

Commercial Vehicle Safety and Regulation

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The Ministry of Transportation's Safety and Regulation Division is responsible for the coordination of all road safety activities for the province. The Division oversees the intercity bus and truck industries, administers the licensing of for-hire transport, and enforces legislation with respect to driver and vehicle safety, vehicle weight and size, and the movement of goods. The Ministry estimates that there are 190,000 commercial vehicles registered in the province. A commercial vehicle is defined as a truck exceeding 4,500 kilograms or a bus that transports 10 or more passengers. The legislation also applies to out-of-province commercial vehicles which use Ontario's roads.

To enforce safety legislation, the Ministry has a network of 43 roadside inspection stations staffed by approximately 200 enforcement officers who report to 17 area and five regional offices. To detect vehicles that bypass inspection stations, the Ministry patrols the highways and routes around the stations and, at the time of our audit, had recently introduced the use of a mobile truck inspection unit. The Ministry also periodically conducts safety inspection blitzes, often with the assistance of municipal or provincial police. In addition, the Ministry employs 40 facility auditors to review, at the carriers' premises, carrier documentation such as vehicle maintenance records and driver log books.

All operators of commercial vehicles must be registered on the Ministry's Commercial Vehicle Operator's Registration (CVOR) system. CVOR registrants are responsible for complying with the legislative requirements regarding the condition and operation of commercial vehicles. A ministry-issued licence is also required in order for an operator to transport goods for compensation. Additionally, commercial vehicles must be inspected at a ministry-licensed Motor Vehicle Inspection Station and safety-certified by a licensed mechanic at least once a year. The Ministry spent \$21.4 million on commercial vehicle safety activities during the 1996/97 fiscal year.

OBJECTIVES AND SCOPE

Our audit objectives were to assess whether the Ministry had adequate procedures in place:

- to measure and report on the program's effectiveness in ensuring commercial vehicle safety;
- to ensure compliance with legislation and ministry policies; and

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- to ensure that resources were managed with due regard for economy and efficiency.

The scope of our audit included a review of documentation and discussions with ministry staff at head office and regional and area offices, as well as the observation of activity during a safety inspection blitz and at a roadside inspection station. We also contacted and discussed vehicle safety issues with representatives of industry associations and the Ontario Provincial Police.

OVERALL AUDIT OBSERVATIONS

A number of recent accidents involving trucks with detached wheels and faulty brakes have increased public concerns regarding the mechanical condition of commercial vehicles. To address these concerns, the Ministry has implemented a number of legislative changes and has initiated several projects designed to make provincial highways safer.

However, further action by the Ministry is necessary to enhance road safety, to manage resources more efficiently, and to establish better procedures to measure and report on the effectiveness of its many new initiatives. The Ministry needs:

- to improve its reporting process to ensure that adequate information is made available to assess the effectiveness of the new commercial vehicle safety initiatives;
- to ensure that its inspection efforts result in reducing the incidents of non-compliance with safety legislation by setting minimum targets for the number of vehicles and carriers to be selected for truck and bus inspections, vehicle weight inspections and facility audits;
- to strengthen the enforcement process dealing with non-compliant operators to ensure that carriers are sanctioned on a timely basis and unsafe vehicles are removed from the road;
- to review controls over the Commercial Vehicle Operator's Registration system to ensure that the information recorded is accurate, complete and can be used to readily identify and act on non-compliant carriers;
- to ensure efficient and effective program delivery by assessing the appropriateness of the current lines of accountability and by developing guidelines for inspection station staffing and scheduling; and
- to strengthen control procedures over safety certificates to ensure that only properly inspected commercial vehicles are safety certified.

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Overall Ministry Response

Truck safety continues to be a major public issue. Over the past two years, there have been a number of serious incidents resulting in fatalities and injuries. Pressure to implement tougher measures for unsafe trucks increased following a coroner's inquest into two fatalities involving truck wheel separations. The Ministry has now implemented the majority of the coroner's recommendations. However, public pressure increased with two more fatalities from separated truck wheels this past Christmas and continuing incidents involving large commercial trucks.

Collisions involving trucks tend to be more severe because of their size and weight and because they are generally travelling on highways at higher speeds. The dramatic nature of the incidents involving trucks continues to reinforce the public's negative perception of truck safety.

The Ministry's 1997/98 Business Plan acknowledges the importance of commercial vehicle safety and has identified attention to this area as one of its key priorities.

Over the past two years, the government has introduced several new initiatives to improve commercial vehicle safety, including the following:

- *higher fines for unsafe operators;*
- *legislation supporting a carrier safety rating system;*
- *closing legislative loopholes for unsafe operators;*
- *mandatory reporting of fleet sizes and distances travelled;*
- *"zero tolerance" enforcement policy;*
- *hiring additional enforcement staff;*
- *more timely remedial interventions;*
- *wheel installation and air brake adjustment certification;*
- *recommencing enforcement of weight laws on gravel trucks;*
- *shipper responsibility for weight violations;*
- *the Automatic Vehicle Identification program;*
- *mandatory audits for new entrants to the intercity bus industry; and*
- *a new performance-based facility audit program.*

Even with all of the initiatives listed above, the Minister of Transportation and the trucking industry have been under pressure to accelerate their efforts to improve truck safety in Ontario. In response to this pressure, the joint government/industry Target '97 Task Force on Truck Safety was created last fall to make recommendations addressing truck safety issues.

On March 10, 1997, the Task Force tabled a Target '97 Final Report that included 79 recommendations to address truck safety. The recommendations cover areas such as carrier safety rating, the Commercial Vehicle Operator's Registration system, maintenance and inspection standards, hours of work and driver training. The government is currently developing an implementation plan for the Target '97 initiatives.

The Target '97 Task Force endorsed the concept of an immediate roadside suspension for critically defective vehicles. The Task Force also developed a set of measurable criteria that could be used by enforcement officers to determine vehicles with critical defects warranting immediate suspension.

Ministry enforcement officers conduct approximately 40,000 commercial vehicle safety inspections per year. From these inspections, a 50% out-of-service rate equates to about 20,000 vehicles being detained for safety infractions ranging from minor to major defects. In the cases where vehicles have major or multiple defects, the plates are removed and re-registration is not allowed without a safety certificate.

Recent surveys of safety inspection reports by ministry staff estimate that 2,000 to 2,500 vehicles per year have critical defects over and above the Target '97 suspension criteria. Of these vehicles, 75% to 80% were trailers. However, on an overall basis, it appears as if vehicle condition is improving. Results of the June 1997 Roadcheck, a three-day random inspection blitz, showed a marked improvement from the previous year (39.1% out-of-service rate in 1996; 32.9% out-of-service rate in 1997).

Notwithstanding the safety improvements introduced in Ontario over the past two years, these statistics indicate a continuing truck safety problem requiring additional action.

Bill 138, the Comprehensive Road Safety Bill passed on July 3, 1997, provides authority for enforcement staff to immediately impound critically defective vehicles regardless of their home jurisdiction. This Bill also imposes an absolute liability offence for wheel separations from commercial vehicles, with statutory fine levels of between \$2,000 and \$50,000. These provisions are the first of their kind in North America and we believe will act as strong motivators for improved commercial vehicle safety in the future.

