



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Division of Motor Vehicles

5707 MacCorkle Avenue, Southeast

Post Office Box 17300

Charleston, West Virginia 25317-0010 • (304) 558-3900

TDD: (800) 742-6991 • (800) 642-9066

Earl Ray Tomblin
Governor

Paul A. Mattox, Jr., P. E.
Cabinet Secretary

December 1, 2012

West Virginia Legislature
Joint Committee on Government and Finance
State Capitol Building
Charleston, West Virginia 25305

Dear Committee Members:

Presented herein in accordance with the provisions of West Virginia Code §17A-2B-3 is the report of the Division of Motor Vehicles pertaining to setting forth a plan for the consolidation of state government services and of enforcement of laws pertaining to the regulation and taxation of the motor carrier industry.

This report provides a framework to further the goals and objectives outlined in House Bill 4103 passed during the 2012 Regular Session of the West Virginia Legislature. This agency's work and the work of our partner, the Rahall Appalachian Transportation Institute with the support of the Federal Motor Carrier Safety Administration in fulfilling the mandate contained in the legislation will continue.

Please feel free to contact me at (304) 926-3871 if any additional information is required.

Sincerely,

A handwritten signature in black ink that reads "Joe E. Miller".

Joe E. Miller
Commissioner

/sd

Cc: Paul A. Mattox, Jr., P.E.
Secretary of Transportation



***Consolidation Study for Motor Carrier Services
- Interim Report***

December 1, 2012

Participating Institutions:

West Virginia Division of Motor Vehicles
5707 MacCorkle Ave, SE
Charleston, WV 25317

**Marshall University Research Corporation on behalf of the
Nick J. Rahall, II Appalachian Transportation Institute (RTI)**
Marshall University
Huntington, West Virginia 25755

Kentucky Transportation Center (KTC)
College of Engineering
University of Kentucky
Lexington, Kentucky 40506-0281

Authors:

Andrew Martin
Mark Bell
Kent Sowards
Chandra Inglis-Smith

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EXECUTIVE SUMMARY

This study will facilitate the consolidation of motor carrier services and the enforcement of the laws which assist in the final implementation of functions by the state in order to achieve Core CVISN compliance. The West Virginia State Legislature found that it is very cumbersome and onerous for motor carrier business entities to obtain the necessary permits, licenses and file the necessary returns, reports and other documents through numerous state agencies, whose offices are scattered both geographically and administratively throughout state government. The lack of centralization of these various state agencies also results in the redundancy of information provided by motor carrier entities to those agencies. The Legislature finds the lack of centralization of these government functions does not encourage the growth and success of this industry in the State. As a result, it passed House Bill No. 4013, which designated the West Virginia Division of Motor Vehicles (DMV) as the lead agency in coordinating the consolidation of motor carrier regulation and taxation responsibilities in the State of West Virginia. The Legislature also finds that it would be more cost effective and efficient to all the state agencies and the motor carrier industry to provide these services through consolidated facilities, licensing and permitting processes and electronic information and communication technologies. The decision also notes the suitability of the DMV because of its role as the lead agency of the West Virginia Commercial Vehicle Information Systems and Networks (CVISN) project and other interagency motor carrier-related projects. The agents conducting this study will examine the state agencies, divisions, and departments responsible for the delivery of government services and the enforcement of laws pertaining to the commercial vehicle or motor carrier industry, and provide a report detailing the best options available for consolidation as mandated by HB 4013.

DIVISION OF MOTOR VEHICLES

Under the current organizational structure, the Vehicle Services Section is the desired organizational location for most of the services the DMV would house should the functions be transferred into its agency. Those transitioned programs are listed below, with the current host agency in parenthesis:

- Uniform Carrier Registration (PSC)
- Oversize-Overweight Permitting (Highways)
- Solid Waste (PSC)
- Hazmat (PSC)
- IFTA Tax (Tax)
- IFTA Audit (Tax)
- IRP Audit (Tax)
- Operating Authority (PSC)
- Extended Weight (PSC)
- Dyed Fuel (Tax)

Consolidating employees from various agencies always creates a multitude of difficulties. First, employees currently working in other agencies are generally uncomfortable with the idea of consolidation and concerned about their own careers and future in state government. As a result, there will be some resistance to a major reorganization. There are issues with personnel

compensation as well. First, there are legacies of previous reorganization efforts that must be addressed in terms of funding mechanisms and pay differentials. Although all agencies are governed by the pay grades set by the Division of Personnel, these pay grades provide a range of appropriate compensation, and not a finite amount. For example, a pay grade 7 (or PG-7) has a minimum salary of \$20,472, a “market rate” of \$33,372, and a maximum rate of \$37,884. Some agencies will be on the lower end of these ranges, and others on the higher end. Some agencies have been allowed to create higher pay grades for positions which are essentially equivalent to positions at lower pay grades in other agencies. DMV Commissioner Joe Miller has reiterated that he wishes to keep every affected employee and his or her current salary should services be transitioned to his agency or any other consolidated organization; however, position reclassification it may potentially impact pay grade status, as there is overlap between pay grades. This may impact an employee’s future salary by placing them closer to the maximum allowable under a lower pay grade.

Another component of difficulty with regard to consolidation is the cost of migrating employees to new spaces. The DMV estimates each new employee will need a 6X6 workspace (on average) and about \$1,500 worth of office equipment (desk, chair, computer, and phone). The DMV, which currently leases about 72,000 square feet in the Kanawha Mall in Charleston, may option another 5,000 square feet in the storefront properties next to the IRP/IFTA office. The proprietor of this property has increased his offering price for the remaining space, which should be factored into the overall cost estimate.

