commercial road skills tests, the suggested fees ranged from \$15 to \$270. The majority of the suggested fees fell between \$26 and \$50, with locations in Richmond and Portsmouth suggesting the highest fees of \$250 and

²⁷ All Canadian fees are shown in U.S. Dollars, rounded to the nearest dollar.

\$270, respectively. For the VRTP locations, the responses for a reasonable fee for motorcycle skills test ranged from \$50 to \$75 for both the M2 (two-wheeled motorcycle) and M3 (three-wheeled motorcycle) skills tests. For the Class A (commercial) DTS who currently provide training to CDL applicants but are not currently permitted to provide road skills testing, the suggested fees ranged from \$75 to \$250.

A survey was also distributed to the TPT that are current members of the Virginia Trucking Association (VTA). Eighteen TPT responded, suggesting a reasonable fee ranging from \$0 to \$300. The average of all the fees suggested was \$122. Respondents also reported on average that eight days would be a reasonable wait-time for a CDL road skills test. Finally, when asked about a reasonable distance to travel for a skills test, respondents indicated an average distance of 35 miles. In their responses, TPT pointed out that the wait time for a DMV administered road skills test is longer than desired and that DMV does not currently have enough CDL testing facilities.

4 Options Considered

The stakeholder group considered six options for outsourcing based on the jurisdictional survey and additional research conducted by DMV's internal working group. The following chart outlines the options labeled in the order in which they were presented and discussed in the stakeholder meetings.

Potential Options for Outsourcing

Test Type	Option 1 (All tests conducted by external examiners)	Option 2 (Non-CDL and motorcycle tests conducted by external examiners/ CDL testing remains at DMV)	Option 3 (All testing conducted through a single source external provider)	Option 4 (All test conducted by DMV)	Option 5 (All test conducted by DMV and external examiners)	Option 6 (Non-CDL and motorcycle tests conducted by DMV and CDL tests done through external examiners)
Driver	External Examiners	External Examiners	Single Source External Provider	DMV	DMV/External Examiners	DMV
M-2	External Examiners	External Examiners	Single Source External Provider	DMV	DMV/External Examiners	DMV
M-3	External Examiners	External Examiners	Single Source External Provider	DMV	DMV/External Examiners	DMV
CDL-A	External Examiners	DMV	Single Source External Provider	DMV	DMV/External Examiners	External Examiner
CDL-B	External Examiners	DMV	Single Source External Provider	DMV	DMV/External Examiners	External Examiner
CDL-C	External Examiners	DMV	Single Source External Provider	DMV	DMV/External Examiners	External Examiner
Medical	DMV	DMV	DMV	DMV	DMV	DMV

4.1 Stakeholder Discussion

Assumptions Shared by all Options

- **Medical Review and Skills Performance Evaluations (SPE) will be retained by the Department.**

Medical review tests are administered to non-commercial motor vehicle, motorcycle, and CDL applicants by DMV. These tests are initiated when DMV has received a notice from a physician or other identified source, that a licensed driver may suffer from a medical condition that could impair their ability to safely operate a motor vehicle on the Commonwealth's highways. These tests are administered by specially trained DMV examiners and could possibly result in the suspension or revocation of a customer's privilege to drive. Because of the specialized nature of the training and the potential agency action that may result following the completion of a medical review test, DMV should retain medical review testing. Thus, in the event that all road skills testing is outsourced, DMV would still be required to maintain its testing locations to ensure that it can continue to provide medical review testing for applicants.

Similarly, SPEs are administered for commercial motor vehicle operators who have missing or impaired limbs. Traditionally, this evaluation is administered by an FMCSA examiner at an FMCSA location. However, in 2014, Virginia DMV filed a petition with the FMCSA to seek exemption from this federal requirement. Instead, DMV requested to have specially trained

DMV examiners administer the SPEs to Virginia CDL applicants. This two-year exemption was approved and extended in 2016. DMV is currently seeking a third extension of the petition to allow DMV examiners to administer SPEs until 2020. Virginia is currently the only state that may administer SPE to its own customers. Because of the specialized nature of the examination and the specialized training required for examiners, DMV should retain SPEs under all scenarios.

- **Non-DMV entities that currently conduct skills testing will continue to conduct skills testing.**

The purpose of this study was to assess the feasibility and advisability of outsourcing road skills testing that is currently administered by DMV to adults. As a result, the current road skills testing performed by the TPT, DTS, and VRTP programs will remain intact.

- **There will be an added cost to skills testing customers.**

All options would result in an added cost to skills testing customers. As previously discussed, currently, any customer who comes in for road skills testing, except an out-of-state customer seeking a CDL test, is tested free of charge. To effectively implement an outsourcing program, DMV will need authority to allow any new non-DMV examiners to charge a fee for road skills tests. Additionally, as discussed in the next section, DMV expends \$3.1 million annually to conduct road skills testing. For all options that include DMV continuing to provide at least a portion of testing, DMV fees are proposed to help cover the cost of the remaining of testing.

- **DMV will require real-time, electronic submission of results.**

Currently, customers receive their credentials within seven to ten business days of completing a road skills test at DMV. To ensure the same timely service that customers receive from DMV, real-time submission of results will be required for all outsourced road skills tests. Additionally, under current DMV policy, customers who complete road skills tests with non-DMV examiners must return to DMV with proof that a road skills test was completed at an approved location. To reduce the number of customers who will need to return to DMV to finish a licensing transaction, DMV will require all outsourced test results to be submitted electronically to DMV.

Assumptions Shared by all Options including Outsourcing

- **DMV will experience reduced customer traffic in CSCs and call centers.**

By reducing the number of customers who enter a CSC to receive a road skills test and by requiring electronic, real-time submission of testing results, fewer customers will need to come to DMV to complete the driver's license credentialing process. As a result, DMV will experience a lower volume of customers at its CSC locations. Additionally, DMV currently allows customers to call the DMV Direct call centers to schedule roads skills testing appointments at a CSC. By reducing the number of road skills tests administered by DMV, this may reduce the volume of calls received by DMV call centers and allow call center personnel to respond to other customer inquiries in a more timely manner.

- **DMV will be able to redirect resources to decrease wait times, increase quality of customer service and accommodate administrative, regulatory compliance, and law enforcement duties related to outsourcing.**

DMV will not eliminate CSC or DLQA positions as a result of outsourcing. Instead, DMV will repurpose current CSRs who dedicate time to administering road skills tests. Repurposing CSRs will allow DMV to put more personnel on the front counter to serve other customers. This will reduce wait times and increase the quality of DMV customer service. DLQA and CSRs will also be repurposed to maintain and oversee the outsourcing program.

- **Outsourcing may create additional private sector employment opportunities in the Commonwealth.**

Outsourcing road skills tests to non-DMV examiners creates the possibility of employment in the private sector. With any number of road skills tests outsourced, there will be a demand for personnel to conduct road skills tests.

- **Outsourcing will result in a reduction of DMV expenditures related to skills test training.**

As discussed previously, all CSRs and DLQA personnel are trained to administer road skills tests. Any option that includes outsourcing of road skills testing will reduce the cost to DMV for training CSRs and/or DLQA personnel to conduct tests. In addition, current administrative personnel who provide training to CSRs and DLQA personnel will be able to repurpose their time to completing other operational and administrative tasks.

- **There may be increased potential for fraudulent activities.**

Any road skills testing that is not directly administered by DMV personnel could create added opportunities for fraudulent activities related to the testing and reporting of testing results.

The table below identifies the costs of DMV’s current testing program, as well as the estimated impact to DMV of each outsourcing option discussed. The total cost of each option is shown in the row labeled, “Net Program Cost.” As a benchmark, DMV currently spends \$3.9 million to administer its road skills testing program. This figure includes \$3.1 million for costs associated with testing customers and approximately \$843,000 for oversight of currently outsourced road skills testing (shown in the column labeled “Current”). The cost of the identified options ranges from \$900,000 to \$2 million. The net fiscal impact that appears in the bottom row of the table was calculated by taking the current cost of the DMV road skills testing program (\$3.9 million) and subtracting the net cost to DMV to administer the road skills testing program under each option. The difference represents the estimated net fiscal impact to the agency. This figure represents revenue generated, as well as staff time savings that could be redirected to the CSCs to process other transactions and reduce wait times.²⁸

²⁸ For more information on the details of these calculations, see Appendix C.

Estimated Fiscal Impacts of Outsourcing Options

	Current	Option 1 (All tests conducted by multiple external examiners)	Option 2 (Non – comm. and motorcycle tests conducted externally, CDL testing remains at DMV)	Option 3 (All tests conducted through a single source provider)	Option 4 (All tests conducted by DMV for a fee)	Option 5 (20% of tests conducted by external examiners, 80% of tests conducted by DMV for a fee)	Option 6 (CDL tests conducted externally, non-CDL and motorcycle tests conducted by DMV for a fee)
Revenue	-	\$293K	\$795K	\$293K	\$1.9M	\$1.5M	\$1.4M
Cost to administer Non-Comm. and MC tests	(\$1.8M)	\$0	\$0	\$0	(\$1.8M)	(\$1.5M)	(\$1.8M)
Cost to administer CDL skills tests	(\$1.3M)	\$0	(\$1.3M)	\$0	(\$1.3M)	(\$1.0M)	\$0
Cost for audit, administration and law enforcement	(\$843K)	(\$1.5M)	(\$1.4M)	(\$1.1M)	(\$843K)	(\$887K)	(995K)
Net program cost	(\$3.9M)	(\$1.2M)	(\$2.0M)	(\$0.9M)	(\$2.0M)	(\$1.9M)	(1.4M)
Estimated DMV net fiscal impact of each option	-	\$2.8M	\$2.0M	\$3.1M	\$1.9M	\$2.1M	\$2.5M

Discussion of Options

Option One. Option One outlines an outsourcing program in which DMV would outsource all skills testing, including the motorcycle, CDL, and non-commercial road skills testing administered by DMV. These skills tests would be outsourced to non-DMV examiners that currently administer some road skills tests in Virginia. DMV will need to license or certify new non-DMV examiners to ensure that all customers seeking road skills tests would receive timely service. Option One has an estimated positive net fiscal impact to DMV of \$2.8 million. These costs are incurred primarily as a result of the larger number of entities that will require auditing.