DETAILED AUDIT OBSERVATIONS

SAFETY PLANNING AND REPORTING

PLANNING AND POLICY INITIATIVES

Legislative requirements under the *Highway Traffic Act*, the *Truck Transportation Act*, the *Dangerous Goods Transportation Act* and other related statutes provide the framework for commercial vehicle safety. In addition to legislation, the federal-provincial National Safety Code establishes minimum safety standard requirements throughout Canada. The Ministry has developed its policies and procedures based on legislative and national requirements.

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The Ministry's goal is to significantly reduce the number of vehicle collisions and related deaths and to make Ontario's roads the safest in North America. To help achieve this goal, the Ministry has implemented, or was in the process of implementing, changes to the legislation governing commercial carriers. At the time of our audit, the Ministry was also working on a number of new policy and procedural initiatives.

Several of these initiatives resulted from the 31 recommendations from a 1994 inquest into deaths resulting from the detached wheels of commercial vehicles. These initiatives resulted in improvements such as increased fines and more comprehensive audits at commercial carriers' facilities.

In April 1994 the Ministry announced the Road Safety Agenda, a major undertaking to identify all areas within the Ministry that impact on road safety. Subsequently, the details of the Ministry's safety initiatives and the timeframes for their achievement were itemized in its October 1995 *Road Safety Plan*. The Ministry's plans included the development of a commercial carrier safety rating system, air brake training courses and graduated licensing for truck drivers.

A joint ministry/industry group called the Target '97 Task Force on Truck Safety was formed to develop an integrated, comprehensive and effective truck safety compliance system. The Task Force released a report containing approximately 80 recommendations in March 1997. These recommendations included improvements to the Commercial Vehicle Operator's Registration system, enhanced inspection and maintenance standards, improved driver training standards and an improved driver's licence test.

At the time of our audit, a number of other initiatives were also under way, such as a Vehicle Weight Review project to make weight laws more consistent with those of other jurisdictions and Enforcement '97, which is a strategy to address the location, design and construction of truck inspection stations. Many of these initiatives had neither implementation dates nor estimates of the resources necessary to complete them and had not been prioritized for action. In addition, no overall status report had been prepared detailing the progress made on each of the commercial vehicle safety initiatives. Such a report would assist ministry management in planning, prioritizing and scheduling.

Recommendation

To ensure that the initiatives identified in recent studies contribute to safer highways, the Ministry should:

- **develop priority rankings and cost estimates to focus limited resources on high priority initiatives; and**
- **set target dates and periodically assess the status of each initiative to help encourage completion within a reasonable period of time.**

Ministry Response

The Ministry employs a truck safety strategy under the umbrella of the Ministry's Road Safety Plan that contains a significant number of commercial vehicle safety enhancements which are under development.

The Ministry has now completed a full review of all safety initiatives. All projects have been defined, ranked, costed and target dates have been identified and included in the Safety and Regulation Division's work plan.

A formal reporting mechanism has now been implemented requiring quarterly reporting of project status information on initiatives under development. The Carrier Safety and Enforcement Branch is responsible for regular reviews of high priority initiatives and preparing the quarterly status reports.

One of the major initiatives that contributed to the work plan was the Target '97 recommendations. These recommendations will form the basis for commercial vehicle safety programming into the year 2000. All recommendations have now been catalogued and scheduled for implementation.

EFFECTIVENESS MEASUREMENT AND REPORTING

The Ministry's 1996/97 Business Plan outlined its aim to reduce the number of persons injured and killed on Ontario's highways as well as reducing property damage and the overall societal costs related to vehicle collisions. The Safety and Regulation Division's vision is to make Ontario's roads the safest in North America. However, at the time of our audit, only limited measures were in place to assess the overall effectiveness of commercial vehicle safety activities.

The Ministry is required to produce and table in the Legislature an *Ontario Road Safety Annual Report* providing statistical information such as the number of traffic accidents and fatalities. However, the report's information is not detailed enough to allow either the Ministry or members of the Legislature to properly assess commercial vehicle safety. Also, the report is not produced on a timely basis, as the report for the 1995 calendar year was not tabled in the Legislature until May 1997.

The Ministry began a project in 1995 to evaluate its statistical information on commercial vehicles and identified the need for an annual report devoted specifically to commercial vehicles. The Ministry also outlined the special needs of various users of the information such as

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those responsible for road design, driver control and licensing. As a result, the Ministry plans to introduce an annual evaluation of commercial vehicle safety in December 1997.

The Ministry periodically produced a divisional report designed to measure the effectiveness of its efforts. The report noted fatalities by month, fatality rates as compared with other jurisdictions in North America as well as driver statistics for collisions, suspensions and convictions. However, these indicators did not specifically address commercial vehicle safety, and the most recent report was dated September 1995.

In May 1996 a consultant reviewed the divisional report and recommended measuring and reporting results specifically related to commercial vehicles. The consultant recommended effectiveness measures such as the rate and severity of accidents involving commercial vehicles, the rate of compliance within the trucking industry, the resources committed to addressing commercial vehicle safety and comparisons with other jurisdictions.

Recommendation

In order to make better informed decisions and initiate corrective actions when necessary, the Ministry should provide better information to assess the effectiveness of commercial vehicle safety efforts and report on the evaluation of commercial vehicle safety on a more timely basis.

Ministry Response

As noted in the audit report, the Ministry is preparing the first annual comprehensive evaluation of commercial vehicle safety. The Ministry initiated an evaluation of the need for periodic commercial vehicle safety effectiveness information in 1995. This information was intended to supplement a divisional report measuring the effectiveness of its safety programming efforts.

Further, this initiative is linked to the Ministry's performance measures in that improvements to commercial vehicle safety as a performance target are dependent on proper evaluation. The Ministry is also in the process of establishing a formal program effectiveness and efficiency mandate as part of its Carrier Safety and Enforcement Branch.

SAFETY EDUCATION AND AWARENESS

The Ministry's most recent statistics show that vehicle defects were not apparent in over 90% of traffic accidents reported and that driver error was the overwhelming cause of most accidents. Consequently, in addition to policy development, compliance monitoring and enforcement activities, the Safety and Regulation Division has adopted a fourth goal—promoting driver education and awareness.

The Ministry has a number of informal mechanisms in place to educate commercial carriers about the rules and regulations related to vehicle safety. For example, ministry staff communicate relevant legislation and policy to drivers during roadside inspections and facility audits. Ministry staff attend meetings at the carrier's premises to explain relevant safety issues. The

Ministry also informs the industry of legislative and policy changes through articles in trade publications.

The Ministry has initiated a number of measures to enhance road safety through education and training. For example, it was involved in the development of a wheel installation certification program that was delivered by the industry and a brake adjustment training program for truck drivers. The Ministry also intends to review the operation of truck driving schools, assess driver training requirements and consider graduated licensing for truck drivers.

At one time the Ministry issued to all CVOR certificate holders a periodic publication that covered relevant legislation, policy initiatives and other ongoing issues. However, as a cost-saving measure this publication was discontinued in the 1992/93 fiscal year. Given the many changes being implemented and considered, a similar publication or some other regular means of communication to the industry may be warranted.

Recommendation

The Ministry should improve its communication process to keep the industry informed of changes currently taking place or being considered.