Information technology presents formidable challenges as well, as the DMV will have to incorporate information systems and processes from other agencies about which they know very little. There are also legal restrictions, particularly privacy laws and regulations prevent state tax agencies from sharing tax information with other government agencies. For example, the electronic GenTax system maintained by the State Tax tracks several types of tax information – not just taxes owed by motor carriers. These separate tax categories are not firewalled by the GenTax system. As a result, the Tax Department cannot easily grant access to outside agencies, as personal income tax, business tax (for non-motor carrier enterprises), excise taxes, etc. cannot be shared with the DMV. Finding a workaround to this solution could be very difficult. DMV officials have suggested retrofitting the old Affiliated Computer Services (ACS) system used prior to GenTax implementation to share tax data between the State Tax Department and DMV. Such an undertaking would require more investigation. More generally, combining components of the IT systems would require consultation with IT experts in all four agencies, additional space in order to move and store equipment, a new system architecture and implementation plan, and ample funding to ensure the project is complete so that consolidated service to motor carriers throughout the state can be delivered in the spirit of the proposed legislation (HB 4103). Additional employees may be needed for administrative and technical support. These administrative assistants and information technology specialists represent an additional cost to the state, but is necessary in order to provide the DMV with the functionality and capacity to handle all of the programs it would oversee. The IT requirements would be significantly enhanced. Given that most IT employees in other agencies have multiple duties, it would be difficult to relocate them to the DMV without hampering or disrupting unrelated operations in those agencies.

OTHER AGENCIES

There are additional consolidation challenges related to each of the other agencies responsible for administering other motor carrier programs:

- Tax Privacy Laws (State Tax Department)
- GenTax Compatibility Issues (State Tax Department)
- Auditing Capacity (State Tax Department)
- Reorganization Costs (State Tax Department)
- UCR Funding Issue (Public Service Commission)
- Weight Enforcement Funding Issue (Public Service Commission)
- Coordination with PSC Officials (Public Service Commission)
- IT Issues (Public Service Commission)
- Superloads Analysis (Highways)
- Concerns of Other Agency Officials (All)

More detailed information about these challenges can be viewed in Chapter 2.

OTHER STATES

Kentucky, Indiana and Oregon have all undergone a similar consolidation process for motor carrier regulation, taxation and credentialing programs. Each state has taken a somewhat different approach. Kentucky's reorganization was somewhat organic, and occurred very gradually over the course of several years and reorganization efforts. Indiana's process was purposive but also somewhat gradual, occurring over a period of roughly four years. Oregon's reorganization process was simultaneous. Officials in each state have expressed satisfaction with the reorganization process. Kentucky officials noted the significant benefits realized with cross-training and the Motor Carrier Advisory Committee. Indiana official saw streamlined workflow processes and increased performance in its various motor carrier programs. Oregon officials experienced improved relations with industry through its own motor carrier council, employment efficiencies (realized largely through attrition) and improved performance through a more synergized and better organized work force. Maryland's economic development incentives were realized by the implementation of policies unrelated to motor carrier program consolidation.

TRUCKING INDUSTRY

Members of the West Virginia Trucking Association have been interviewed and survey to assess industry opinion concerning the current system of motor carrier regulation, taxation and credentialing. The motor carrier industry finds state governments handling of such programs to be inefficient, confusing and therefore costly to them.

The West Virginia Trucking Association made several recommendations concerning potential improvements to motor carrier services:

- Provide as many online services as possible
- Provide a centralized customer account management system
- Allow operators to print their own permits
- Provide consistently accepted forms of payment
- Provide all physical services at one location
- Provide a guide that helps owner operators understand state and federal requirements
- Provide a step-by-step procedural guide for all necessary credentials, permits, tax forms, etc.
- Keep merchant rates and swipe fees as low as possible for electronic forms of payment
- Install kiosks at regional offices for walk-ins

It should be noted the industry representatives were not interested in full-service centers at regional offices. They would prefer resources be maximized toward development of web applications and services. Industry representatives want a more centralized system of electronic account management that allows all eligibility issues and questions to be addressed simultaneously and online or with the assistance of a single representative. **Essentially, they want a One Stop Shop setup with better e-government services that allow them to operate more efficiently, with fewer administrative hassles.** Additional information from industry representatives is pending the return of surveys administered at the WVTA's annual convention.

RECOMMENDATIONS

As a result of all documented research assembled for this report, there are several recommendations that will be made to the West Virginia Legislature. These are mostly generalized recommendations, the details of which await further investigation and deliberation on the part of officials at all affected agencies, as well as members of the Legislature and executive branch. Some of these recommendations will require extensive problem-solving and cooperation between all affected parties if they are to be effective. Without such an approach, the reorganization could exacerbate the current challenges of improving motor carrier services for the people of West Virginia and the motor carrier industry.

Agency Consolidation

In order for more effective administration of motor carrier services in the state, it is recommended that all legal authority, functionality, personnel, equipment, and requisite funding for motor carrier services currently residing in the Public Service Commission, Division of Highways and State Tax Department be moved into the Motor Carrier Services section of the Division of Motor Vehicles. Specifically, this would mean operating authority, hazardous materials registration, solid waste disposal, Unified Carrier Registration, Commercial Vehicle Enforcement, extended weight permits, and Coal Resource Transportation System from the Public Service Commission; IFTA tax processing, IFTA audits, IRP audits and dyed fuel from the State Tax Department; and oversize-overweight (OS/OW) permits from the Division of Highways. Excepted from this move would be superload analysis, which would still need to be conducted by the State Highway Engineer.