Under this option, the private sector may be able to reduce the lead time currently necessary to schedule a CDL skills test. As discussed previously, the wait time for a DMV administered CDL road skills test is approximately two weeks, with some areas of the state reporting wait times of three to four weeks or even longer. By outsourcing CDL road skills testing, the number of entities with the capability to administer road skills testing may increase and therefore open up more available times for customers to take road skills tests. With more time slots for testing available, this could reduce wait times for CDL tests.

However, if DMV were to outsource under this option, DMV may not be able to ensure that there is full geographic coverage to provide road skills testing services that are reasonably accessible to customers around the Commonwealth. Because non-DMV examiners would apply independently to the Department for licensure, DMV would not be able to require non-DMV examiners to be located in all areas of the Commonwealth.

Option Two. Option Two outlines an outsourcing program in which DMV would retain CDL road skills testing, but would outsource the motorcycle and non-commercial skills testing administered by DMV. These skills tests would be outsourced to non-DMV examiners that administer road skills tests currently. DMV will need to license or certify new non-DMV examiners to ensure that all customers seeking road skills tests would receive timely service. DMV would begin charging a fee for CDL skills tests. Option Two would result in an estimated positive net fiscal impact of \$2 million to DMV. DMV would eliminate the direct costs associated with the administration of non-commercial and motorcycle road skills tests and eliminate direct costs associated with training CSRs to administer road skills tests. While DMV would continue to incur the costs of administering CDL tests, it would generate over \$500,000 in revenue to help offset the costs associated with CDL tests as well as the administration of the non-commercial and motorcycle test outsourcing program.

With this option, it may be difficult for DMV to ensure testing would be reasonably accessible to customers in all parts of the Commonwealth. The volume of road skills tests administered in DMV districts varies greatly. Private entities may not be willing to open locations in DMV districts that have low volumes of testing because they may not be able to recoup the costs associated with administering those skills tests.

Option Three. Option Three outlines an outsourcing program in which DMV would outsource the motorcycle, CDL, and non-commercial skills testing administered by DMV. These tests would be outsourced to a single entity to administer testing statewide or a single entity for each region of the state through a Request for Proposal (RFP). As indicated in the previous table, Option Three generates the greatest estimated net fiscal impact for DMV. According to DMV's estimation, this option would result in an estimated \$3.1 million positive net impact through a combination of reduced costs and some additional revenue associated with road skills testing. The \$3.1 million net fiscal impact is derived primarily from the reduction of expenditures on direct labor and training costs associated with roads skills testing for non-commercial motor vehicle, CDL, and motorcycle skills testing.

Outsourcing through an RFP process will require less oversight to maintain the integrity of the outsourcing program. With a single entity, or a few entities providing skills testing on a regional basis throughout the Commonwealth, fewer entities will need to be audited by DLQA personnel than would be if the testing were outsourced to a large number of non-DMV examiners. DMV anticipates that oversight of a single entity, or a few entities that are regionally based, can be absorbed by current DLQA staff who would provide oversight for the outsourced skills testing program full time.

The primary disadvantage of Option Three is that it may be difficult for DMV to find a single provider who can provide coverage around the Commonwealth or on a regional basis. The volume of road skills tests administered in DMV districts varies greatly. A single provider may be willing to provide testing in certain DMV districts because of the high volume of tests administered. However, the same provider may not be willing to provide testing in other regions because the volume will not be able to justify the expenditures related to administering skills test in those areas. If DMV outsourced to providers on a regional basis, providers may be even less likely to provide testing in regions with low volumes of testing. They may not be able to recoup the costs associated with administering those skills tests because they are not receiving additional revenue from providing skills testing in high-volume DMV districts.

Option Four. Option Four outlines a scenario in which DMV would retain all current road skills testing, but would begin to charge a fee for all road skills testing. Option Four has the smallest estimated net fiscal impact for DMV, resulting in an estimated net fiscal impact of \$1.9 million. This net fiscal impact comes solely from revenue DMV would generate from the fees charged for all road skills tests. Those estimates assume DMV will charge \$15 for non-commercial and motorcycle road skills tests and \$50 for CDL road skills tests. DMV would not reduce any of its direct labor costs associated with the training program, but would generate an estimated \$1.9 million from the fees charged for road skills testing to offset those costs.

This option requires the least adjustment to the current DMV business model for the delivery of road skills tests. Because DMV would continue to provide road skills testing in the same capacity as it currently does, no changes would be required to its current policies and procedures. This option also requires the least adjustment for customers and ensures continuous service delivery from a trusted government entity.

Additionally, by allowing DMV to charge for road skills testing under this option, DMV would have the opportunity to generate revenue to recoup some of the costs of current test administration.

Option Five. Option Five outlines an outsourcing program in which DMV would retain road skills testing, but would also give customers the option of receiving a road skills test from non-DMV examiners. These examiners would be located in high-volume and high population density areas in the Commonwealth. As with other options discussed, DMV would charge customers a fee for tests taken at DMV. Option Five offers an estimated positive net fiscal impact of \$2.1 million. Under this option, not only would DMV retain most of its direct labor costs associated with road skills testing, it would also incur additional costs associated with auditing and oversight of the program. However, DMV would see a potential revenue increase of about \$1.5 million from DMV testing fees and administrative fees from third party testers.

Through this option, DMV road skills testing customers will have more service options. If a road skills test customer prefers to have a road skills test conducted by a trusted government entity, they will continue to be able to come to a DMV. However, if customers wish to go to a non-DMV examiner that administers road skills tests, they will have that option as well. Additionally, this option may be particularly helpful to customers seeking CDL road skills tests. By increasing the options for testing locations for these customers, they may be able to receive road skills test sooner than currently possible.

Also, by allowing DMV to charge for road skills testing, DMV would have the opportunity to generate revenue to recoup the costs of current test administration.

Option Six. Option Six outlines an outsourcing program in which DMV would retain skills testing for non-commercial and motorcycle road skills testing for a fee, but would outsource CDL road skills testing to non-DMV examiners. Option Six has an estimated positive net fiscal impact of \$2.5. While DMV will not eliminate direct labor costs associated with non-commercial and motorcycle road skills testing, it has the potential to generate substantial revenue through a combination of DMV testing fees for non-commercial and motorcycle testing and administrative savings from the outsourcing of CDL road skills testing.

By allowing DMV to charge for road skills testing, DMV would have the opportunity to generate revenue to recoup the costs of current test administration. Additionally, this option may be particularly helpful to customers seeking CDL road skills tests. By increasing the options for testing locations for these customers, they may be able to receive road skills tests sooner than currently possible.

5 Conclusion and Additional Considerations

Stakeholders did not come to a consensus on the best option for outsourcing. The majority of stakeholders did not express objection or support for the options presented. DMV ranked the options in the following order based on the estimated net fiscal impact on DMV and the feasibility of implementation: Option Three, Option Four, Option Two, Option One, Option Five, and Option Six. However, the Virginia Trucking Association and a representative from a Class A (commercial) DTS expressed support for options that include outsourcing CDL road skills testing: Options One, Four, Five, and Six.²⁹ The representative from the Class A (commercial) DTS expressed particular support for Option Six, allowing DMV to outsource road skills testing to Class A (commercial) DTS.

Additionally, during the study DMV was made aware of the CDL skills test modernization initiative currently being conducted by AAMVA to reduce the space and time required for a CDL road skills test. The CDL skills test modernization initiative includes changes to the pre-trip safety inspection, the range portion, the road portion, and the CDL knowledge tests based on commercial motor vehicle (CMV) crash causation factors and advances in CMV equipment technologies. The objective of this modernization project is to better align CDL pre-trip safety inspection procedures with current industry practices and the CMVs being purchased. The proposed modernizations are a result of collaborative partnerships between jurisdictions, FMCSA, industry representatives, and law enforcement.

The federal space requirements for CDL skills testing and the length of the skills test are the two aspects of CDL road skills testing that increase wait times in Virginia, as discussed previously. If these were altered, this could decrease the wait times CDL road skills testing customers experience in Virginia at DMV CDL testing sites. AAMVA and FMCSA work closely to create standards for CDL road skills testing. While there is no timeframe for when the modernization study will be completed and implemented, the current requirements for CDL road skills testing are likely to change in the future as a result of the AAMVA study.

Based on the stakeholder discussions and research, evidence does not support that outsourcing road skills testing is appropriate at this time. Jurisdictional research shows that across the nation, the trend is to have both government and non-government examiners administering all types of road skills tests. In those jurisdictions that have outsourced road skills testing entirely, there were special circumstances, such as extended wait times, that indicated a need for outsourcing. In Virginia, motorcycle and non-commercial road skills testing customer

²⁹ For a pamphlet published by the Commercial Vehicle Training Association discussing the how public-private partnerships can be used to reduce wait times for CDL road skills tests, visit <https://cvta.org/wp-content/uploads/3rd-Party-Testing-Primer-Second-Edition.pdf>.

can make an appointment for a road skills test or walk into a CSC and receive a road skills test on the same day. For CDL skills tests, the current wait time is estimated at approximately two weeks. As discussed previously, this is a result of recent federal regulatory changes. Some stakeholders have argued that the wait times for a CDL skills test is burdensome and indicate a need to have CDL road skills testing outsourced. However, evidence has shown that efforts are being made by AAMVA and FMCSA to make changes to the road skills testing process that will shorten the time and space required to administer the road skills test.

In addition to the lack of evidence indicating a need for outsourcing, there are also substantial concerns with outsourcing. The biggest concern expressed during the study is the potential fraud that could occur as a result of outsourcing. An additional concern is that any situation that results in outsourcing would result in an increased cost to the road skills customer.

The lack of evidence indicating a need for outsourcing road skills tests in conjunction with the potential concerns that could arise from outsourcing indicates that DMV should retain road skills testing at this time. Administratively, DMV will identify strategies to enhance the efficiency and cost-effectiveness of its current testing program. For example, DMV plans to pilot a policy of using "designated examiners" in a select number of CSCs to determine if such a policy will reduce costs associated with the training of CSRs while allowing DMV to retain its current level of customer service. This will allow DMV to repurpose personnel to process other transactions, but on a smaller scale than would have been possible through outsourcing road skills testing.