Ministry Response

The Ministry recently issued a commercial motor vehicle newsletter in April 1997. The newsletter was sent to over 90,000 interest groups, road safety stakeholders, Commercial Vehicle Operator's Registration certificate holders, industry associations and trade publications. The CMV News also surveyed the recipients' interest in receiving this newsletter on a regular basis. To date there has been a favourable response. The Ministry is also using the Internet and other means of communication, such as trade and public media. The Ministry also conducts numerous seminars and provides presentations for industry groups as part of its ongoing communications strategy.

This government has been very vocal regarding new truck safety initiatives, which has prompted extensive coverage in mainstream media extending internationally. The Ministry also participates in and shares information on truck safety initiatives in various national and international forums such as the Canadian Conference of Motor Transport Administrators, the American Association of Motor Vehicle Administrators and the Commercial Vehicle Safety Alliance.

COMMERCIAL VEHICLE INSPECTION ACTIVITIES

ROADSIDE INSPECTIONS

The Ministry's inspection and enforcement efforts at its 43 roadside inspection stations are a major component of the compliance monitoring process. These roadside inspection stations are staffed by approximately 200 enforcement officers. The inspections are conducted in accor-

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dance with legislative requirements established under the *Highway Traffic Act* as well as with North American standards developed by the Commercial Vehicle Safety Alliance, generally known as CVSA standards.

Roadside inspections can include a mechanical check of the vehicle, a review of the driver's log book, licence and shipping documents as well as a comparison of the vehicle's weight with the legislated limits. Under CVSA standards, when a commercial vehicle is deemed unsafe, likely to break down or cause an accident, or if conditions would likely contribute to loss of control of the vehicle, the vehicle is to be placed "out-of-service." It can be returned to service only after the required repairs are made. Where appropriate, the Ministry may detain the vehicle, remove its licence plates or lay charges under the *Highway Traffic Act* against the driver or the carrier. Roadside inspections help ensure that commercial vehicles are in safe operating condition and act as a deterrent to repeat offences.

To complement roadside inspection stations, the Ministry coordinates periodic inspection blitzes with provincial or municipal police, has introduced the use of a mobile inspection unit and participates in the North America-wide program termed Roadcheck. Roadcheck is an annual three-day event whereby commercial vehicles are randomly selected for safety inspection throughout North America. The inspection results provide a benchmark for assessing the trucking industry's level of compliance with legislated requirements.

An important component of the Ministry's inspection program is CVSA roadside inspections. The following table shows the number of CVSA inspections performed by the Ministry and the corresponding out-of-service rates. The out-of-service rates for the Roadcheck program, the benchmark, are also shown.

Vehicle Inspections from 1992/93 to 1996/97

Fiscal Year	# of Ministry CVSA Inspections	% Ministry CVSA Out-of-Service	% Roadcheck Out-of-Service
1992/93	38,200	32.2	37.0
1993/94	34,800	34.0	33.4
1994/95	15,200	48.0	43.0
1995/96	21,000	53.0	43.3
1996/97	38,700	51.8	39.1

Source: Ministry of Transportation

The number of CVSA inspections performed by the Ministry has varied significantly over the past five years. The increase in the Ministry's out-of-service rates reflects the Ministry's approach of targeting for CVSA inspection vehicles which appear to be in poor mechanical condition. Roadcheck results suggest that the industry's level of non-compliance with legislated requirements has been relatively stable over the period we reviewed. However, in the fiscal years when the Ministry performed the fewest numbers of CVSA inspections, 1994/95 and 1995/96, Roadcheck found the greatest levels of non-compliance in terms of both frequency and severity of defects. The Ministry informed us that the preliminary results of the June 1997

Roadcheck showed a decrease in the out-of-service rate to 32.9%. The Ministry also advised that the defect rate per vehicle had decreased as well.

There was a significant decrease in the number of inspections performed in 1994/95. We were informed that this was due to a reduction in supervisory staff and the implementation of a self-directed work team approach. The Ministry increased the responsibility of frontline staff but did not provide staff with guidelines for the number of inspections to be performed. To address the decrease in the number of inspections, the Ministry developed the target of a 20% increase in the number of inspections each work team was to perform. To determine whether the targets were achieved, the Ministry compared the planned volume of activities to the actual achieved volume on a monthly basis. The 20% target increase was set without an assessment of the appropriateness of the previous year's performance. Also, the Ministry had not established a benchmark for the appropriate or minimum number of inspections required to have an appreciable effect on individual carriers and overall industry compliance.

Recommendation

To ensure that roadside inspection efforts improve the level of carrier compliance with safety legislation, the Ministry should:

- **develop appropriate targets for the number of inspections to be performed; and**
- **based on those targets, monitor actual activity so that variances are identified and corrective action can be taken as required.**

Ministry Response

Roadside inspections serve a number of important safety objectives. Inspections ensure that commercial vehicles operating on our roads are in a safe operating condition and those found in unsafe condition are required to be repaired before proceeding. The resultant detentions, plate removals, fines and Commercial Vehicle Operator's Registration record interventions, such as facility audits, act as a strong deterrent to repeat offenders.

While the number of Commercial Vehicle Safety Alliance inspections varies over time due to staff fluctuations, training, labour issues and changes in program priorities and delivery strategies, the Ministry has established a minimum goal of 40,000 commercial vehicle inspections during the 1997/98 fiscal year as one of the core business performance measure commitments. This goal at the minimum will double the number of day-to-day inspections conducted in 1995/96.

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Officers are now expected to spend a minimum of 50% of their time performing Commercial Vehicle Safety Alliance roadside inspections. This target has been incorporated into the Ministry's key performance activities and indicator work plans for 1997/98. District report cards are produced monthly for review by the district and regional management teams. The report cards identify productivity and variances against targets. Monthly reports are summarized for analysis on a quarterly basis for review by district, regional and branch management. Corrective strategies are required to address variances.

SELECTION OF VEHICLES FOR ROADSIDE INSPECTION

The Ministry's 17 area offices are responsible for the 43 roadside inspection stations strategically located throughout the province. To maximize the efficiency of roadside inspections, ministry enforcement staff target for inspection vehicles that appear to be in poor mechanical condition. All inspection data is recorded on the Ministry's inspection information system, SafetyNet. This system records information such as the locations of inspections, vehicle operators and the number of axles on each vehicle. Non-compliance information is also recorded, such as any out-of-service conditions, charges laid or plate removals.

Based on reports regularly generated from the SafetyNet system, we found significant variations in inspection activities across the province. For example, the November 1996 reports showed that out-of-service rates for area offices varied from a low of 30% to a high of 75% and serious out-of-service conditions requiring licence plate removals varied from 8% to 57%. Some variance in out-of-service rates and plate removals is to be expected due to the prevalence of certain types of vehicles in an area and the availability of roadside repair services. However, we found no documented review or follow-up to determine the reasons for these variations.

We also requested information from the Ministry which is not regularly generated for review. For example, we requested the number of inspections performed by each area office for various types of vehicles. We found that the percentage of two-axle vehicles inspected, compared to the total number of inspections performed by each area office, ranged from 18% to 49%. We were informed that two-axle vehicles require less time and effort to inspect. The decision to select two-axle vehicles was not based on a review of information available to determine whether this type of vehicle was more likely to have mechanical defects. The Ministry has not used this type of information and corresponding out-of-service rates to target vehicles for inspection.