Consolidation Plan Development

The Division of Motor Vehicles will need additional time to work through many of the logistical issues involved in such a move, and will need to decide upon a strategic plan and vision consistent with its goals and the goals of West Virginia. The state Legislature should give the agency time to develop a plan that will address physical relocation, personnel, information technology implementation, legal issues, funding issues, and any other unforeseen logistical issues that may arise. This plan will need to be quite detailed and contain several components:

Consolidation Timeline

This plan should also address the timing and process of the consolidation, and whether it should be done incrementally (on an agency-by-agency basis) or simultaneously. This report provides examples of states with both experiences: Indiana's was incremental, while Oregon's was simultaneous. There are benefits and detriments to both processes. Incremental change takes longer but is generally smoother and creates fewer problems along the way. Simultaneous consolidation may take less time but is apt to be more error-prone. Information technology limitations and facilities/personnel planning will ultimately be quite consequential for these decisions.

Federal Statutory and Regulatory Compliance Review

Recommended changes to state laws and regulations will be made in this report, but there are potential issues with federal statutes and regulations, particularly in the area of tax law. The DMV needs to investigate and come to a complete understanding of these issues to ensure tax privacy laws are not violated. Cooperation and coordination with FMCSA to ensure all migrated services comply with motor carrier law and regulation is also recommended.

Addressing Challenges to Consolidation

Further investigation should specify how the DMV intends to address all of the consolidation challenges we have identified, such as funding problems at the scales and the computer systems at the Tax Department. Any further investigation needs to take on all of these issues. In some cases, the assistance of the West Virginia Legislature may be required, particularly in working out funding issues.

Personnel Plan

A comprehensive personnel plan needs to be assembled to address the transition process. The plan needs to specify a plan for personnel selection and how the DMV would coordinate this process with other agencies. The plan should include a standardized interview process, and criteria for selection of employees. Additional administrative and information technology staff will probably be required. The plan should specify personnel numbers, projected salary costs, new office equipment, relocation costs, etc. The report will need to review the pay grade/classification status of each employee and attempt to resolve incongruities wherever possible. This may require new classifications established with the guidance of the Division of Personnel or smoothing of current pay differentials. A new Motor Carrier Services organization chart should be created as well, specifying job titles, administrative roles and any support staff.

Budget Plan

The agency's new budget plan will need to take into account new projected expenditures and identify the appropriate revenue streams to cover costs. Previously unsolved funding issues resulting from a previous reorganization of commercial vehicle enforcement will have to be addressed. One possible solution would be to allow the DMV to keep a percentage of revenue it brings in from a particular program, such as OS/OW permits, trip permits, UCR, etc. Another would be a statutorily dedicated funding stream. This budget plan will have to be worked out in consultation with the Legislature and the State Budget Office. The budget plan will have to include personnel costs, operating costs, new furniture and equipment (including network equipment), maintenance contracts for IT systems, facilities costs and any other transition costs.

Facilities Plan

A plan for acquiring additional space for offices, cubicles, storage, networking equipment and additional customer waiting/service areas should be included. The additional space at the Kanawha Mall in Charleston for lease would be the ideal location for such offices, but DMV administrators will need to assess all possibilities and enter into the appropriate lease or contractual agreement on the basis of the prepared plan.

Motor Carrier Advisory Committee

It is recommended the Legislature create a Motor Carrier Advisory Committee, which will initially consist of all current motor carrier service agencies, as well as key industry representatives. Officials should consult with the West Virginia Trucking Association and other affected trade groups regarding the creation of this committee. Elected officials should be included as well, with members including the Transportation Secretary, Revenue Secretary, Speaker of the House, President of the Senate or their designated representatives. Initially, this committee should consist of all four motor carrier agencies to help provide a smooth transition to a consolidated administrative apparatus. However, once an agency's responsibilities are wound down they would no longer be on the committee. This committee should meet quarterly at least, perhaps monthly throughout the consolidation process.

IT Strategic Plan

A strategic IT plan will be absolutely necessary and will have to answer several key issues. The first component will need to be a plan to achieve CVISN Core Compliance. This process is already well under way, and it appears West Virginia is close to achieving this, but an accounting of the remaining steps is critical. The sooner CVISN Core Compliance is achieved, the more grant money the state can get through FMCSA to fund these technological improvements. IT logistics will need to be issued. In other words, does DMV plan to tackle this by enhancing its own IT personnel or by strengthening its ties with West Virginia, Interactive? Either way, hiring additional IT staff will be necessary, whether they work internally for the DMV, or are contracted to work with the DMV full-time. Who will design the new motor carrier portal, host the system, maintain the system, and integrate all of the modules from DMV and other agencies? How much space will be needed to maintain all the current network equipment, which is housed in various locations, as well as future IT systems? There should be an overall strategic plan with specific timetables. Another consideration should be the order at which existing systems in other agencies should be migrated to the DMV. Will the standalone (like UCR, Hazmat, or Bentley) be incorporated first, while the more difficult (in-house PSC and Tax systems) wait until later? How does this all dovetail with the \$5 million modernization project the DMV plans to pursue?

Motor Carrier Portal

The DMV should work with West Virginia Interactive and other partners to develop a motor carrier portal that combines each of the electronic applications created for various motor carrier regulation, credentialing and taxation programs. This portal should include a single sign-on mechanism so that all motor carrier records are kept in a single, easily accessible online location.

Cross-Training Curriculum

The DMV should develop a training program to train both current and new employees how to administer other programs to be consolidated under DMV administration. The process should enable the agency to compensate when regular program administrators are sick, on vacation or leave. The amount of time and effort needed to train the initial wave of employees is likely to be greater than in future situations. The guide should be specific about how best to cross-train, which programs should be included, and how to prioritize training resources. The strategic focus should be finding efficiencies in the work processes that may enable the agency to save money in the future.