If there is concern regarding the wait times for those seeking CDL road skills tests, the study group recommends two potential solutions. The first is for the General Assembly to authorize DMV to charge \$50 for the administration of a CDL road skills test. This recommendation is based on the national average of the fees charged by governmental entities for CDL road skills tests collected in the jurisdictional research conducted by DMV's internal working group. DMV also recommends that the General Assembly increase from \$85 to \$100 the fee DMV may charge for road skills tests administered to individuals from out-of-state. With the additional revenue generated by the fee and the fee increase, DMV would be able to hire additional DLQA personnel to administer more CDL road skills tests, and thus shorten the wait time for such customers. Concurrently, DMV will continue to work with trucking and other companies that employ commercial motor vehicle drivers to grow DMV's current third party testing program.

The second potential solution is for the General Assembly to authorize DMV to develop and implement a limited pilot program allowing existing Class A (commercial) DTS to administer CDL road skills tests at a cost to the customer. DTS eligible to participate in the pilot would be determined by criteria set by the Department. Implementing a pilot would allow DMV the opportunity to determine the financial impacts on the Department and to test metrics for detecting and preventing fraud on a limited scale with less risk. DMV will work with the General Assembly to draft legislation to implement such a program.

DMV stands ready to implement any of the options discussed in this report. If the General Assembly supports the stakeholder's recommendation for DMV to retain all road skills testing, DMV will continue to consult with stakeholders to identify and address and possible improvements to the road skills testing program.

Appendices

Appendix A:
List of Stakeholders

DMV Study Team

Richard Holcomb
Commissioner

George Bishop
Deputy Commissioner for Highway Safety

Carla Jackson
Assistant Commissioner for Legal Affairs

Joseph Hill
*Assistant Commissioner for Enforcement
and Compliance*

Jason Brown
*Assistant Commissioner for Customer
Service Management Administration*

Carol Waller
*Customer Service Management
Administration*

Russell Cross
Strategic Management Services

Kimberly Burt
Highway Safety Office

Terry Witt
DMV Direct

Kathleen Furr
*Customer Service Management
Administration*

Andrew Owens
Legal Affairs

Karen Grim
Deputy Commissioner for Operations

Millicent Ford
*Assistant Commissioner for Driver, Vehicle
and Data Management Services*

Linda Ford
*Assistant Commissioner for Governmental
Affairs*

Robin Sheldon
Study Coordinator

Fran Kelley
*Customer Service Management
Administration*

Colby Ferguson
Legislative Services

Steve Ayers
Driver's License Quality Assurance

Nadine Donofrio
*Customer Service Management
Administration*

Melissa Velazquez
Legislative Services

Sharon Brown
Driver Services Administration

Stakeholders

Dale Bennet
Virginia Trucking Association

Robyn Bolton
Virginia Trucking Association
Craig Feister

*Federal Motor Carrier Safety
Administration*

Jill Balleh
CDS Tractor Trailer Training

Vanessa Wigand
Virginia Department of Education

Lt. Sean Stuart
Virginia State Police

Stephen Story

Motor Coach Association

Bob Marland
Virginia Association of Chiefs of Police

Appendix B:
Jurisdictional Survey Results

Table B.1 - Road Skills Testing - Types of Entities and Government Fees - June 2018

United States

	Non-Commercial Driver License		Commercial Driver License		Motorcycle License	
	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee
Alabama	Gvmt. Examiners	\$5.00	Gvmt. Examiners	\$20.00	Both	\$5.00
Alaska	Both	\$15.00	Both	\$25.00	Both	\$15.00
Arizona	Both	None	Both	\$25.00	Both	None
Arkansas	Gvmt. Examiners	\$5.00	Both	\$50.00	Both	None
California	Gvmt. Examiners	\$7.00	Both	\$30.00	Both	\$7.00
Colorado	Both	\$15.00	TPT	N/A	Both	\$15.00
Connecticut	Gvmt. Examiners	\$40.00	Gvmt. Examiners	\$30.00	TPT	N/A
Delaware	Gvmt. Examiners	None	Gvmt. Examiners	None	Both	None
D.C.	Both	\$10.00	Gvmt. Examiners	\$10.00	TPT	N/A
Florida	Both	None	TPT	N/A	TPT	N/A
Georgia	Both	None	Both	\$50.00	Both	None
Hawaii	Gvmt. Examiners	\$10.00	Gvmt. Examiners	\$50.00	Both	\$10.00
Idaho	TPT	N/A	TPT	N/A	TPT	N/A
Illinois	Both	\$5.00	Both	\$50.00	Both	None
Indiana	Both	None	TPT	N/A	TPT	N/A

	Non-Commercial Driver License		Commercial Driver License		Motorcycle License	
	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee
Iowa	Both	None	Both	None	Both	None
Kansas	Gvmt. Examiners	None	Both	\$15.00	Both	None
Kentucky	Gvmt. Examiners	None	Gvmt. Examiners	\$50.00	Both	None
Louisiana	Both	None	TPT	N/A	Both	None
Maine	Gvmt. Examiners	\$35.00	Gvmt. Examiners	\$70.00	Both	\$30.00
Maryland	Gvmt. Examiners	None	Both	None	Both	None
Massachusetts	Gvmt. Examiners	\$35.00	Gvmt. Examiners	\$35.00	Both	\$35.00
Michigan	TPT	N/A	TPT	N/A	TPT	N/A
Minnesota	Both	None	Both	None	Both	None
Mississippi	Both	None	Both	None	Both	None
Missouri	Gvmt. Examiners	None	Both	\$25.00	Both	None
Montana	Both	None	Both	None	Both	None
Nebraska	Both	None	Both	None	Both	None
Nevada	Gvmt. Examiners	\$26.00	Both	\$31.00	Both	\$26.00
New Hampshire	Gvmt. Examiners	None	Gvmt. Examiners	None	Both	None
New Jersey	Gvmt. Examiners	\$10.00	Gvmt. Examiners	\$125.00	Both	\$5.00
New Mexico	Both	None	TPT	N/A	Both	None
New York	Gvmt. Examiners	\$10.00	Gvmt. Examiners	\$40.00	Both	\$10.00
North Carolina	Gvmt. Examiners	None	Both	None	Both	None

	Non-Commercial Driver License		Commercial Driver License		Motorcycle License	
	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee
North Dakota	Gvmt. Examiners	\$5.00	Both	\$5.00	Both	\$5.00
Ohio	Gvmt. Examiners	None	Both	\$50.00	Both	None
Oklahoma	Both	None	Gvmt. Examiners	\$25.00	Both	None
Oregon	Both	\$9.00	Both	\$70.00	Both	\$9.00
Pennsylvania	Both	None	Both	None	Both	None
Rhode Island	Gvmt. Examiners	\$26.50	TPT	N/A	TPT	N/A
South Carolina	Both	None	Both	None	Both	None
South Dakota	Gvmt. Examiners	None	TPT	N/A	Both	None
Tennessee	Both	None	Both	\$75.00	Both	None
Texas	Both	\$10.00	Both	\$60.00	Both	\$15.00
Utah	Both	\$25.00	Both	\$60.00	Both	None
Vermont	Both	\$19.00	Gvmt. Examiners	\$32.00	Both	\$19.00
Virginia	Both	None	Both	None	Both	None
Washington	Both	None	Both	\$250.00	TPT	N/A
West Virginia	Gvmt. Examiners	None	TPT	N/A	Both	None
Wisconsin	Gvmt. Examiners	\$15.00	TPT	N/A	Both	\$15.00
Wyoming	Gvmt. Examiners	None	Both	\$80.00	Both	None
Gvmt. Examiners	Average	\$16.07	Average	\$51.36	Average	\$14.73
Gvmt. Examiners	Median	\$10.00	Median	\$45.00	Median	\$15.00

Canadian Provinces and Territories

	Non-Commercial Driver License		Commercial Driver License		Motorcycle License	
	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee	Testing Type	Gvmt. Fee
Alberta	TPT	N/A	TPT	N/A	TPT	N/A
British Columbia	Gvmt. Examiners	\$50 CAD	Gvmt. Examiners	\$110 CAD	Gvmt. Examiners	No
Manitoba	Gvmt. Examiners	\$30 CAD	Gvmt. Examiners	\$80 CAD	Gvmt. Examiners	\$30 CAD
New Brunswick	Gvmt. Examiners	\$25 CAD	Gvmt. Examiners	\$50 CAD	Gvmt. Examiners	\$25 CAD
Newfoundland	Gvmt. Examiners	\$78 CAD	Gvmt. Examiners	\$130 CAD	Gvmt. Examiners	\$78 CAD
NW Territories	Gvmt. Examiners	\$44 CAD	Gvmt. Examiners	\$103 CAD	Gvmt. Examiners	\$44 CAD
Nova Scotia	Gvmt. Examiners	\$53 CAD	Gvmt. Examiners	\$53 CAD	Gvmt. Examiners	\$53 CAD
Nunavut	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Ontario	TPT	N/A	TPT	N/A	TPT	N/A
PEI	Gvmt. Examiners	\$20 CAD	Gvmt. Examiners	\$60 CAD	Gvmt. Examiners	20 CAD
Quebec	Gvmt. Examiners	\$28 CAD	Gvmt. Examiners	55.75 CAD	Gvmt. Examiners	\$100.50 CAD
Saskatchewan	Gvmt. Examiners	\$55 CAD	Gvmt. Examiners	\$155 CAD	Gvmt. Examiners	\$55 CAD
Yukon	Gvmt. Examiners	\$20 CAD	Gvmt. Examiners	\$20 CAD	Gvmt. Examiners	20 CAD
Gvmt. Examiners	Average CAD	\$40.30		\$63.40		\$36.86
Gvmt. Examiners	Median CAD	\$37.00		\$70.00		\$44.00
Gvmt. Examiners	Average USD	\$31.29		\$49.22		\$28.62
Gvmt. Examiners	Median USD	\$29.00		\$54.00		\$44.00

Appendix C:
Cost Analysis Spreadsheets

Table C.1 - Estimated Annual DMV Costs For Non-CDL and Motorcycle Skills Testing

	Activity Description	Estimated Annual Hours	Hourly Labor Cost	Estimated Annual Cost
Non-CDL Examiner Training Costs	Workforce Development District Trainer Time For Non-CDL and Motorcycle Road Skills Test Training	1,860 hours	(\$43.84)	(\$81,542)
	Travel Expenses For District Trainers ¹			(\$5,028)
	Driver License Quality Assurance Trainer Time For Non-CDL and Motorcycle Road Skills Test Training. (Road and Range)	420 hours	(\$39.44)	(\$16,565)
	Customer Service Representative Training Time	9,912 hours	(\$32.38)	(\$320,951)
Non-CDL and Motorcycle Direct Labor Testing Costs	Call Center Direct Labor To Schedule Tests ²	1,987 hours	(\$28.27)	(\$56,172)
	Customer Service Representative Direct Labor To Conduct Non-CDL Tests ³	40,287 hours	(\$32.38)	(\$1,304,493)
	Customer Service Representative Direct Labor To Conduct Motorcycle Tests ⁴	965 hours	(\$32.38)	(\$31,247)
Total Cost				(\$1,815,998)

1) Travel expenses are annual total. Only two trainers are required to travel for skills test training.