Recommendation

To more effectively target inspection efforts and identify areas where corrective actions are required, the Ministry should identify inspection information needs, regularly generate corresponding reports and investigate any unusual variances.

Ministry Response

While officer experience in identifying high-risk vehicles for inspection is indispensable, the Ministry will ensure that certain types of vehicles overrepresented in out-of-service defects are included in the vehicle inspection targeting efforts. Data collected during day-to-day non-random inspection activities provide valuable feedback to area enforcement staff to ensure higher risk vehicle configurations are selected for inspection. In addition, the Ministry is currently reviewing a computer-based commercial vehicle inspection program.

The Ministry's monthly district report card provides local, regional and branch management with productivity and variance information. Variances are now required to be accounted for and corrective action taken where appropriate.

This direction will be greatly supported by new legislation that provides authority for critically defective vehicles to be impounded for a minimum of 15 days. The Ministry expects to roll this program out at strategically located truck inspection stations that will operate around the clock. In this very controlled environment, it will be ideal to conduct this kind of analysis and evaluation. It will also be possible to evaluate the effect that the impound program is having on the critical defect rates.

COMMERCIAL VEHICLE WEIGHT INSPECTIONS

Legislation specifies a maximum weight per vehicle and a maximum weight per axle for the safe operation of commercial vehicles and for the protection of Ontario's roads from untimely deterioration. Fixed weigh scales are located at truck inspection stations to enforce these requirements. When trucks enter a station they are sorted by the enforcement officers either to be weighed or to bypass the scales. Below are ministry statistics for the numbers of weight inspections conducted over the last five years and the corresponding charges laid for being overweight.

Vehicle Weight Inspections Reported 1992/93 to 1996/97

Fiscal Year	Vehicles Weighed	Charges Laid	Charge Rate %
1992/93	964,400	8,400	0.9
1993/94	960,000	9,100	1.0
1994/95	574,400	5,250	0.9
1995/96	427,800	5,550	1.3
1996/97	525,200	7,200	1.4

Source: Ministry of Transportation

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As can be noted from the table above, the number of charges laid for excessive weight loads represents only about 1% of the total vehicles weighed. Despite such a low charge rate, ministry workload estimates for the 1996/97 fiscal year indicated that more staff time was apportioned to weighing vehicles than to CVSA inspections. Since enforcement staff are not required to record or document vehicles weighed, the Ministry could not verify that the number of weight inspections recorded was accurate.

During our audit we found that another division of the Ministry had recently conducted research using data obtained from weigh-in-motion scales which had been installed at various locations throughout the province. Based on the data collected and analyzed, researchers determined that weight violations occurred most frequently in large configuration commercial vehicles, which represent approximately 20% of the total commercial vehicle population. The research showed that 10% of those vehicles were overloaded by gross weight and 20% were overloaded by axle weight. This represents 2.5% to 5% of the total commercial vehicle population and suggests the Ministry's 1% charge rate is relatively low. A consultant's report from August 1995 identified similar incidents of non-compliance and recommended the use of weigh-in-motion technology to more effectively identify weight violators in high-volume areas.

Recommendation

To more effectively monitor vehicle weight inspections and to efficiently use staff resources, the Ministry should:

- **record all vehicles that are weighed so that the Ministry can more effectively monitor that activity and take corrective action as necessary; and**
- **develop criteria to more effectively target high-risk vehicles for weight inspections.**

Ministry Response

Recognizing that manually recording all vehicles weighed may increase paperwork and thereby reduce officers' time for more productive enforcement activities, the Ministry will explore the feasibility of automated methods of recording vehicle weighings using technologies such as weigh-in-motion scales and plate readers.

The use of weigh-in-motion technology already installed in higher traffic volume scales will identify high-risk vehicles for weight inspections. In other areas in the province, criteria to ensure the effective identification of high-risk vehicles, carriers, commodities and routes will be formalized.

BUS SAFETY INSPECTIONS

The Ministry's Bus Safety Inspection Program is based on visits to the operators' premises to conduct mechanical inspections of a statistical sample of buses. These bus inspections, conducted by ministry enforcement officers, result in a safety rating for each operator. Operators are rated either satisfactory (inspected annually), conditional (inspected semi-annually) or unsatisfactory (inspected three times annually). During our last audit in 1989, the Ministry had

conducted over 8,600 bus inspections during the previous year. During that audit we found that all areas we visited had difficulty in meeting the guidelines for the number of bus safety inspections to be performed. For the 1995/96 fiscal year, the Ministry conducted only 4,500 bus inspections.

We visited three regional offices and found that one region and its area offices did not follow the Bus Safety Inspection Program but instead focused on the roadside inspection of buses. The region's staff did not visit the operator's premises to safety-rate each operator as required because they believed that roadside inspections were more effective in identifying and charging problem bus operators.

The other two regions' area offices we visited used the Bus Safety Inspection Program and safety-rated bus operators. One area office met the ministry guidelines for the number of visits to the operator's premises. In the previous year, the other area office had performed inspections on just half of the bus operators in the area.

The Ministry had not assessed the various methods used by the regional and area offices to determine which combination of roadside inspections and bus operator premise visits would constitute the most efficient use of resources and be most effective for promoting road safety.

Recommendation

To ensure an efficient and effective Bus Safety Inspection Program, the Ministry should:

- **review the current approaches used by the regional and area offices to determine the appropriate combination of roadside inspections and visits to premises; and**
- **upon determination of the appropriate inspection approach, develop standardized policies and procedures to assist area offices in implementing a comprehensive and consistent bus inspection process.**

Ministry Response

The Ministry remains committed to ensuring that the bus industry's on-road safety record remains uncompromised.

The Ministry's review and assessment of the bus inspection program options will determine the most effective and efficient method of ensuring bus safety. In addition, bus operators are high-priority audit candidates under the facility audit program.

Similar to the Target '97 process recently completed for trucks, the bus community is now reviewing all areas of safety programming relevant to its industry, including the Commercial Vehicle Operator's Registration system, vehicle inspection and maintenance, carrier safety ratings, hours of work, enforcement practices and driver qualifications. The bus industry supports ongoing on-road bus inspections and its major associations have participated and sanctioned the Ministry's bus blitzes to date. The intercity bus industry is expected to be deregulated effective January 1, 1998. The Ministry and the bus community will work together to ensure that effective safety programs are in place prior to this date.

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COMMERCIAL CARRIER FACILITY AUDITS

Facility audits are conducted at the carriers' premises by ministry enforcement officers. Standard audit procedures include a review of information such as records of driver training, hours of work, driver log books, trip documentation, vehicle maintenance records and insurance coverage. The audit also includes a mechanical inspection of a sample of vehicles from the carrier's fleet. A July 1994 study conducted by an American university found that the benefits of a facility audit exceed its cost by a ratio of 4 to 1. In addition audited carriers had lowered their accident rates by an average of 40%.