Legislation

This report will include proposed legislation to consolidate the authority and function for all motor carrier programs in the DMV, potentially identify funding mechanisms for unfunded agency functions, address any tax statutes which may preclude DMV usage of tax account information, and examine federal compliance issues. The legislation should establish the authority of the Motor Carrier Advisory Committee. It should also authorize the executive branch to help coordinate the consolidation process. The report will include a basic legislative package, but additional legislation may be required at a later date for unforeseen circumstances.

Work Flow Issues

There are still some processes that will require coordination with other agencies. For example, business registration with the Secretary of State's office and superload analysis by the engineers in the Division of Highways will require action not under agency jurisdiction. Efforts should be made to sit down with those agencies and devise efficient ways to handle work flow when coordination between those entities is required.

PROPOSED LEGISLATION

Recommendation is still pending further investigation by Rahall Appalachian Transportation Institute and the University of Kentucky. Tentatively, the following sections of the West Virginia Code have been identified as laws to be amended in order to implement the consolidation process. Further investigation may unearth other statutes, as well as potential obstacles via federal law.

Code Section	Title	Agency
§11-14	Gasoline and Special Fuel Excise Tax	TAX
§11-14A	Motor Carrier Road Tax	TAX
§11-14B	Interstate Fuel Tax Agreement	TAX
§11-14C	Motor Fuel Excise Tax	TAX
§24A-1	Purpose, Definitions, and Exemptions	PSC
§24A-1A	Commercial Vehicle Regulation	PSC
§24A-2	Common Carriers By Motor Vehicles	PSC
§24A-3	Contract Carriers By Motor Vehicles	PSC
§24A-4	Private Commercial Carriers	PSC
§24A-5	Powers and Duties of Commission	PSC
§24A-6	Duties and Privileges of Motor Carriers Subject to Regulation of the Commission	PSC
§24A-6A	Registration of Interstate Commerce Commission Authority and Identification of Vehicles to be Operated Thereunder	PSC
§24A-6B	Registration and Identification of Vehicles Operated by Persons Engaged in Hazardous Materials Transportation	PSC
§24A-7	Complaints, Damages and Violations	PSC
§24A-8	Review of Commission's Action by Supreme Court of Appeals	PSC
§17A-2-10	Motor Vehicles Commissioner-- Reciprocal Agreements with other statates	DMV
§17A-2-10a	Authorizing the Entry of this State into Reciprocal Agreements; payment of taxes; issuance of registration plates or markers; promulgation of rules; interagency cooperation, requirement that all registrans pay tax; intermittent interstate commerce and promulgation of rules; proportional registration agreement prevails.	DMV
§17A-10A	Fees for Registration and Licensing, etc.	DMV

THIS LIST MAY NOT BE ALL-INCLUSIVE

Chapter 1. Background

This study will facilitate the consolidation of motor carrier services and the enforcement of the laws which assist in the final implementation of functions by the state in order to achieve Core CVISN compliance. The West Virginia State Legislature found that it is very cumbersome and onerous for motor carrier business entities to obtain the necessary permits, licenses and file the necessary returns, reports and other documents through numerous state agencies, whose offices are scattered both geographically and administratively throughout state government. The lack of centralization of these various state agencies also results in the redundancy of information provided by motor carrier entities to those agencies. The Legislature finds the lack of centralization of these government functions does not encourage the growth and success of this industry in the State. As a result, it passed House Bill No. 4013, which designated the West Virginia Division of Motor Vehicles (DMV) as the lead agency in coordinating the consolidation of motor carrier regulation and taxation responsibilities in the State of West Virginia. The Legislature also finds that it would be more cost effective and efficient to all the state agencies and the motor carrier industry to provide these services through consolidated facilities, licensing and permitting processes and electronic information and communication technologies. The decision also notes the suitability of the DMV because of its role as the lead agency of the West Virginia Commercial Vehicle Information Systems and Networks (CVISN) project and other interagency motor carrier-related projects. The agents conducting this study will examine the state agencies, divisions, and departments responsible for the delivery of government services and the enforcement of laws pertaining to the commercial vehicle or motor carrier industry, and provide a report detailing the best options available for consolidation as mandated by HB 4013.

House Bill No. 4103 states: “The Legislature finds that responsibility for delivery of government services and the enforcement of laws pertaining to the motor carrier industry currently resides in several state agencies, divisions and departments including the Division of Motor Vehicles, Public Service Commission, Division of Highways and, State Tax Department. The Division of Motor Vehicles currently administers numerous provisions of this code relating to the regulation of the motor carrier industry in this state, including chapter seventeen-a of this code, which prescribes the process for titling and registration of all motor vehicles, the provisions for commercial driver licenses set forth in chapter seventeen-b of this code, and has numerous other responsibilities relating to the motor carrier industry. The Division of Motor Vehicles also has significant interaction with the various federal agencies and other state agencies responsible for the administration of government functions relative to the industry. It further appears to the Legislature that a significant portion of the responsibility, in terms of volume of transactions and its database, routine contact with the industry and assignment of staff pertaining to regulating the motor carrier industry, is currently vested in the Division of Motor Vehicles. Therefore, the Legislature finds that the Division of Motor Vehicles is the appropriate agency to plan the consolidation of the administration and enforcement of the various state laws pertaining to the motor carrier industry. ... Therefore, it is the purpose of this article to facilitate the consolidation of the administration of government services pertaining to the motor carrier industry and to designate the division as the lead agency in planning the consolidation of state government services and enforcement of laws pertaining to the regulation and taxation of the motor carrier industry. ... The division shall consult with these agencies and shall solicit and use any applicable experience and expertise that can be beneficial to the development of the plan of

consolidation. ... The Division of Motor Vehicles shall submit to the Joint Committee on Government and Finance on or before December 1, 2012, a report setting forth the plan for the consolidation of state government services and of enforcement of laws pertaining to the regulation and taxation of the motor carrier industry. ... The report shall make recommendations pertaining to changes in laws, administration, personnel and procedure in the provision of government services applicable to the motor carrier industry and shall include drafts of recommended legislation necessary to implement the proposed consolidation.”