2) Call center scheduling estimated @ 5.5 minutes for 25% of total non-commercial tests

3) Non-commercial estimate uses a total time of 27 minutes to account for examiner preparation, communication before and after the test and documentation of results. Also included is time used for an estimated 6,935 failed pre-trip inspections at 9.8 minutes per incident.

4) Motorcycle estimate uses a total time of 31 minutes to account for examiner preparation, communication before and after the test and documentation of results

Table C.2 - Estimated Annual Costs For Drivers License Quality Assurance Skills Testing (CDL, M3 and Medical Tests)

	Activity Description	Estimated Annual Hours	Hourly Cost	Estimated Annual Cost
CDL Examiner Training Costs	DLQA Examiner Classroom Training (Examiner Time)	310 hours	(\$39.44)	(\$12,226)
	DLQA Examiner Classroom Training (Trainer Time)	60 hours	(\$47.01)	(\$2,821)
	DLQA Examiner Practical Training (Road and Range Time)	40 hours	(\$39.44)	(\$1,578)
DLQA Testing Costs	DLQA Examiner Direct Labor To Schedule CDL Tests ¹	1,520 hours	(\$39.44)	(\$59,949)
	DLQA Examiner Direct Labor To Conduct CDL Tests ²	20,873 hours	(\$39.44)	(\$823,231)
	DLQA Examiner Direct Labor To Conduct Medical Tests ³	1,320 hours	(\$39.44)	(\$52,061)
	DLQA Examiner Direct Labor To Conduct Three Wheel Motorcycle Tests ⁴	8 hours	(\$39.44)	(\$316)
	Annual Rent and Utilities For CDLTest Sites			(\$404,029)
Total Cost				(\$1,356,210)

1) Estimated time to schedule a CDL test is seven and a half minutes per call

2) Average time per CDL test estimated at 1.8 hours for a completed passed test, 2 hours for a completed failed test and 1 hour for a failed pre-trip

3) Medical tests are estimated at .7 hours and will remain under DMV's purview

4) Average three wheel motorcycle test time estimated at .51 hours

Table C.3 - Administration, Audit and Compliance Costs

	Total Positions	Estimated Percentage of Cost Attributable To Auditing	Estimated Audit, Administrative and Law Enforcement FTE	Annual Salary W/Benefits	Annual Total
Driver's License Quality Assurance*					
DLQA Examiner/Auditors	26	20%	5	(\$68,318)	(\$355,254)
DLQA Supervisors	5	20%	1	(\$81,426)	(\$81,426)
Vehicle leases		20%		(\$118,573)	(\$23,715)
					(\$460,394)
Commercial Licensing Administration					
Commercial Licensing Management	2	100%	2	(\$83,392)	(\$166,784)
Program Support Tech/Sr. - Comm. Licensing	3	100%	3	(\$67,744)	(\$203,232)
					(\$370,016)
Related Law Enforcement Costs					
Law Enforcement Officer III	1	14.8%	0.15	-\$81,798	(\$12,090)
				Total:	(\$842,500)

1) Drivers License Quality Assurance costs attributable to external audit and regulatory compliance are estimated at 20%

2) Law Enforcement management estimates approximately 256 annual hours are related to external skills testing

Table C.4 - Cost Estimates of Road Skills Testing Options

Current:	Option One:	Option Two:	Option Three:	Option Four:	Option Five (20%):	Option Six:	
Estimated Current Costs for DMV Skills Testing and Auditing Activities	All skills testing conducted by licensed road skills examiners	Non-commercial and motorcycle skills testing outsourced, CDL tests administered by DMV	All skills testing and audit activities conducted by sole source provider	All skills testing conducted by DMV Assuming a fee	20% external skills testing	Non-CDL and motorcycle skills testing conducted by DMV, CDL testing outsourced	
Assumed # of Outsourced Tester Sites	225	200	100	0	10	25	
Annual Total of Additional Quarterly Audits	900	800	400	0	40	100	
Annual Working Days ^F	216	216	216	216	216	216	
Additional Auditors Needed Assuming Average of One Audit Per Day	4	4	2	0	0.3	1	
Additional DLQA Supervisors Needed	1	1	0	0	0	0	
Additional Administrative Staff Required	3	3	2	0	0.3	1	
\$0	Revenue	\$293,169 ^A	\$794,515 ^B	\$293,169 ^A	\$1,884,605 ^C	\$1,566,318 ^D	\$1,411,526 ^E
(\$1,816,000)	CSC Testing	\$0	\$0	\$0	(\$1,816,000)	(\$1,452,800)	(\$1,816,000)
(\$1,279,126)	DLQA Testing (Medical Excluded)	\$0	(\$1,279,126)	\$0	(\$1,279,176)	(\$1,023,341)	\$0
(\$460,394)	DLQA Auditing	(\$838,807)	(\$838,807)	(\$606,516)	(\$460,394)	(\$482,312)	(\$533,455)
(\$370,016)	Commercial Licensing Administration	(\$573,248)	(\$573,248)	(\$505,504)	(\$370,016)	(\$390,339)	(\$437,760)
(\$12,090)	Law Enforcement	(\$48,360)	(\$36,270)	(\$24,180)	(\$12,090)	(\$14,508)	(\$24,180)
(\$77,025)	Medical Testing ^G	(\$77,025)	(\$77,025)	(\$77,025)	(\$77,025)	(\$77,025)	(\$77,025)
(\$4,013,971)	Estimated Cost	(\$1,244,272)	(\$2,010,011)	(\$920,057)	(\$2,130,096)	(\$1,874,008)	(\$1,476,894)
	Net Cost Reduction	\$2,770,429	\$2,004,690	\$3,094,644	\$1,884,605	\$2,140,0693	\$2,537,077

- A) Assumed 5% administrative payment to DMV from external tester(s) based upon a private sector revenue of \$5.9M with FY 2017 test volumes at \$50.00 for non-commercial and motorcycle fees and \$150 for CDL test fees. Re-test fees were assumed to be 100% of original fee.
- B) Estimated revenue of approximately \$573K for CDL skills testing at \$50 per test based upon FY 2017 test volumes. Assumed that 90% of test failures had not received formal driver training and re-test fee would be the same as original fee. Assumed 5% administrative payment to DMV from external tester(s) based upon a private sector revenue of \$4.4M with FY 2017 test volumes at \$50.00 for non-commercial and motorcycle fees and \$150 for CDL test fees with 100% of re-tests at the same fee.
- C) Estimated DMV revenue of \$1.9M using FY 2017 test volumes at \$15.00 for non-commercial and motorcycle test fees and \$50.00 for CDL test fees. Assumed that 90% of test failures had not received formal driver training and re-test fee would be the same as original fee.
- D) Estimated DMV revenue of \$1.6M using 80% of FY 2017 test volumes at \$15.00 for non-commercial and motorcycle test fees and \$50.00 for CDL test fees. Assumed that 90% of test failures had not received formal driver training and re-test fee would be the same as original fee. Also estimated administrative fees to DMV by external test sites based on 5% of estimated fees.
- E) Estimated DMV revenue of \$1.4M for Non-CDL and motorcycle testing using FY 2017 test volumes at \$15.00 for non-commercial and motorcycle test fees. Also included are administrative fees of 5% of estimated external CDL testing fees.
- F) 216 working days calculated as 260 annual calendar weekdays less paid time off equal to 44 days for a state employee with five to ten years of service. (15 days annual leave, 4 personal days, 9 sick days and 16 state holidays)
- G) Medical road skills testing will remain with DMV, without charge to the customer, under all proposed options.

Table C.5 - Real Estate Expenses Attributable to CDL Testing				
	DMV District	DMV DLQA Test Sites	Annual Rent	Annual Utilities
1	Bristol	Abingdon Test Site	\$120,000	N/A
2	Bristol	Norton Test Site	N/A	N/A
3	Bristol	Wardell	N/A	N/A
4	Fairfax	Manassas Test Site	N/A	\$5,192
5	Portsmouth	Suffolk Test Site	\$155,410	\$474
6	Portsmouth	Melfa (Eastern Shore) Test Site	N/A	N/A
7	Richmond	Chester Test Site	\$76,257	\$3,673
8	Staunton	Middletown Test Site	N/A	N/A
9	Roanoke	Clifton Forge Test Site	N/A	\$432
10	Roanoke	South Boston Test Site	N/A	N/A
11	Roanoke	Martinsville Test Site	\$39,847	\$2,744
Grand Total Rent/Utilities			\$391,514	\$12,515
Annual Rent and Utilities - DLQA Test Sites: \$404,029				
<ul style="list-style-type: none"> • During fiscal year 2018, CDL test sites experienced \$6,895 in property damage caused by vehicles in the course of CDL testing. • Over the next three years, maintenance costs are anticipated to include \$45,000 for pavement and building maintenance at the Manassas and Middletown locations. • Initial site development costs were \$1.1 Million for the Manassas site and \$400,000 for the Middletown site. 				