During the 1995/96 fiscal year, the ministry's 40 facility auditors conducted 750 audits across the province and planned to perform approximately 1,000 audits in the 1996/97 fiscal year. This is down from the three previous years for which statistics were available when, on average, 1,700 facility audits were performed annually. During the 1995/96 fiscal year, the Ministry implemented a more comprehensive facility audit process, but had not established a benchmark for the number of facility audits required to achieve an appropriate level of carrier and industry compliance. There were also no detailed ministry-wide guidelines for the selection of high-risk carriers for facility audits.

In May 1993 the Ministry initiated a project to develop a Carrier Safety Rating system to be derived from the results of a facility audit and the carrier's CVOR record. The Ministry intends to assess and rate each carrier's safety performance. Public release of the ratings is expected to impact on the carrier's insurance premiums and its ability to attract business and, consequently, should have a positive effect on carrier safety.

The Ministry's goal is to require that facility audits be performed every three years for all commercial carriers in the province. The Ministry is considering the use of independent assessors to conduct such facility audits. However, it plans to retain the ability to enter the carriers' premises for enforcement and quality control purposes.

The legislation for the Carrier Safety Rating system was introduced to and passed by the Legislature as an amendment to the *Highway Traffic Act* in December 1996. Ontario is continuing to work with other provinces through the federal-provincial Canadian Council of Motor Transport Administrators to ensure the uniformity of safety ratings. However, at the completion of our audit, the section of the amendment relating to the Carrier Safety Rating system was not yet in effect. The Ministry had completed a pilot project to get a preliminary assessment of its proposed rating system. Prior to implementation, the Ministry needs to finalize its facility audit model, develop policies and regulations, and decide whether to out-

source part or most of the function. Outsourcing will require additional time for developing policies, establishing the necessary qualifications and implementing training programs.

Recommendation

Until the new Carrier Safety Rating system is implemented and to ensure that facility audits are performed efficiently, the Ministry should:

- **determine the appropriate number of facility audits to be performed and adjust activity to achieve this number; and**
- **use a risk-based approach for the selection of carriers for facility audits.**

Ministry Response

The Ministry can confirm that the number of facility audits will increase as the new audit model is finalized and corresponding benchmarking standards are established. The recruitment of 16 new auditors hired in 1996/97 will also impact the number of audits completed.

The current audit selection process requires that carriers be “targeted” for selection based on one of six risk categories: out-of-service vehicle inspection rates; complaints; bus or dangerous goods operators; operators in areas of low enforcement; public sector operators; and poor Commercial Vehicle Operator’s Registration safety record referrals.

The Ministry’s audit targeting criteria will continue to be tightened and prioritized to ensure the selection process identifies the higher-risk carriers for facility audit. Target ’97 recognized the effectiveness of the Ministry’s re-vamped facility audit program and also has recommended that audits be mandatory as part of the future safety rating methodology.

The review of the audit benchmarking and selection criteria will be completed after the new audit program is completed. In this regard, the Ministry is looking at a number of evaluative criteria beyond absolute numbers of audits completed, including the number of driver files reviewed, the number of vehicle files and vehicles examined and follow-up audit requirements.

CARRIER ENFORCEMENT ACTIVITIES

All detentions for out-of-service incidents, convictions for safety infractions and reported accidents involving a carrier’s vehicles are coded by the Ministry as numerical values and recorded in the CVOR system. Cumulative violations are compared to the carrier’s predetermined numerical threshold and, if this threshold is exceeded, the Ministry initiates a sanctioning process. The threshold is based on the carrier’s fleet size and is approximately three times the industry’s historical average violation rate, which is based on the frequency and severity of violations. The last review of carrier threshold levels was completed by the Ministry in August 1995.

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When problems recorded on the CVOR system exceed a carrier's threshold level, the Ministry's intervention process is initiated with a warning letter sent to the carrier. The Ministry requires a 25% reduction in the carrier's accidents, detentions and convictions every six months until incidents of non-compliance fall below the allowable threshold. If the carrier does not achieve the required reduction, the Ministry may interview or audit the carrier to establish a plan to improve performance.

If the interview or audit process does not bring the carrier into compliance, then the Ministry may decide to sanction the carrier by suspending or revoking its operating privileges or limiting its fleet size. The carrier can appeal any decision to the Licence Suspension Appeal Board, a quasi-judicial body established under the *Highway Traffic Act*. If the carrier is not satisfied with the Board's decision, it may appeal to the Ontario Court. During the intervention and appeals process the carrier is allowed to continue to operate.

WARNING LETTER INTERVENTIONS

The CVOR system automatically generates a "warning letter list" of carriers that have accumulated enough points to exceed their numerical thresholds. The Ministry checks the listed carriers for relevant information such as the fleet size and whether another ministry action is pending, such as an interview, audit or sanction. During the 1996 calendar year, the Ministry sent out over 2,300 warning letters.

We reviewed a sample of carriers recorded on the warning letter list generated for a one-week period in June 1996. Of the total sample selected, 20% of carriers were not sent warning letters for various reasons such as a carrier being already scheduled to undergo a facility audit, the threshold recorded in the CVOR system being incorrect or a more stringent sanction about to be imposed. However, an additional 10% of the same sample selected was not sent warning letters and no explanations were documented.

We followed up on the carriers who were sent warning letters and found that 80% of them had reduced their incidents of non-compliance and were under their threshold levels six months later. An assessment conducted by the Ministry in February 1995 determined that 77% of carriers that received warning letters improved their performances and did not require interviews or audits.

We found that generally the Ministry was not assessing the status of carriers on a timely basis. At the time of our review, there was a backlog of 650 carrier records awaiting analysis to determine what subsequent interventions were required.

Recommendation

To increase the effectiveness of the warning letter process in improving compliance with safety legislation, the Ministry should:

- **document the rationale for not taking action against carriers that exceed their thresholds and are not sent warning letters;**
- **assess the status of all carriers that have received warning letters every six months until they either come under their thresholds or require a more stringent sanction; and**
- **ensure that appropriate action is taken to eliminate the current backlog.**

Ministry Response

In response to the need for tougher truck safety measures and the desire for earlier identification of commercial vehicle companies with poor safety records, the Ministry revised its review triggering mechanism in August 1995 so that Commercial Vehicle Operator's Registration progressive interventions could be taken more quickly. The Ministry now issues warning letters, conducts interviews or audits and initiates sanctions at the revised levels of non-compliance. The success of this initiative is indicated by the increased number of carriers brought forward for corrective action.

This has also resulted in a backlog of warning letters, interviews and sanctions. The warning letter backlog is being actively dealt with through additional staff resources. In addition, staff responsibilities have been restructured to ensure the record analysis process is as efficient as possible. All decisions not to send a warning letter to a carrier will be documented.

Again, Target '97 has made several recommendations that will improve the efficiency and effectiveness of the Commercial Vehicle Operator's Registration system including a proposal that would impose automatic, regulated sanctions as opposed to administrative interventions for carriers with declining safety performance. This recommendation and others will introduce new ways of dealing with non-compliant carriers that will rely less on ministry resources.

CARRIER INTERVIEWS AND AUDITS

The CVOR system automatically produces an "action list" of carriers that have received warning letters but have not improved at the required rate. The action list is analyzed to ensure that the CVOR information is accurate and complete. If the analysis determines that the expected improvement is not being made, the Ministry will interview or audit the carrier. During the 1996 calendar year, the Ministry conducted 76 carrier sanctioning interviews.