West Virginia Interactive has been engaged to provide the state’s data exchange system or Commercial Vehicle Information Exchange Window (CVIEW) and its primary focus will be to exchange commercial vehicle data among multiple state systems as well as with the SAFER and PRISM national systems administered by the FMCSA. This interface will provide a centralized resource for authorized agencies to access safety and other credential status information prior to credentials being issued. After a credential has been issued the data relevant to the credential will be passed to CVIEW from where it will be accessible to all other systems. CVIEW will pass the data to SAFER/PRISM so it can be shared with other jurisdictions. CVIEW also will support PRISM requirements. One update process from CVIEW will provide IRP data to SAFER/PRISM for CVISN and PRISM purposes. West Virginia will coordinate closely with FMCSA technical support to ensure that both CVISN and PRISM requirements are addressed in the development and testing of the State’s CVIEW. The study is also to include recommendations for improvements to the state’s existing CVISN architecture.

The Vehicle Services Section is the desired organizational location for most of the services the DMV wished to have transferred into its agency. Those transitioned programs are listed below, with the current host agency in parenthesis:

- Uniform Carrier Registration (PSC)
- Oversize-Overweight Permitting (Highways)
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agencies will be on the lower end of these ranges, and others on the higher end. Some agencies have been allowed to create higher pay grades for positions which are essentially equivalent to positions at lower pay grades in other agencies. DMV Commissioner Joe Miller has reiterated that he wishes to keep every affected employee and his or her current salary should services be transitioned to his agency or any other consolidated organization; however, position reclassification it may potentially impact pay grade status, as there is overlap between pay grades. This may impact an employee's future salary by placing them closer to the maximum allowable under a lower pay grade.

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Chapter 2. West Virginia Motor Carrier Agencies

This chapter details the four agencies charged with administration of motor carrier taxation, regulation, and credentialing: Division of Motor Vehicles, State Tax Department, Public Service Commission and Division of Highways. Each agency's function, structure and personnel is described. Budget and personnel numbers are relayed, and information technology systems are described. The challenges of consolidating each particular agency are also denoted.

2.1 DIVISION OF MOTOR VEHICLES

Organizational Function, Structure and Personnel

The West Virginia Division of Motor Carriers (DMV) is nested within the state's Department of Transportation. The DMV has various responsibilities, including driver licensing, vehicle licensing and oversight of some motor carrier programs. Pertaining to motor carrier taxation, regulation and administration, the DMV oversees motor vehicle titling and registration, and administers the state's International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) programs (although the Tax Department handles IFTA tax processing and IRP and IFTA audits).

IRP was created in 1973 by an Association of Motor Vehicle Administrators (AAMVA) subcommittee consisting of motor vehicle administrators and transportation industry representatives. The primary objective of the committee was to develop a registration plan that would effectively incorporate all of the contiguous American states and Canadian provinces, and specify an apportionment or reciprocity plan agreeable to both the trucking industry and participating jurisdictions. Currently, the 48 contiguous U.S. states, the District of Columbia and 10 Canadian provinces comprise the 59 IRP member jurisdictions. More than two million commercial vehicles are registered with IRP – a number that may swell if Mexico decides to join the agreement. In 2010, the IRP generated more than \$225 million in total revenue across all 59 jurisdictions. New motor carriers are registered with a base jurisdiction, paying all registration fees directly to that jurisdiction. The current plan allows new registrants to submit their own estimated distances for each jurisdiction or to adopt a basic estimate derived by IRP officials. Registration renewals are similar in that registrants declare jurisdictions in which they intend to travel, but the mileage estimates are based on miles logged by the registrant in that particular jurisdiction in the previous year, unless the renewing registrant has never declared that particular jurisdiction. A registrant may incur fees in excess of the amount charged if registration fees were calculated based on miles logged in the previous year instead of mileage estimates for the forthcoming year. A trucking company may begin operating in a jurisdiction where it is not registered, and in order to legally operate, the company must either add that jurisdiction as a supplemental registration or purchase a trip permit.

IFTA, Inc. is a not-for-profit corporation formed to administer the International Fuel Tax Agreement. The agreement was formed between the continental United States and Canadian provinces in order to provide an equitable system for sharing fuel tax revenues between jurisdictions. The program is similar to IRP in this sense, although the object is to process fuel taxes instead of registration fees. These calculations are made by determining how many miles

each motor carrier has logged in each jurisdiction and charging the carrier based on the rate in each jurisdiction. Typically, motor carriers get credits in jurisdictions where they purchase fuel, offsetting some if not all taxes owed to a particular jurisdiction. In some cases, there is even a credit if the estimated fuel purchases exceed the miles logged in the state. These returns are filed quarterly with the West Virginia State Tax Division, which processes the returns and coordinates with other agencies that need information about IFTA taxes. The State Tax Division also audits IRP and IFTA returns. However, the DMV registers IRP and IFTA carriers with West Virginia as the base jurisdiction, and provides the necessary decals and documentation to allow those carriers to legally operate in West Virginia and other jurisdictions. IFTA licenses and decals must be renewed annually, as well as IRP registration, meaning the DMV handles both first-time registrants as well as renewals. Issuance of IFTA licenses and IRP registrations are made pending a screening check to ensure carriers have met all agency requirements for operation.