Appendix D:
Stakeholder Letters Regarding the Report

From: **Steve Gold** <steve@160drivingacademy.com>
Date: Tue, Jul 10, 2018 at 6:43 PM
Subject: FW: Outsourcing DMV Road Skills Testing Survey
To: "robin.sheldon@dmv.virginia.gov" <robin.sheldon@dmv.virginia.gov>

Robin:

Thank you for including us in the CDL outsource testing survey for the State of Virginia. If you don't know our Company, the 160 Driving Academy in Richmond is one of 32 CDL schools my Company operates across the country. In addition to Virginia, we are licensed to operate CDL training in the States of Illinois, Indiana, Wisconsin, Missouri, Michigan, Texas, New Jersey, Ohio and Kentucky (pending). Our plan is to have 40 CDL schools by December 2018 and train 6,000 individuals on how to safely operate a tractor and trailer. In many cases we are the largest supplier of truck drivers for some of the biggest truckers and shippers in the United States.

In addition to the 160 Driving Academy, our sister Company, Great Lakes Testing Services is licensed to provide CDL examination services in the States of Ohio, Michigan and Texas. Also, we are in the process of working with the State of Indiana to open three CDL examination sites in Gary, Indianapolis and Richmond given the demand for examination services across the State of Indiana. Like our schools, our goal is to invest in and provide the highest quality examination services for student drivers in the Country. We can attest to the need for reliable examination services as in many cases the ability to get students tested is the key constraint for individuals starting their new career in the truck driving industry. We are in the process of developing an advanced website and tools allowing individuals to schedule, pay and manage their exam times and sites. We should this site completed by late summer.

Indeed, we would be pleased to work with you and your team on this potential program and play any role that makes sense for the State of Virginia (from outsourcing all locations as described below to taking on specific examination responsibilities). While the FMCSA has set strict guidelines on CDL examination requirements, our experience is that no two States operate or govern CDL examination processes the same way. I would be happy to provide any feedback and discuss with you our experiences for deploying a successful public/private CDL 3rd party examination partnership model.

Thank you again for including us in this process.

Best regards,

Steve

Steve Gold

Founder

160 Driving Academy / Great Lakes Testing Services

312 543 6963

From: **Tom Pecoraro** <tpecoraro@idrivesmart.com>
Date: Mon, Jul 23, 2018 at 12:19 PM
Subject: RE: Outsourcing DMV Road Skills Testing Survey
To: "Sheldon, Robin" <robin.sheldon@dmv.virginia.gov>

Hi Robin:

Just wanted to follow up briefly on a few thoughts about the testing study. I am not sure of all the options being considered for the study, but I feel that the following may be helpful:

1. We receive many requests from individuals that are over 18 requesting that we conduct their test. The requirement to complete the whole course to obtain an adult waiver is what typically stops them.
2. Requiring over 18 students to complete the entire course creates a bottle neck for these students due to the fact that they have to train with other 18+ individuals in-car which is typically a smaller population of students under current regulations.
3. We would recommend that students over 18 be allowed to test with a certified instructor as they are permitted now to secure the Adult Waiver without having to complete the entire course. The current Road Skill Test is robust enough to ensure basic skill competency as is achieved with students under 18.

I have a good bit more to add to the conversation but the above are the main points I wanted to relate.

Thank you!

Tom

Sincerely,

Thomas Pecoraro
President and Founder
I Drive Smart, Inc.
30 Courthouse Square, Suite G-2
Rockville, MD 20850
855-IDS-COPS (437-2677) x 205 (office)
tpecoraro@idrivesmart.com
www.idrivesmart.com

Driver's Ed Taught by Cops

The numbers are in, I Drive Smart produces safer drivers! The Insurance Institute for Highway Safety (IIHS) found drivers trained by other driving programs were 54% more likely to be cited for moving violations than I Drive Smart students.

CONFIDENTIALITY NOTICE: This e-mail transmission, and any documents, files or previous e-mail messages attached to it, may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby

notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify us by reply e-mail, by forwarding this to idsinfo@idrivesmart.com, or by telephone at 855.437.2677, and destroy the original transmission and its attachments without reading or saving in any manner. Thank you.



October 25, 2018

Virginia Department of Motor Vehicles

Stevens Transport, Inc. is recognized as one of North America's premier Multi-Modal temperature controlled truckload carriers. Stevens specializes in the time sensitive movement of truckload shipments via Over the Road, Inter-Modal, 3PL and generates more than \$800 million in annual sales through our logistics network. Stevens' worldwide headquarters is based on 65 acres in Dallas, TX supporting 850 on-site employees and over 3400 internationally, with satellite offices located throughout the United States, Canada and Mexico. Our dedicated professionals respond to an impressive list of Fortune 500 companies daily. Stevens has been in business for over 30 years and has never had a single layoff.

Our philosophy is, "Success begins and ends with people." Based on that premise, our mission is to hire and retain top quality people, provide them with the finest tools, technology, and support available to give our customers proven results. We have several unique opportunities for the right individuals to join our winning team.

For over a decade, Stevens Transport has partnered with CDS Tractor Trailer Training in training professional entry level Class A drivers. We are pleased with CDS's stellar reputation and their ability to educate and train drivers to the highest standards of safety and performance. CDS has provided Stevens with drivers from Virginia for the past 10 years. We are forecasting to hire over 4,500 drivers throughout the next calendar year. With the current driver shortage it is imperative to recruit and train more drivers, and we are heavily dependent upon CDS to assist us with our professional driver needs for the future.

There has been a major delay in testing from schools all over the country that have impacted the number of qualified new drivers. Delays are primarily due to not having enough testing sites and personnel to meet the demand. Additionally, states are unable to expend additional budget resources to solve its delay problem. The result is that new drivers are not able to take their CDL skills exam, enter the job market and make an income within a reasonable time.

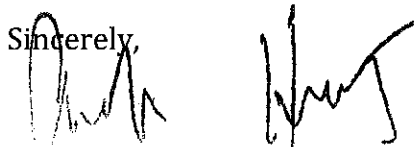
Commercial driver training schools are also harmed, as they typically cover the costs of training to preserve their student's newly acquired skills while they wait for an available testing slot. In some cases the delay has been in excess of 3 weeks or more causing financial hardships for students trying to start a new career in the industry.

Moreover, trucking companies and the economy are harmed by these delays, as there are not enough CDL holders to fulfill the nation's growing driver shortage.

With the addition of states that use unrestricted third-party testing, we are experiencing less delays in waiting times for testing, opportunities to retest sooner if needed, and a higher success rate which directly impacts the need for professional truck drivers. Third-party CDL testing is tightly regulated under federal regulations (see 49 CFR 383.75), which requires third-party testers to have been trained and certified exclusively by a state DMV. The DMV plays an essential role in auditing third-party testers and ensures integrity in the process. CDL training schools that offer Third-party testing have been very success in producing well qualified Commercial truck drivers. It's our opinion, Virginia would greatly benefit from this as well.

If you have any questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela Horowitz', written in a cursive style.

Angela Horowitz
Vice President Driver Resources

From: **Keller, Andrea** <Kellera@schneider.com>

Date: Fri, Oct 26, 2018 at 2:00 PM

Subject: Schneider- Support Letter

To: robin.sheldon@dmv.virginia.gov <robin.sheldon@dmv.virginia.gov>

Cc: richard.holcomb@dmv.virginia.gov <richard.holcomb@dmv.virginia.gov>, dbennett@vatrucking.org <dbennett@vatrucking.org>, JILL BALLEH <jballeh@aol.com>

Hello Robin,

I am reaching out to you, on behalf of Schneider, to show our appreciation for the strong partnership that CDS Tractor Trailer Training and Schneider have enjoyed. As you know, there is currently a driver shortage in an industry that tops \$700 billion in annual revenue and according to the America Trucking Associations (ATA), this driver shortage is expected to reach 174,000 by 2026. Allowing CDL schools like CDS Tractor Trailer Training to become third party testers would be of great value to Schneider and other transportation companies that hire professional drivers in high need markets like Virginia. CDL schools becoming third party testers would be a solution in the current environment of testing delays and this change would allow the student to more quickly become an asset to the state of Virginia.

Schneider presently employs 340 drivers from the state of Virginia and currently has more than 80 open driving positions. Schneider offers different types of truck driving opportunities to new school graduates with a good benefits package and competitive pay throughout Virginia. At Schneider we are always looking for qualified candidates and believe that CDS Tractor Trailer Training is vital in providing the truck driving industry with professional, skilled drivers. Schneider also believes that allowing CDL schools to become third party testers will benefit the student, school, and state.

Thank you for your time and I appreciate your consideration.

Thanks!

Andrea Keller | Schneider | Truck Driving School Relations Manager | 920-592-6081 | US.GRB.03.01.01 | kellera@schneider.com

From: **Marilyn Surber** <surber@meltontruck.com>

Date: Wed, Oct 24, 2018 at 2:20 PM

Subject: CDL Testing Delays In Virginia

To: robin.sheldon@dmv.virginia.gov <robin.sheldon@dmv.virginia.gov>, richard.holcomb@dmv.virginia.com <richard.holcomb@dmv.virginia.com>, dbennett@vatrucking.com <dbennett@vatrucking.com>

Cc: JILL BALLEH <jballeh@aol.com>

Dear Leaders of Virginia,

I am writing you to encourage the State of Virginia to find a permanent solution to CDL testing delays. I am also asking your support of CDL schools becoming third party testers. We need more CDL testers in Virginia immediately to address the current delays.

The current testing delays are 2 to 3 weeks, with some being up to 6 weeks. This impacts all of us. These recent CDL graduates are ready to go to work as truck drivers, a highly demanded profession, we need them to go to work for our companies as soon as possible.

My company, Melton Truck Lines currently employs 40 drivers in the state of Virginia and we want to hire as many as we can. But we need your help, so these students can get their CDLs faster.

Please let me know if I can provide you with further information to help you understand how important this is to our workforce.

Sincerely,

Marilyn Surber

Employee Services Manager

Melton Truck Lines

808 N. 161st E. Ave.

Tulsa, OK 74116

surber@meltontruck.com



CDS TRACTOR TRAILER TRAINING

6200 Jefferson Davis Hwy

Woodford, Virginia 22580

540.582.8200

Fax 540.582.4022

Dear DMV:

In response to the stakeholders meeting conclusions and DMV's position not do anything right now, but instead to ask the general assembly to add a \$50 fee to the DMV test does not resolve any of the current test delays my students are encountering right now. Our students are not really in a position to pay this. Most of them are unemployed or eligible for Fantic or WIOA funding due to being low income. I hate to see another burden placed on our graduates. The whole reason they are attending is to better themselves and their families.