We tested the action list produced by the system for a one-week period in June 1996. The Ministry determined that a number of carriers did not need to be interviewed or audited. The decisions not to proceed with an interview or audit were documented in all cases.

The Ministry did not have a policy requiring interviews and audits to be done within a specified period. Nevertheless, we reviewed the records of the carriers to be interviewed or audited six months later and found that no interviews or audits had taken place and nearly all the carriers tested were still above their allowable threshold limits. Consequently, we could not assess the outcome of the interview process. However, an analysis conducted by the Ministry in 1995 determined that 80% of the carriers interviewed improved their performance over the subsequent six months and averaged 34% fewer convictions, detentions and accidents.

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Recommendation

To ensure that carrier interviews and audits contribute to increased compliance with vehicle safety legislation, the Ministry should:

- assess the interview and audit process to determine whether it is achieving acceptable results and, if not, consider modification of this activity; and
- establish guidelines for the appropriate time periods within which to complete carrier interviews and audits.

Ministry Response

In addition to revising the thresholds for corrective action with carriers having poor Commercial Vehicle Operator's Registration (CVOR) safety records, the Ministry notes that the one-month period in June 1996 chosen for interview/audit follow-up was immediately before the Branch's relocation from Toronto to St. Catharines, and it took several months to replace staff who chose not to relocate. The office move resulted in a temporary staff shortage which contributed to a backlog of interviews and audits. Staffing issues have now been successfully resolved and the backlog is being addressed.

In addition, the Ministry has initiated a study to update the 1995 analysis of the effectiveness of the interview and audit processes. Modifications and changes to these programs will be developed, tested and implemented to reflect the Ministry's commitment to implement the Target '97 CVOR truck safety recommendations.

The Ministry's current time period guidelines to prepare an analysis of a carrier's record and complete the interview and audit process will be reviewed given the importance and effectiveness of the interview program and the recent expansion of the role of the CVOR intervention process to include new priority initiatives such as wheel separation follow-up, Automated Vehicle Identification Ontario carrier CVOR record clearance, ministry contractor safety record verification and so on. The guidelines will be modified to reflect current interview and audit program priorities and the realistic ability to deliver program initiatives.

CARRIER SANCTIONS

If an interview or audit does not bring the carrier into compliance, the Ministry may send a Notice of Sanction. This Notice informs the carrier that the Ministry will suspend, limit or revoke its operating privileges on a specific date unless the carrier shows cause why it should not be sanctioned. If the carrier cannot satisfy the Ministry at a show-cause meeting, the sanction will be ordered.

At the time of our review, there were 130 carriers awaiting a sanctioning decision from the Ministry. We randomly selected a sample of carriers from this list and verified that all were above their threshold limits. The Ministry had categorized half of the carriers in our sample as high priority and one as medium priority. The rest had no documented ranking.

The Ministry does not have guidelines regarding the appropriate amount of time within which to make a sanctioning decision. However, we found that the carriers we sampled had been on the list for, on average, one year, with the longest time being 2.5 years. At the time of our audit, all of these carriers were still operating. The carrier in our sample assessed as medium priority was chronically non-compliant and had a number of interviews, facility audits and previously initiated sanctions dating back to 1988. The carrier had most recently been identified for sanction in 1995 and was still awaiting a decision. This carrier, as of January 1997, had a rating that was double its predetermined threshold level.

Recommendation

To ensure that the sanctioning process is effective in contributing to vehicle safety and does not unduly delay getting unsafe vehicles off the road, the Ministry should:

- **make sanctioning decisions promptly; and**
- **assess the sanctioning process to determine whether it is achieving acceptable results and, if not, modify the process.**

Ministry Response

In recognition of the need to ensure sanction decisions are made promptly, the Ministry introduced a series of Commercial Vehicle Operator's Registration enhancements last fall. These initiatives included anti-sanction avoidance provisions in the Highway Traffic Act and a number of Commercial Vehicle Operator's Registration reporting requirements such as changes to fleet size, Ontario mileage, and so on, which will expedite the sanction analysis process. The addition of more staff and the restructuring of their responsibilities will also improve the time period. Program changes arising from the Target '97 Task Force recommendation to regulate automatic sanction thresholds will also improve the process in the longer term.

An analysis of the impact of sanctions on subsequent safety performance will be conducted and completed. In addition, changes under development to the sanction processes will streamline the sanction decision process.

ENFORCEMENT PROCESS

All sanctioning decisions can be appealed to the Licence Suspension Appeal Board. In 1995, the most recent year for which summary information was available, six carriers appealed ministry sanctions to the Licence Suspension Appeal Board. We noted that the time elapsed between the filing of appeals and rendering of decisions ranged from 12 to 18 months. For five of the six appeals, the Board upheld the Ministry's sanctioning decision. Two carriers appealed the Board's decision to the Ontario Court. At the time of our audit, neither of these appeals had been settled, and the carriers were still in operation.

The Target '97 Task Force on Truck Safety recommended that the Board provide more timely decisions. The Task Force also made several other recommendations to enhance carrier

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enforcement such as revamping the CVOR system, clearly establishing intervention and sanction levels, and introducing fines and automatic fleet suspensions.

The threshold level at which sanctioning begins is three times the industry's historical average violation rate, and some carriers exceed this by additional multiples. A number of carriers involved in the sanctioning process are chronically non-compliant with road safety legislation. The Ministry's enforcement process gives carriers extended periods of time in which to reduce their detentions, convictions and accidents. The process has also experienced a number of delays which increased the length of time it takes to get unsafe vehicles off the road.

Recommendation

To ensure that non-compliant carriers are sanctioned on a timely basis and unsafe vehicles are promptly removed from the road, the Ministry should:

- **conduct a full review of each stage of the enforcement process to determine if each activity is operating effectively, and if necessary, modify or eliminate unproductive activities; and**
- **assess and, where appropriate, implement alternative sanctioning processes, such as those suggested by the Task Force on Truck Safety.**

Ministry Response

A review of each stage of the intervention process is being conducted to ensure that the program is operating as effectively as possible.

Changes under development include:

- ***Commercial Vehicle Operator's Registration regulated intervention reforms resulting from Target '97 and other recommendations that will enhance enforcement practices;***
- ***effectiveness analysis of warnings, interviews and audits on subsequent safety compliance;***
- ***sanction procedures and process streamlining;***
- ***additional analytical staff with restructured responsibilities;***
- ***implementation of Bill 92 anti-avoidance provision and Commercial Vehicle Operator's Registration enhancements; and***
- ***tightening facility audit high-risk carrier selection criteria.***

The recently passed Bill 138 imposes an immediate roadside impoundment of critically defective vehicles. Criteria have been jointly established between government and industry as part of the Target '97 process that will form the basis for the impound. This will be the first such program in North America and will be the quickest and most efficient method of removing unsafe vehicles from the road. The economic deterrent value of a 15-day impoundment period is significant and is expected to be a strong impetus for industry to operate safe equipment.

Further, the Ministry will flag the Commercial Vehicle Operator's Registration records of all carriers who have had a vehicle impounded or have lost a wheel for follow-up action if required.