The DMV issues titles for new vehicles, including all vehicles purchased by motor carriers. The DMV issues plate to intrastate carriers doing business solely in the confines of West Virginia. The Division also issues IFTA decals and IRP plates to interstate motor carriers. West Virginia’s CVISN program, which is administered via a partnership with West Virginia Interactive, is also under DMV supervision. The DMV also operates 23 regional offices and a call center. The regional offices do not currently handle the licensing and permitting programs. Those are all exclusively the province of the DMV’s central office in Charleston.

Figure 1. DMV - Motor Carrier Services Organization Chart

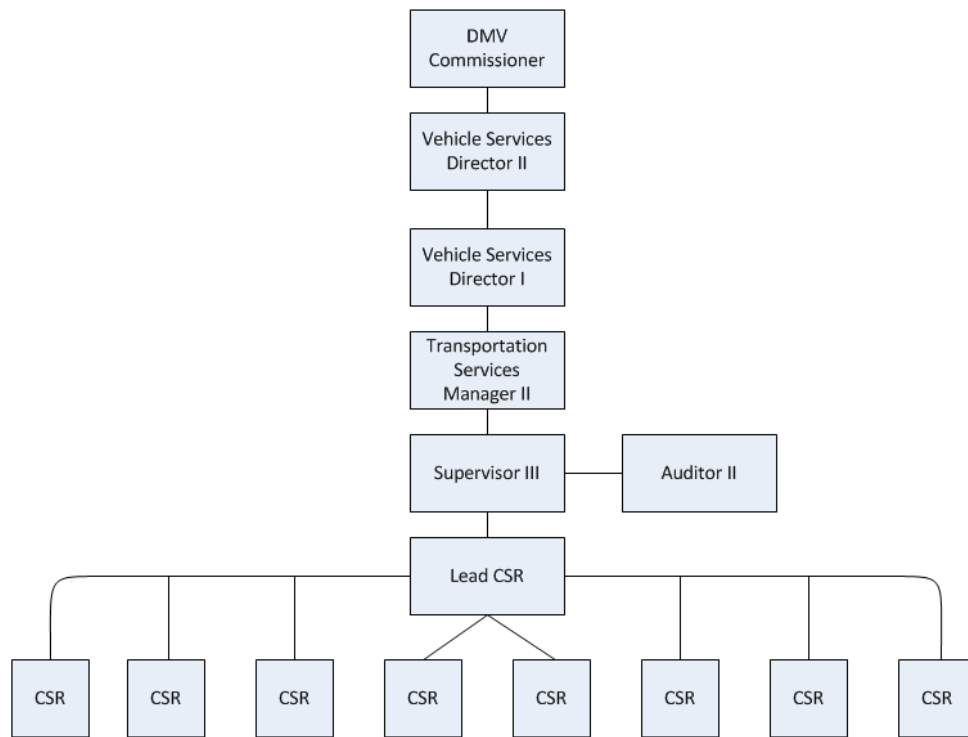


Figure 1 shows the organization of the Motor Carriers Service Section, which administers the IRP and IFTA program. The Commissioner, Director II and Director I positions are

administrative positions with other responsibilities than the motor carrier-specific programs managed by this agency. The Transportation Services Manager II is the highest-ranking employee whose primary focus is running the DMV's IRP and IFTA programs. Under this individual is a supervisor, auditor, and eight customer service representatives (or CSRs) – one of which is the lead CSR who takes a leadership role with other customer service representatives who assist customers on the phone or at in-office visits.

The West Virginia Division of Personnel provides administration of the state's merit system for executive agencies. Created in 1989 by legislative statute, the division is managed by a Director of Personnel and contains six functional areas: Communications and Administration, Employee Information/Transaction Processing, Classification and Compensation, Employee Relations, Organization and Human Resource Development and Staffing Services. The Division of Personnel released a schedule of salary grades effective February 1, 2009 for pay grades 2-26. The chart specifies monthly and annual rates for each pay grade, with a range moving from a minimum rate, to a market rate, and finally to a maximum rate.¹ These rates are used to provide structure and continuity in state workers' pay across agencies. The precise cost of a state worker is difficult to assess without detailed personnel information.

The following personnel perform Motor Carrier Services (IRP & IFTA) administration for the West Virginia DMV. Figure 1 shows the hierarchical structure of the organization.). There are additional administration personnel in the section who have supervisory authority over other programs in the Vehicle Services Section. These individuals, who have Director II, Director I and Administrative Secretary, are not included in the salaries estimate for this study. The IRP/IFTA subsection is headed by a Transportation Services Manager. At the next level is an employee with a Supervisor II classification, who has oversight of the customer service representatives. In sum, there are eight total CSRs, with one lead CSR.

Table 1 provides an estimate of personnel costs for DMV employees exclusively assigned to perform tasks associated with IRP and IFTA administration. Currently, labor costs associated with administration of those programs costs the state more than \$421,000. This figure does not include operating costs, maintenance costs, mailing costs or overhead costs. Nor does it include the salaries of administrators at higher levels within the organization, who have responsibilities for other programs and sections. These calculations include salary increment, fees, social security withholding, public employees' insurance agency (PEIA), retirement, and other post-employment benefits (which go toward health care coverage for state retirees). This figure is slightly lower than the estimated market cost of these employees

The budget for each section in the DMV is prepared in Management Services with the feedback of management in each section. In order to prepare a budgetary supplement, Management Services will need personnel information for all new personnel being integrated into the agency, along with discretionary costs, equipment costs, the costs of moving or gaining access to any information systems necessary for credentialing and tax programs, existing contracts which may have to be maintained, and costs for space. The DMV, which currently leases about 72,000 square feet with the Kanawha Mall, may option another 5,000 square feet in the storefront

¹ West Virginia Division of Personnel. 1 February 2009. "Schedule of Salary Grades 2-26." Accessed 23 October 2012 at: <http://www.state.wv.us/admin/personnel/clascomp/payplan/grades2-26.pdf>

properties next to the IRP/IFTA office. The purchase of office furniture, computers and other equipment is handled internally and it would be preferable to purchase new equipment rather than transfer equipment from current agencies if possible. Servers or information system architecture may be an exception to this rule.