As a long term resolution, I had suggested to DMV in the meeting to ask the general assembly to let schools be allowed to be third party testers like they do at Blue Ridge Community College and Wytheville Community College. Currently, the statutes state that it is a conflict of interest for private CDL schools but allow the Community College CDL Programs to have 3rd party testing. Other states allow for this, as long as the person testing has not participated in the training of a student. Last year CDS had 2600 of the 11,000+ CDL tests that were performed. The 2 primary CDL schools in Virginia account for nearly half of the CDL tests. Allowing CDL schools to become third party testers in Virginia would free up DMV CDL testers to keep up with their public demand and eliminate the need to add additional testers. It also would allow for the proper oversight of third party testing by DMV to ease the concern that there may be fraud.

Each person we graduate becomes a contributing taxpayer at an average of \$50,000 first year. We graduated 1200 students last year creating a **\$60,000,000** economic impact **just last year**. Due to delays, some students abandon the CDL program and are forced to return to an undesirable job to make ends meet.

As a short term solution, certainly the State can find resources to add about 4 more CDL testers to the payroll to keep up with the immediate demands so students can get to work. Each CDL testing location has been short-handed most of the year, and we just lost another one in Chester. These delays create a clogged pipeline in training leading to less effective outcomes. When students wait weeks for testing or retesting, their skills either weaken due to not being in ongoing training or they are attending to keep up their skills and taking time away from current students.

Our graduates are ready to go to work in this high demand occupation and most have jobs waiting for them to get their CDL. These delays are probably costing the state more than the potential wages of 4 new CDL testers due to delays of graduates not being able to produce taxable income, remaining on unemployment or snap benefits longer or abandoning the CDL income opportunities all together.

The DMV provides CDS a monthly allotment of days for each of our 4 locations for testing. I am receiving about one third of what I used to get 2 years ago with trying to serve a growing student population. The general public can call in to DMV and receive test dates earlier than CDS students since CDS students are bound by the allotted days.

It is my hope that Virginia will support our goal to provide good training to get our students to a new job as soon as they are test ready after completing the 4 weeks or 10 weekends of CDL training and demonstrate competency to pass the DMV skills test. These test delays are job delays and need immediate and permanent resolutions to better serve Virginians seeking a Commercial Drivers License.

Respectfully,

A handwritten signature in cursive script, appearing to read "Jill Balleh", followed by a horizontal line extending to the right.

Jill Balleh
President
CDS Tractor Trailer Training
540-582-8200



October 25, 2018

Mr. Richard Holcomb
Commissioner
Virginia Department of Motor Vehicles
Post Office Box 27412
Richmond, Virginia 23269

Dear Commissioner Holcomb:

On behalf of the Commercial Vehicle Training Association (CVTA),¹ particularly our members in the Commonwealth of Virginia, we are writing to comment on the *Outsourcing Driver Road Skills Testing Study 2018 Draft Report*. Our comments are focused specifically on Commercial Driver's License (CDL) testing as CVTA represents commercial truck driving schools and motor carriers, though our comments may certainly be applicable to non-commercial driver's and motorcycle license testing as well.

CDL skills testing delays are a major problem throughout the United States. In 2014, the Government Accountability Office (GAO) conducted a report acknowledging that skills testing delays are indeed a problem in at least 15 states.² The problem is so severe that Congress required the Federal Motor Carrier Safety Administration (FMCSA) to collect CDL skills test data from all state driver's license agencies (SDLAs) on an annual basis as part of the 2015 Highway bill (FAST Act) in order to monitor the trajectory of skills test delays across the country on a yearly basis.³ This problem is underscored by the fact that states like Virginia are reevaluating whether CDL skills exams should be conducted by the DMV, third-party testers, or a combination of both.

CVTA believes the Commonwealth has an opportunity to reduce burdens on students, schools, and employers who hire drivers, all while saving taxpayer money, by expanding CDL skills testing capacity via third-party testing. This can be best achieved by allowing both public and private truck driving schools, as well as private, independent testing facilities to be third-party testers in addition to state DMV facilities. By keeping CDL skills testing within the near-exclusive purview of the DMV, CVTA believes the DMV is avoiding consideration of real solutions to the skills testing problem and thus increasing the burden on Virginians who will rely on obtaining a CDL to earn substantive income. Testing delays exacerbate the shortage of truck drivers needed to fulfill economic demand and for the efficient movement of commerce. In turn, this shortage increases the costs of shipping, the brunt of which the citizens of the Commonwealth must bear through higher prices for goods and services.

¹ The Commercial Vehicle Training Association (CVTA) is the largest association of truck driver training providers in the United States. CVTA membership is comprised of over 200 campuses spanning 42 states and is comprised of private and public truck driver training providers and motor carriers. CVTA schools collectively graduate approximately 50,000 commercial drivers annually.

² General Accounting Office. "Commercial Driver's Licensing: Federal Oversight of Programs Could be Improved." GAO-15-607 (July 2015). <https://www.gao.gov/products/GAO-15-607>

³ Section 5506. Fixing America's Surface Transportation Act. P.L. 114-94, p. 242 (December 2015), <https://www.congress.gov/114/bills/hr22/BILLS-114hr22enr.pdf>

There are several reasons why we are urging the Department to reconsider some of its initial conclusions prior to submitting its draft report to the General Assembly. While the DMV is rightly concerned with CDL fraud, we should acknowledge that the FMCSA allows third-party testing and has regulations that ensure proper oversight. Currently, 24 states that allow both public and private schools, employers, and/or independent testing facilities to be third-party testers. This means that thousands of individuals from other jurisdictions who safely operate their commercial vehicles through Virginia every day have been tested by non-DMV testers in other states. In fact, third-party testing is tightly regulated by the FMCSA under 49 C.F.R. §383.75, which mandates (among other requirements) that a third-party examiner must receive training and be certified by a SDLA, and that the examiner testing a student did not also provide instruction to that student during training. This regulation exists to ensure third-party testing is conducted at least on par with the level of safety and integrity that state examiners exercise when executing a CDL exam.

While the DMV acknowledges that there are other concerns with third-party testing (e.g. “outsourcing”), this report fails to substantiate this concern with any quantitative data on how “outsourcing” is either unsafe or more prone to fraudulent activity. CVTA shares the DMV’s concern regarding fraud. The DMV is right to be concerned with skills examiner fraud, but there is no evidence to suggest that fraud is more prevalent with “outsourcing” than tests conducted by DMV officials. In fact, within the past five years there have been instances where state employees were engaged in the fraudulent issuance of CDLs in Michigan,⁴ California,⁵ New York,⁶ and most recently here in Virginia.⁷ Fraudulent activity is a major concern regardless of the entity conducting testing, which is why CVTA supports not only expanding third-party testing in the Commonwealth but ensuring rigorous oversight by the DMV and FMCSA. Regular oversight not only ensures an efficient and safe CDL skills testing process, it also ensures a continued and integral role for the DMV in the administration of CDL skills tests. Furthermore, if the DMV allows private and public schools to become third-party testers, it can also restrict these schools to test only their students, which is consistent with some other jurisdictions.

Virginia schools are granted a set number of test slots at DMV locations throughout the Commonwealth. With limited exceptions, the Virginia DMV maintains nine testing sites and 36 examiners to meet the testing demands of schools and other employers throughout the entire Commonwealth.⁸ The manner in which administering testing slots to the students of training providers is also a contributing factor in skills test delays. CVTA believes the DMV may be unaware of the current limitations placed on schools and the resulting costs associated with driver wait times. For example, if school X is given 20 slots per month, the school must limit its enrollment to account for students in each slot for initial testing, but the school must also account for students who do not pass initially and must retest. According to the GAO, national first-time pass rates for CDL exams range from 50%-70%.⁹ This means that between 30%-50% of those who take the exam may need to retake the exam. Therefore, while the Virginia DMV study suggests an estimated 12,000 CDL exams are

⁴ Office of Inspector General. “Two Former Detroit DOT Employees Sentenced in CDL Fraud Scheme. United States Department of Transportation. (May 3, 2017). <https://www.oig.dot.gov/library-item/35700>

⁵ Office of Inspector General. “California DMV Employee Pleads Guilty to Conspiracy in CDL Scheme.” United States Department of Transportation. (December 14, 2017). <https://www.oig.dot.gov/library-item/36164>

⁶ Office of Inspector General. “New York Commercial Driver’s License Cheating Scheme Uncovered.” United States Department of Transportation. (October 24, 2013). <https://www.oig.dot.gov/library-item/28978>

⁷ Bowes, Mark. “Ex-DMV Employee Indicted on 39 Counts for Allegedly Accepting Bribes to Issue 13 Forged Commercial Licenses in Prince George.” *Richmond Times-Dispatch*. (October 9, 2018). https://www.richmond.com/news/local/crime/ex-dmv-employee-indicted-on-counts-for-allegedly-accepting-bribes/article_b18dfe9c-111a-5f35-bcf7-099b2fe64ca0.html

⁸ U.S. Department of Transportation. *Commercial Driver’s License Skills Test Delays Report to Congress 2016*. Federal Motor Carrier Safety Administration, p.6 (September 2018). <https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/mission/policy/417461/cdl-skills-test-delay-report-cy-2016-enclosure-final-september-2018.pdf>

⁹ GAO, pages 25-26.

initially taken, the DMV is likely failing to account for the number of total testers and/or locations needed as a result of total tests, including retests.

Schools commonly schedule their students in the test slots allotted, provides those students with a truck to use at the skills exam, and dispatches an instructor to ride along with the student to the test location considering the student must be accompanied by a CDL holder while operating the truck. While the school could ask its students to schedule themselves in lieu of using the school's allotted slots, the students would have to pay for truck rental (\$300-\$500) and find a CDL holder to accompany them. This is particularly burdensome on a student considering he or she is already paying tuition and receives the truck and accompanying instructor as part of that tuition. Most importantly, the current system of allocating certain test slots limits the school's enrollments given the number of test slots available. This, in turn, delays or prevents jobseekers from getting the training they need to obtain a CDL. Again, at a time when drivers are most needed by employers, we feel that schools should be able to efficiently train and test drivers for jobs with a starting salary of \$48,000-\$53,000 plus benefits.