CARRIER REGISTRATION AND LICENSING

COMMERCIAL VEHICLE OPERATOR'S REGISTRATION

The *Highway Traffic Act* requires commercial vehicle operators to register for a Commercial Vehicle Operator's Registration (CVOR) certificate. CVOR registrants are responsible for the legislative requirements regarding the mechanical condition and the safe operation of their vehicles. All operators of vehicles weighing more than 4,500 kilograms or transporting 10 or more passengers must apply for a CVOR certificate. The Act states that the Ministry shall issue a CVOR certificate to every person who applies for one unless that individual is the holder of a CVOR certificate that is under suspension or subject to a fleet restriction. During the 1996/97 fiscal year, the Ministry received over 4,000 CVOR applications.

The CVOR system provides a profile of each operator's safety performance by tracking the accumulation of convictions, detentions and accidents. When performance reaches unacceptable levels, the Ministry initiates sanctions against the operator.

We reviewed the CVOR process and found that the Ministry verifies the applicant's company name and reviews the CVOR database to ensure no applicant with the same name is already registered. However, the Ministry does not have documented procedures in place to ensure the accuracy and completeness of the information provided by the operators. The Ministry microfiches all CVOR applications for a permanent record and shreds the original documents. The Ministry could not locate more than 50% of the microfiche records we requested.

The CVOR database contained records for over 80,000 registrants. The Ministry does not conduct a regular review or updating of these records for changes in address, corporate officers or fleet size. The Ministry uses fleet size to calculate a carrier's sanctioning threshold. CVOR holders are required to report to the Ministry any change in name, address or corporate directors. The Ministry has also introduced legislation requiring carriers to report estimated distances travelled and any change in their fleet size. However, there was no system in place to ensure that CVOR records were current, accurate and complete or to identify and remove inactive registrants. The Target '97 Task Force recommended an annual renewal process for the CVOR system.

During our testing we found that, on average, 25% of our sample of operator convictions arising from roadside inspections and facility audits were not recorded on the CVOR records. The Ministry was aware of the problem and informed us that this conviction information was generated by another ministry and, therefore, an inter-ministry study was required to address the problem. Since the Ministry uses the CVOR system for inspection and enforcement purposes, it is important that all convictions be recorded to ensure that timely and appropriate sanctions are imposed as necessary.

Recommendation

To help ensure the integrity of the Commercial Vehicle Operator's Registration system and database, the Ministry should:

- develop and document policies and procedures to ensure the accuracy and completeness of the information provided on applications for Commercial Vehicle Operator's Registration certificates;
- improve controls over the storage, retention and retrieval of microfiche records;
- ensure that carrier information on the system database is valid and up to date; and
- implement procedures to ensure that all carrier convictions are promptly and accurately recorded on the Commercial Vehicle Operator's Registration system.

Ministry Response

The Ministry will ensure that documented policies and procedures are in place to ensure the accuracy of the information provided by applicants and to reflect the ongoing enhancements to the Commercial Vehicle Operator's Registration program. The introduction and implementation of the Commercial Vehicle Operator's Registration certificate renewal requirement will also ensure greater database integrity. This along with other initiatives that will improve Commercial Vehicle Operator's Registration data integrity were the subject of legislation passed last fall and embodied within many of the Target '97 recommendations. For example, this new legislation will promote greater database integrity with respect to company fleet size, distance travelled in the province and corporate officers and shareholders and ensure that the information is accurate and up to date.

The Ministry is committed to ensure that convictions are promptly and accurately recorded on the operator's record and discussions with other ministries where appropriate have been initiated.

COMMERCIAL CARRIER LICENSING

Pursuant to the *Truck Transportation Act*, all commercial carriers must obtain a ministry operating licence to provide for-hire trucking services in Ontario. To obtain a licence the applicant must be insurable, hold a CVOR certificate, not be an undischarged bankrupt and demonstrate fitness to carry on the business. Fitness is determined through a safety fitness assessment based on criteria established under the Act. The applicant must also pass a written competency test which covers areas such as safety, vehicle maintenance, insurance, relevant legislation and record-keeping. According to the Ministry there are over 28,000 licensed carriers in the province and, during the 1996/97 fiscal year, the Ministry received 2,650 applications for a commercial carrier licence.

We found that the Ministry did not have procedures in place to assess carrier applications as required by legislation. For example, the Ministry did not perform the required assessments of applicants' past conduct or check for convictions under various Acts including the *Highway Traffic Act* and the *Transportation of Dangerous Goods Act*. In 1988 the Ministry produced a licensing manual which established procedures to follow when assessing applications. However, these procedures were not being used by ministry staff, and new procedures had not been developed.

At the time of our audit, the Ministry was drafting a proposal to repeal the *Truck Transportation Act's* licensing requirements so that carriers would no longer require licences to operate as for-hire carriers. We were informed that the requirements relating to carrier safety would be retained, including assessments of the applicants' safety fitness.

Recommendation

To help ensure that only appropriately qualified applicants are licensed, the Ministry should develop policies and procedures for assessing factors such as safety fitness as required under the *Truck Transportation Act* or any replacement legislation.

Ministry Response

The integrity of the Commercial Vehicle Operator's Registration database is expected to improve as a result of planned revisions, and, in turn, the Ministry's ability to evaluate the fitness of an applicant will also improve. Further, all applicants must complete a safety fitness test that establishes the carrier's knowledge of safety requirements in the province.

Formal policies will be developed to reflect proposed legislative changes to the Truck Transportation Act/Motor Vehicle Transport Act for for-hire truck licensing programs. More specifically, the for-hire licensing function required by these Acts is planned for devolution, so that more emphasis can be directed to the Ministry's core safety business.

PROGRAM ADMINISTRATION

The Safety and Regulation Division is responsible for setting and enforcing safety standards and promoting highway safety. The inspection staff of one of the five regions report to the Safety and Regulation Division. Staff of the other four regions report to the Operations Division and, although a committee structure is in place to facilitate communication, most of the inspection staff are not directly accountable to the Safety and Regulation Division.

Additionally, as we noted previously in this report, policies and procedures were lacking in several of the areas we reviewed, and area offices' inspection activities varied significantly. We also previously noted substantial workload backlogs in the enforcement area.

The Ministry's goal for truck inspection stations is to have these stations open 24 hours a day, seven days a week but this is not possible due to limited resources. Consequently, the Ministry

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tries to have inspection stations open at different times, in an unpredictable manner, including during non-business hours such as evenings, nights, weekends and holidays. However, there were no ministry-wide policies establishing hours of operation for truck inspection stations, staff scheduling, numbers of staff per shift or policies for area patrol. Based on our visits to four area offices, we found that two offices generally set their schedules to reflect 65% day, 20% afternoon and 15% night shift coverage. The other two offices generally set 80% of their shift schedule during the day. We also found that area patrols were generally scheduled only during day shifts.

In 1994, through a project called Enforcement '97, the Ministry commenced a review of the existing practices at truck inspection stations with a view to enhancing operational effectiveness. Based on recommendations from this review, the Ministry subsequently piloted a mobile inspection unit and currently plans to purchase nine more mobile units. The Ministry also implemented an automated clearance system which allows carriers with good safety records to bypass inspection stations. At the time of our audit, the Ministry was planning to hire additional staff, but had not conducted a study of the staff allocation required to meet the changes recommended.