Table 1. Salary Costs for IRP/IFTA Section

Cost	Amount
Salary	\$ 284,216.76
Increment	\$ 8,160.00
Fees	\$ 2,530.00
SS	\$ 20,238.72
PEIA	\$ 45,072.00
RETIRE	\$ 39,790.20
OPEB	\$ 21,360.00
Total	\$ 421,367.68

Table 2 shows the overall budget for the DMV. The first column shows the actual budget for FY 2011, the budgeted amount for FY 2012 and the total requested amount for FY 2013. The chart shows that the DMV receives none of its budget from the general fund. Most comes from the appropriated special fund, or Road Fund, followed by federal funding. A small but non-trivial amount of money comes from the non-appropriated special fund. The totals in the agency budget were projected to rise sharply in FY 2012, but this may be overstated as the actuals are not yet available from the West Virginia State Budget Office. The DMV does not require any General Fund allocation because it collects a large amount of money from vehicle registration, taxes and other programs it administers. However, most revenue is initially deposited into the Road Fund account before being funneled back to the DMV to fund its operations. The Road Fund accounted for nearly 82 percent of funding in FY 2011. Federal funding (such as funding from CVISN, as well as other sources) accounted for about 17 percent of funding, with the balance coming from the non-appropriated special fund.

Table 2. DMV Budget

Fund Type	Actual FY 2011	Budgeted FY 2012	Requested FY 2013
General Fund	-	-	-
Federal Fund	7,697,736	18,173,534	18,173,534
Appropriated Special Fund	37,129,493	47,320,236	47,320,236
Non-appropriated Special Fund	547,205	548,713	548,713
Totals	\$45,374,434	\$66,042,483	\$66,042,483

Source: West Virginia State Budget Office

Information Technology

West Virginia Interactive, which is part of NIC Inc., is responsible for developing the CVISN systems architecture. West Virginia Interactive is contracted with the DMV to develop the system, and Patrick Smith is technically a DMV employee, not a vendor. The DMV intends to engage in division modernization efforts, which include a planned \$5 million modernization project that will integrate online services in a Cloud database with all the information systems written in the same language. The new motor vehicle information system will interface with SAFER and will be accessed via a web portal.