Skills testing delays are a result of supply and demand, and demand for class A CDL holders is at an all-time high. According to CVTA calculations, delays are causing one school alone nearly \$3.7 million in lost driver wages based on delays of 14 days from when a CDL applicant finishes driver training to when he or she takes an initial CDL skills test. This calculation is a result of the delay students endure today given the number of test slots granted to the school by the DMV at various locations.

Another impact of the DMV retaining exclusive control over CDL testing is the distance schools must travel to get test slots at the DMV locations. In fact, the school which we have referenced has to travel three hours one way just to get test slots for its students, or else wait for slots to open at a closer DMV location which can further delay the student's entry into a job. CVTA does not believe the DMV study adequately accounts for this impact and believes the DMV should take this burden into consideration. The expense one school incurs as a result of this travel is an additional \$98,000 annually. By taking these costs into considerations, we believe the DMV would be aware of the total costs to the larger economy and those particularly applied to stakeholders (trucking schools, trucking companies) versus the costs directly attributed to the DMV budget only. It has not taken into consideration these extra costs in its analysis, costs that would be eliminated if third-party testing were expanded to public and private schools. Schools incur tens of thousands of dollars in fuel expenses, instructor expenses, equipment wear and tear, and the absence of trucks from campus where current students also depend on the use of those trucks for their own training. If the DMV expands third-party testing in addition to DMV testing, this cost is nearly eliminated, the school could reduce the time students would be forced to wait as they would no longer be capped at a certain number of slots, the DMV would be eliminating the \$3.7 Million in lost driver wages resulting from these delays, and the overall number of slots at the DMVs would increase by removing such volume. This means that more drivers for this high-demand field would increase substantially.

CVTA believes the DMV has an opportunity to leverage the private sector resources for public gain. Another aspect we believe the DMV should note in its report is the fact that by expanding testing, the government would not be responsible for the maintenance and upkeep of these private facilities. However, the Commonwealth would benefit as a result because the government is able to efficiently meet the needs of its citizens for testing.

The DMV's draft study concludes:

“The lack of evidence indicating a need for outsourcing road skills tests in conjunction with the potential concerns that could arise from outsourcing indicates that DMV should retain road skills testing at this time. Administratively, DMV will identify strategies to enhance the efficiency and cost-effectiveness of its current testing program. For example, DMV plans to pilot a policy of using "designated examiners" in a select number of CSCs to determine if such a policy will reduce costs associated with the training of CSRs while allowing DMV to retain its current level of customer service. This will allow DMV to repurpose personnel to process other transactions, but on a smaller scale than would have been possible through outsourcing road skills testing.”

We disagree with this conclusion and respectfully ask for you to consider the points regarding need and fraud. CVTA believes that the Virginia DMV should recommend expanding testing options to include public and private schools. By doing so the Commonwealth could convert existing staff to auditors. Even if 3 to 4 existing employees (examiners) were converted to auditors, we believe that this number of audit personnel could meet the demand to adequately oversee the number of new CDL third-party testers.

We are not suggesting the Commonwealth completely abandon testing at its DMV locations. We are simply asking the DMV to grant schools the ability to test their own students and conform to federal conflict of interest regulations. If such testing ability were granted, then we would have no problem raising the fee as the DMV has suggested, provided this fee is not seen as a cap for what third-party testers can charge as these testers may need to charge above the fee to pay staff, insurance, and other incidental expenses. We believe the additional costs associated with this shift in policy would gladly be incurred by students and trucking companies because the skills delays are currently a much bigger cost.

Testing is an important issue nationally and Virginia has an opportunity to avoid further impacts as new federal regulations regarding entry-level driver training are being implemented. In February 2020, the Entry-Level Driver Training (ELDT) regulation will take effect, and all training providers must meet and teach a curriculum as outlined by the FMCSA. Anyone seeking a Class A or B CDL will have to undergo formal training. This regulation is a national commercial driver's education requirement imposed by Congress. We believe that solving the problems surrounding CDL skills testing prior to the implementation of this regulation is imperative because individuals will need to be certified first by their training providers before taking the CDL exam. In less than 16 months, CVTA believes that our states will need greater flexibility in skills testing resulting from this regulation. Students learn at different paces and delays could become common place resulting from the requirement that a student must meet a “proficiency standard” (the standard all students must be certified to as required by the ELDT regulation).

In order to maintain safety, encourage drivers to enter the industry, reduce costs and burdens to get individuals trained and into well-paying jobs, and deliver testing services to more Virginians faster, CVTA respectfully asks that the DMV amend its report to recommend third-party testing for both public and private CDL schools.

CVTA appreciates the opportunity to provide its input on the Draft Report. Should any issues arise regarding CDL training, skills testing, or licensing in the Commonwealth, please do not hesitate to look to us as a resource or potential partner. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Lefevé". The signature is fluid and cursive, with a prominent loop at the end.

Don Lefevé
President and CEO
Commercial Vehicle Training Association

From: **Ashburn Driving School, LLC** <ashburndrivingschool@comcast.net>

Date: Tue, Jul 17, 2018 at 11:32 PM

Subject: Comments from Lyle Tulloch, Owner, Ashburn Driving School LLC Re: Outsourcing DMV Road Skills Testing Survey

To: "Sheldon, Robin" <robin.sheldon@dmv.virginia.gov>

Dear Ms. Sheldon,

Thank you for taking the time to ask our opinions and listen to our concerns. Along those lines, I wanted to share with you a note of concern regarding the safety of our teen and adult drivers:

ASHBURN DRIVING SCHOOL LLC maintains the highest of standards in driver instruction and testing. Our goal is to comply to the letter with all DMV requirements and then to exceed those requirements by providing a personalized, comprehensive driver training course to each and every student whom we encounter. For a summary of how we accomplish this, please visit AshburnDrivingSchool.com, click the "Quick Review" link, and see the second page.

Therefore, please let us know if and when DMV decides to outsource their adult road testing process, and we will definitely agree to take on this responsibility after we have been properly trained and certified.

Having said that, I will now add some further thoughts:

Although my company is known for meeting and exceeding DMV standards at all times, nevertheless

IT IS A FACT WELL KNOWN THAT 99 PERCENT OF THE DRIVING SCHOOLS IN THIS AREA DO NOT EVEN COME CLOSE TO MEETING DMV STANDARDS.

It is a common practice in this area for 18-and-under students using other driving schools to receive a few minutes, maybe an hour or two, of in-car assessment (much less actual training) before being handed their licenses—this happened to my own daughter years ago before I started my school.

MOST SCHOOLS ARE CARELESS OF, AND COMPLETELY DISREGARD, THE DMV REGULATIONS REGARDING STUDENT TRAINING AND TESTING.

MOST OF THE SCHOOLS ELIMINATE THE ENTIRE ROAD TEST FROM THEIR 7-SESSION COURSE.

THEREFORE, WHY WOULD THESE SCHOOLS SUDDENLY BE CONSCIENTIOUS ABOUT PROVIDING DMV-REGULATED ROAD TESTING TO ADULTS?

Surely this would be another situation where they would take large amounts of money from their clients, provide a cursory road test if any, and then write a license.

I BELIEVE THAT PLACING THIS RESPONSIBILITY IN THE HANDS OF THESE RENEGADE DRIVING SCHOOLS WOULD BE A MISTAKE OF ENORMOUS PROPORTION, AND IT IS MY OPINION THAT DMV SHOULD NOT DO IT.

As it stands right now, we thankfully can depend on our local DMV office to provide objective, unbiased road testing to students. Were this responsibility to be placed in the hands of these renegade driving schools, it would most certainly be grossly abused, all to the mortal endangerment of the students themselves as well as to everyone else with them on the road.

Thank you for your time and attention; I would welcome an appointment with you to familiarize you with the comprehensive seven-session program which I provide to my under-age-18 students. I also apologize for my strong emphasis above, but you certainly understand that where drivers' lives are at stake, we can only have a determination for vigilance.

Please feel free to contact me directly at the number below should you wish to further discuss any of my comments; it is my hope that DMV—and the Senate and House Transportation Committees if need be—will directly address and solve this major problem. Until that day, I will continue doing my part to be a conscientious provider of DMV-regulated driver instruction.

Sincerely,

Lyle A. Tulloch, Owner
Ashburn Driving School LLC
AshburnDrivingSchool.com
20898 Gardengate Circle
Ashburn, VA 20147-4025
703-870-1137, office
703-431-6728, cell
703-859-8026, fax



October 26, 2018

Via Email to richard.holcomb@dmv.virginia.gov; robin.sheldon@dmv.virginia.gov

Virginia Department of Motor Vehicles
Attn: Mr. Richard Holcomb, Commissioner
PO Box 27412
Richmond, VA 23269

Commissioner Holcomb,

On behalf of Werner Enterprises, Inc. (Werner) and our partner driver training schools, please accept our comments regarding the *Outsourcing Driver Road Skills Testing Study 2018 Draft Report*. We appreciate your consideration of our comments and look forward to being actively engaged as the process proceeds.

Backlogs for Commercial Driver's License (CDL) tests prevent student drivers from starting gainful employment with motor carriers and developing income. Based upon our own experience, as well as discussions with other commercial driver training facilities and motor carriers, Virginia is experiencing skills testing delays statewide. Due to historically high industry demand for professional entry-level drivers, the limited number of available testing locations, and the implementation of new testing rules, we anticipate skills testing delays will substantially increase, thereby negatively impacting Virginia's businesses and citizens.

Werner averages 24 million miles annually in Virginia. A new hire from Virginia has a variety of account options with entry-level wages ranging from \$50,000 to \$75,000 per year. Werner employs 140 Virginia residents as professional drivers and has hired 120 driving school graduates within 12 months. Our company would prefer to increase our hires in Virginia as we have 73 openings and 14 account opportunities for new graduates.