Recommendation

To improve administration and to help ensure that commercial vehicle safety activities are delivered more economically, efficiently and effectively, the Ministry should:

- review staff reporting relationships to determine whether current lines of accountability are appropriate; and
- develop guidelines for truck inspection station operating hours, staffing and scheduling, as well as for area patrol activities.

Ministry Response

The current staff reporting structure has evolved over many years. The Ministry will review staff reporting relationships to determine if the current reporting structure continues to support the effective and efficient delivery of truck safety activities given the enhancements that have taken place in our truck safety programs over the past few years.

The scheduling of truck inspection station hours of operation, staffing and scheduling of area patrol activities is in part locally determined and reflects the presence or absence of seasonal trucking operations, number and types of truck inspection station bypass routes, truck volumes by route, day, month, hour and so on in each area of the province. A standardized prescriptive approach has not worked well in all district areas.

However, the Ministry agrees that guidelines that have been in existence since the 1980s will be reviewed and updated as necessary to reflect changes to provincial enforcement priorities and key performance activities. The guidelines will reflect new initiatives, such as the truck safety components of Bill 138 which provides for the impoundment of unsafe commercial vehicles at strategic truck inspection stations planned for extended operations on a 24-hour-a-day, seven-day-per-week basis.

MOTOR VEHICLE INSPECTION STATIONS

LICENSING AND INSPECTION

Motor vehicle inspection stations, typically local garages, are licensed by the Ministry to have vehicles inspected and safety-certified. Stations register their licensed mechanics with the Ministry. All commercial vehicles must be periodically inspected and safety-certified by a registered mechanic. There are about 13,000 licensed Motor Vehicle Inspection Stations and 48,000 registered Motor Vehicle Inspection Mechanics in the province.

Stations must apply to the Ministry for a Motor Vehicle Inspection Station (MVIS) licence in order to conduct safety inspections on commercial vehicles. The application lists the licensed mechanics available for registration. Ministry enforcement officers visit applicants to ensure that the station has a properly sized facility, appropriate tools and licensed mechanics. If all requirements are met, an MVIS licence is issued that allows the station to inspect both commercial and passenger vehicles. During the 1996/97 fiscal year, the Ministry granted over 1,200 new MVIS licences. Commercial carriers can obtain an MVIS licence and safety-certify their own vehicles.

Prior to 1988, ministry policy required the inspection of all MVIS licensees on a cyclical basis. The Ministry no longer has a periodic inspection process in place, as cyclical inspections of almost 13,000 licensees would be too costly. The Ministry also informed us that the cyclical inspection process did not result in a justifiable number of incidents of non-compliance so resources were directed to other activities. Investigations are generally only conducted on MVIS licensees when complaints are received from the public or ministry enforcement staff. Few complaints have been received regarding carriers with their own MVIS licences. We visited five area offices and found that the number of investigations in the previous year conducted on carriers with their own MVIS licences ranged from none to ten.

We noted that the Ministry does not regularly generate information to identify high-risk stations for inspection purposes. For example, to help identify the misuse of safety certificates, ministry procedure recommends a periodic comparison of the number of certificates provided to each station relative to the number of mechanics available to perform vehicle inspections. However, such comparisons were not being done on a regular basis.

When the Ministry detects non-compliance with legislation, such as inspections which are incompetently performed, it may revoke a station's licence or the mechanic's registration. During the 1996/97 fiscal year, the Ministry revoked eight MVIS licences and the registrations of two mechanics. However, the Ministry did not have documented procedures establishing criteria specifying when a recommendation to revoke a licence or registration is warranted.

Recommendation

To ensure adequate monitoring of Motor Vehicle Inspection Stations, the Ministry should:

- implement a risk-based approach for selecting Motor Vehicle Inspection Stations for inspection;
- regularly generate information designed to highlight areas of concern for investigation and follow-up;
- require increased monitoring and more frequent inspections of those carriers licensed to inspect their own vehicles; and
- establish uniform criteria for determining when an inspection station's licence or a mechanic's registration should be revoked.

Ministry Response

The Ministry remains committed to a Motor Vehicle Inspection Station (MVIS) inspection program based on risk. The Ministry will formalize and document specific criteria for the selection of high-risk stations (targeted) for inspection and audit. Criteria such as plate removals, out-of-service roadside detention rates, disproportionately high issuance of safety standard certificates and trucking companies which are also MVIS stations will be reviewed.

The Ministry will complete an evaluation and identification of high-risk MVIS stations (including self-certifying trucking company stations).

In the longer term, the Ministry has initiated a review of the MVIS program in 1996 and will include enhancements to ensure that high-risk stations are routinely identified and greater access is provided to field staff of system data for enforcement purposes. This review will include the potential for alternate means of control and administration of the MVIS network. The Ministry will also strengthen the MVIS revocation guidelines for enforcement staff.

COMMERCIAL VEHICLE CERTIFICATION

Licensed stations purchase safety standard certificates with removable stickers from the Ministry and apply the stickers to the commercial vehicles that pass their safety inspections. All commercial vehicles are required to display a safety standard sticker as evidence that they have been inspected by a registered mechanic. Trucks are to be certified at least annually and buses semiannually. Licensed stations are required to retain the safety standard certificates noting such information as the inspection date and vehicle inspected.

Motor vehicle safety standard certificates and their accompanying vehicle stickers are purchased by Motor Vehicle Inspection Stations from the Ministry in booklets of 10 for a standard fee. Each certificate and its sticker has a sequential control number. The Ministry keeps a record of the control numbers of the certificates sold to licensees. However, there are no centralized records of certificates or stickers reported lost or stolen, and the Ministry does not track the stickers issued by stations. During the audit, both ministry staff and police officers

expressed concerns regarding lost or stolen stickers being applied to unsafe vehicles. To address these concerns, legislation was proclaimed in October 1996 to substantially increase fines for the misuse of safety stickers.

The Ministry relies on its enforcement officers to verify that a safety sticker is affixed to each vehicle they inspect. However, no centralized listing is available to help enforcement staff to determine if a safety sticker is valid. To determine if a sticker has been properly issued, enforcement staff have to trace certificate sales to the licensee and review the licensee certification records. This process is time consuming and may only be justifiable on a random selection basis.

Recommendation

To increase assurance that safety stickers are affixed only to properly inspected vehicles and to help prevent the misuse of safety stickers, the Ministry should:

- improve controls over the recording of both stickers issued and stickers reported lost or stolen; and
- provide enforcement staff with a convenient method of determining the validity of safety stickers and certificates.

Ministry Response

While lost and stolen inspection sticker stock can now be retrieved by motor vehicle inspection station, the Ministry will provide a more convenient method of determining the validity of safety stickers and certificates for roadside enforcement purposes. Expanded enforcement access and quality assurance and audit functions will be included as a component of the Motor Vehicle Inspection Stations review project's mandate.

In addition, carriers identified through roadside detentions and those without a valid annual inspection sticker are now in the high-risk priority audit category and targeted for immediate inspection. Vehicles without valid annual inspection stickers have recently been subject to substantially increased fines. The impact of these fines and follow-up enforcement actions are expected to have a strong deterrent effect.