Operating in all 48 contiguous states with approximately 10,000 drivers and 7,800 trucks on the road, Werner relies heavily on our student program to obtain the number of skilled drivers necessary to operate our fleet. Over the past ten years we have hired approximately 130,000 driving school graduates coming from over 800 active schools across the United States.

Testing delays cause many unemployed or underemployed Virginia residents from obtaining their CDL upon graduation from truck driving school in a timely manner. This prohibits students from starting their new career and earning an income, in turn causing hardship on students and their families. The consequence is that Virginia is losing income tax revenue as a result of applicants being delayed in obtaining their licenses and starting employment. Virginia is also experiencing a loss of revenue because of decreased enrollment at Virginia-based trucking schools.

Without the trucking industry and drivers, the economy would come to a standstill almost immediately. Industry experts project the demand for professional truck drivers will continue to increase across the

country in the coming months and years. If current trends hold, the shortage may balloon to almost 175,000 by 2024. Virginia will need additional flexibility to explore all options should delays continue to grow. Third-party testing has proven effective in reducing delays in many other states and should be considered as a reasonable option for Virginia.

Delays are typically caused by lack of examiners, adequate testing space, lack of government funding, as well as other factors which lead to insufficient resources to handle the demand for CDL skills tests. Due to these delays, Werner is conducting third-party testing in ten states including Arizona, California, Florida, Georgia, Nevada, North Carolina, Ohio, Pennsylvania, Tennessee, and Texas.

Approximately two-dozen states partner with the private sector through third-parties such as private training providers, community colleges, employers, and independent testing centers to conduct CDL skills tests. Third-party testing is tightly regulated by the Federal Motor Carrier Safety Administration under 49 C.F.R. §383.75. This regulation ensures third-party CDL examiners are conducting skills tests with the level of integrity and precision exercised by DMV employees by requiring third-party examiners to undergo training and certification by a state driver's license authority such as the DMV, and regular audits of third-party testing facilities by both state and federal government.

The implementation of third-party testing has proven to be effective in reducing skills test delays in many other jurisdictions, while adequately preserving the integrity of the examination and providing for oversight from State Officials. Providing an atmosphere in Virginia where driver-trainees can move expeditiously from training, to testing, to gainful employment not only benefits the individual, industry, and economy, it will also have a positive impact on safety outcomes due to the individual remaining consistently engaged in the safe and responsible operation of a Commercial Motor Vehicle.

Werner has a vested interest in placing professional drivers on the road that can operate safely. We believe incorporating the most modern strategies, techniques, and technologies through specialized training for commercial truck drivers is needed to improve overall safety on America's highways. It is equally important to have a legislative and regulatory environment that allows workforce development and job placement opportunities.

Werner strongly encourages the DMV to consider alternative solutions because students need to be able to complete school, test in a timely manner, and move directly into gainful employment as there are numerous job opportunities as quickly as possible within Virginia. Werner is dedicated to increasing safety and driver capability through participating in the development of meaningful public policy and look forward to working together on this issue.

Respectfully,



Sarah Wellman
Director of Government Relations
Werner Enterprises



VIRGINIA TRUCKING ASSOCIATION

4821 Bethlehem Road, Suite 101

Richmond, VA 23230

Phone: (804) 355-5371 ♦ Fax: (804) 358-1374

E-mail: dbennett@vatrucking.org

www.vatrucking.org

**P. Dale Bennett
President & CEO**

Outsourcing Driver Road Skills Testing Study

2018 Draft Report

Comments Submitted by

Virginia Trucking Association

October 26, 2018

The Virginia Trucking Association (VTA) appreciates the opportunity to participate in this important study as a member of the stakeholder group.

As background, the VTA is the statewide organization that represents for-hire motor carriers hauling a wide range of goods and private carriers transporting their own products. Our membership also includes businesses that provide goods and services to Virginia's trucking industry.

There is no dispute that the trucking industry is facing a critical shortage of qualified drivers. In 2017, the trucking industry was short 50,000 drivers. If current trends hold, trucking will need to hire 890,000 new drivers by 2026 to keep up with demand, taking in to account retirement and retention.

Possession of a valid Commercial Driver's License (CDL) is required to operate a commercial motor vehicle (CMV) in the United States. Persons seeking employment as a CMV operator must pass knowledge and skills tests administered by the appropriate state agency, which in Virginia is the Department of Motor Vehicles (DMV).

Thus, these comments will be directed only to the CDL road skills testing aspects of this draft report.

Wait Times

In Virginia, CDL road skills tests are conducted by appointment only. While DMV has set a target of two weeks for acceptable wait times, we have received reports and complaints over the past year or so about wait times of three to four weeks or longer at certain locations and times. In fact, it has been reported to us that one school has resorted to busing its students to Pennsylvania for administration of CDL road skills testing because of excessive wait times for appointments in their area of Central Virginia.

Truck driver training school graduates cannot start earning wages as a CMV driver until they receive their CDL. Many of these graduates cannot afford go for three or four weeks without income while waiting for a testing appointment, prompting them to move on to other jobs where they can start earning wages immediately. We believe that it is imperative for DMV to address the wait times for CDL road skills tests so the industry does not lose these potential employees.

Concerns about Fraud

The DMV report is correct that concerns were expressed about potential fraud as a result of outsourcing. The VTA was one of the group members who expressed this concern. However, we think that our concerns have been misunderstood. Our point is that the potential for fraud underscores the need for adequate oversight and auditing of third party testers, but it should not be a reason to disallow or expand the entities eligible to be approved as third party testers.

The recent report that an ex-DMV employee has been indicted on charges of accepting bribes to issue phony CDLs demonstrates that fraud is a concern and risk regardless of whether the testing is conducted by a government agency or private third party tester. But it should not serve as a reason to not allow expansion of entities authorized to be approved as third party testers in Virginia.

Expanded Eligibility to be Third Party Testers

We believe DMV should do whatever it can to achieve the shortest possible wait times, including expansion of the eligibility requirements to participate in Virginia's current third party testing program.

The first change would be to expand the truck driver training schools eligible to be third party testers beyond the comprehensive community college programs that are currently allowed by statute.

We also suggest that DMV analyze the basis for the current 75 vehicle requirement to see if it can be lowered without compromising safety or the integrity of the CDL road skills testing program.

As stated in the draft report, the trend is to have both government and non-government examiners administering all types of road skills tests as is currently done in Virginia. We believe that increasing the number of non-government examiners will increase the number of roads skills tests that can be conducted in Virginia and reduce of the testing demand being placed on DMV. The result will be increased testing opportunities and reduced waiting times for CDL applicants.

Fee Increases

The VTA supports the recommendation that the General Assembly authorize DMV to charge \$50 for the administration of a CDL road skills test as well as the increase from \$85 to \$100 for out-of-state individuals, provided the additional revenue generated is used solely for initiatives to reduce waiting times for CDL road skills test appointments. In addition, we would like to receive more detailed information about those initiatives and their costs.

Technical Clarification about the VTA Survey

On page 23 of the draft report, there is a description of the survey distributed by the VTA. It needs to be corrected to clarify that this survey was sent to all members of the VTA not just TPTs. This means that we received responses from trucking fleets and other members that may have included training schools and other allied members.

Conclusion

Excessive wait times for CDL road skills tests in Virginia is an impediment to newly trained CMV drivers being able to start work in a timely fashion to help solve the shortage of qualified truck drivers in Virginia. We believe that an effective way to address this impediment is to expand the entities eligible to be third party testers under Virginia's current program of both government and non-government examiners. Of course, the integrity of the CDL road skills testing system must be protected through effective oversight and auditing.

We believe the General Assembly should authorize DMV to charge \$50 for the administration of a CDL road skills test as well as the increase from \$85 to \$100 for out-of-state individuals, provided the additional revenue generated is used solely to fund initiatives to reduce waiting times for CDL road skills test appointments.

Contact:

Dale Bennett, President & CEO

dbennett@vatrucking.org

(804) 355-5371

Appendix E:
Type of CDL Road Skills Test Administered by Testing Location

FY 2018 Virginia DMV CDL Tests Completed ¹				
DMV CDL Test Site	CDL - A	CDL - B	CDL - C	Total
Abingdon	515	183	56	753
Chester	2,636	553	36	3,225
Clifton Forge	69	61	6	136
Manassas ²	1,647	1,235	74	2,956
Martinsville	702	282	17	1,001
Melfa (Eastern Shore)	46	33	9	88
Middletown	636	367	43	1,046
Norton	72	47	30	149
South Boston	0	129	17	146
Suffolk	1,740	472	53	2,176
Wardell	0	85	17	103
Total	8,063	3,447	358	11,868
¹ Counts include vehicle inspection failures, basic control skills failures and passed and failed road tests.				
² All tests under Woodbridge and Fredericksburg were grouped under Manassas				
Data Source: Commercial Skills Testing Information Management System (CSTIMS) from 07/01/2017 - 06/30/2018				

Appendix F:
Statutory Authority

Statutory and Regulatory Authority

DMV Skills Testing and Licensing Authority

- VA. CODE § 46.2-332 (medical review testing).
- VA. CODE § 46.2-325 (broad authority for road skills testing).
- VA. CODE § 46.2-326 (authority for Commissioner Designees to administer road skills tests).
- VA. CODE § 46.2-337 (specific authority to skills test for motorcycle classifications).
- VA. CODE § 46.2-324.1 (licensure requirements for certain applicants).
- VA. CODE § 46.2-483 (Driver's License Compact).

Class B (non-commercial) Driver Training School (DTS) Authority

- 24 VA. ADMIN. CODE 20-121-10 et. seq.
- VA. CODE § 46.2-1700 et. seq.

Third Party Tester (TPT) Authority

- VA. CODE § 46.2-341.14
- VA. CODE § 46.2-341.14:1 et seq.

Virginia Rider Training Program (VRTP) Authority

- VA. CODE § 46.2-1190 et. seq.

Federal Statutory and Regulatory Authority

- 23 C.F.R. § 1327 et. seq. (National Driver Registry)
- 49 C.F.R. § 383.133 (state obligations regarding CDL skills testing)
- 49 C.F.R. § 383.73 (state obligations regarding the issuance of CDLs)
- 49 C.F.R. § 383.75 (state obligations regarding TPT programs)
- 49 C.F.R. § 384.228 (state obligations regarding TPE and state examiner training requirements)