Figure 2. West Virginia Proposed CVISN Network Architecture

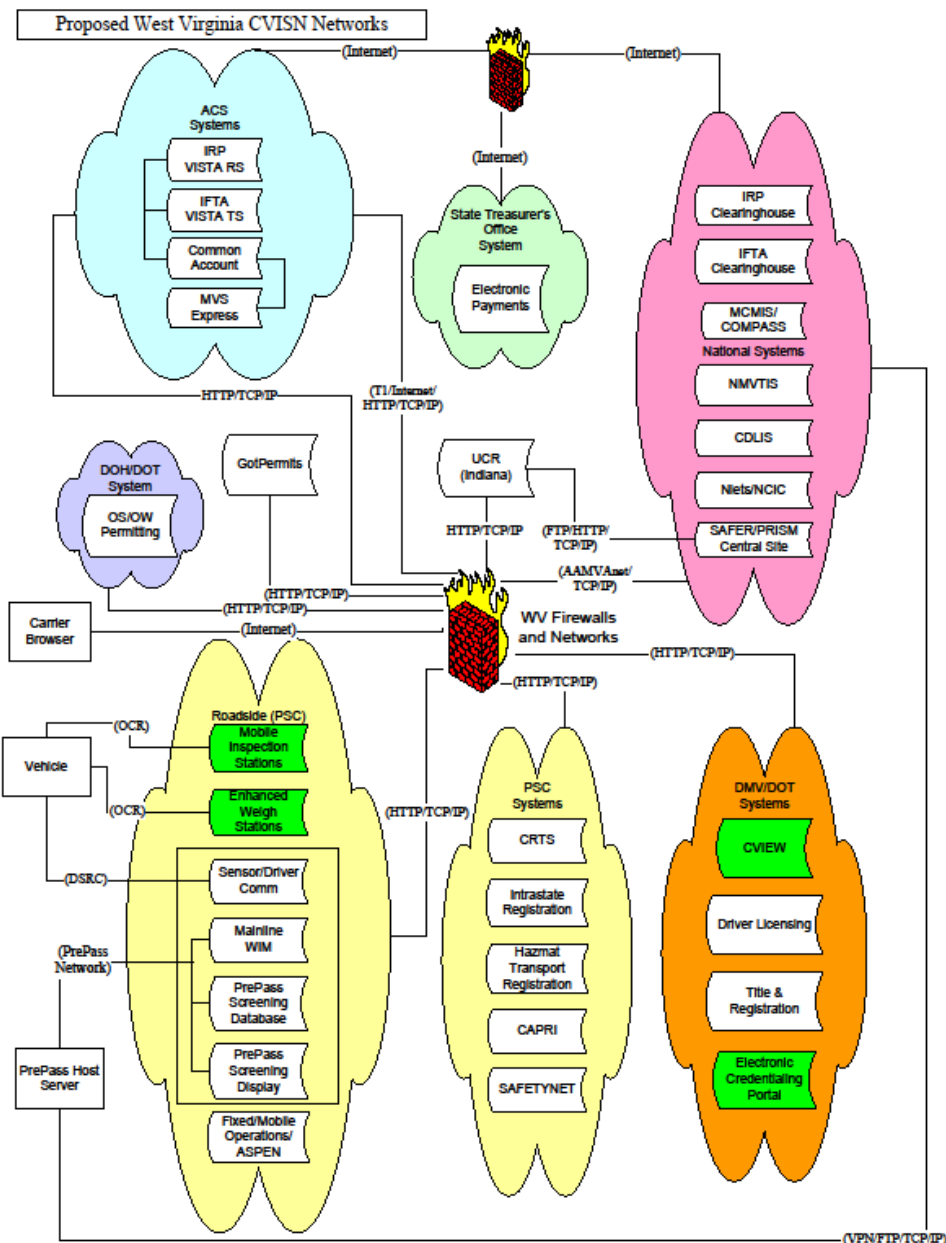


Figure 2 displays West Virginia's proposed CVISN Network Architecture. In West Virginia's current CVISN system, information is exchanged between several information systems residing in the State Tax Division, DMV, PSC, Division of Highways, the State Treasurer's Office, and several federal information systems. Descriptions of the components and system processes can be found in these exchanges of information between systems will require significant interagency cooperation regardless of how the State Legislature decides to address the consolidation mandate. This process is critical to achieving Core CVISN Compliance, which has already been achieved by 29 states. States with this status are eligible for additional CVISN funding opportunities. CVISN Core-compliant states contribute greatly to the national transportation infrastructure system by sharing information about motor carriers based in their own jurisdiction. This levels the playing field for all motor carriers by enhancing enforcement of vehicle safety regulations, permitting and credentialing laws, and tax payments. The DMV has been given the primary role in developing the CVISN Top-Level Design and system architecture. In addition to the efficiencies and more comprehensive operations which would arise because of consolidation, it would assist West Virginia in the quest for CIVSN Core Compliance by reducing the amount of interagency coordination necessary to implement the plans developed by the DMV and West Virginia Interactive.

Challenges for Consolidation

The Vehicle Services Section is the desired organizational location for most of the services the DMV wished to have transferred into its agency. Those transitioned programs are listed below, with the current host agency in parenthesis:

- Uniform Carrier Registration (PSC)
- Oversize-Overweight Permitting (Highways)
- Solid Waste (PSC)
- Hazmat (PSC)
- IFTA Tax (Tax)
- IFTA Audit (Tax)
- IRP Audit (Tax)
- Operating Authority (PSC)
- Extended Weight (PSC)
- Dyed Fuel (Tax)

Consolidating employees from various agencies always creates a multitude of difficulties. First, employees currently working in other agencies are generally uncomfortable with the idea of consolidation and concerned about their own careers and future in state government. As a result, there will be some resistance to a major reorganization. There are issues with personnel compensation as well. First, there are legacies of previous reorganization efforts that must be addressed in terms of funding mechanisms and pay differentials. Although all agencies are governed by the pay grades set by the Division of Personnel, these pay grades provide a range of appropriate compensation, and not a finite amount. For example, a pay grade 7 (or PG-7) has a minimum salary of \$20,472, a "market rate" of \$33,372, and a maximum rate of \$37,884. Some

agencies will be on the lower end of these ranges, and others on the higher end. Some agencies have been allowed to create higher pay grades for positions which are essentially equivalent to positions at lower pay grades in other agencies. DMV Commissioner Joe Miller has reiterated that he wishes to keep every affected employee and his or her current salary; however, position reclassification may potentially impact pay grade status, as there is overlap between pay grades. This may impact an employee's future salary by placing them closer to the maximum allowable under a lower pay grade.

Another component of difficulty with regard to consolidation is the cost of migrating employees to new spaces. The DMV estimates each new employee will need a 6X6 workspace (on average) and about \$1,500 worth of office equipment (desk, chair, computer, and phone). The DMV, which currently leases about 72,000 square feet in the Kanawha Mall in Charleston, may option another 5,000 square feet in the storefront properties next to the IRP/IFTA office. The proprietor of this property has increased his offering price for the remaining space, which should be factored into the overall cost estimate.

Information technology presents formidable challenges. The DMV will have to incorporate information systems and processes from other agencies about which they know very little. There are also legal restrictions, particularly privacy laws and regulations that prevent state tax agencies from sharing tax information with other government agencies. For example, the electronic GenTax system maintained by the State Tax tracks several types of tax information – not just taxes owed by motor carriers. These separate tax categories are not firewalled by the GenTax system. As a result, the Tax Department cannot easily grant access to outside agencies, as personal income tax, business tax (for non-motor carrier enterprises), excise taxes, etc. cannot be shared with the DMV. Finding a workaround to this solution could be very difficult. DMV officials have suggested retrofitting the old Affiliated Computer Services (ACS) system used prior to GenTax implementation to share tax data between the State Tax Department and DMV. Such an undertaking would require more investigation. More generally, combining components of the IT systems would require consultation with IT experts in all four agencies, additional space in order to move and store equipment, a new system architecture and implementation plan, and ample funding to ensure the project is complete so that consolidated service to motor carriers throughout the state can be delivered in the spirit of the proposed legislation (HB 4103). Additional employees may be needed for administrative and technical support. These administrative assistants and information technology specialists represent an additional cost to the state, but are necessary in order to provide the DMV with the functionality and capacity to handle all of the programs it would oversee. The IT requirements would be significantly enhanced. Given that most IT employees in other agencies have multiple duties, it would be difficult to relocate them to the DMV without hampering or disrupting unrelated operations in those agencies.

2.2 STATE TAX DEPARTMENT

Organizational Structure and Function

The West Virginia State Tax Department performs a variety of tax and auditing functions for the state, including those taxes which are applicable to motor carriers. The State Tax Department processes IFTA (International Fuel Tax Agreement) returns, and audits the returns of motor carriers for both IFTA and IRP (International Registration Plan). They also administer the state's dyed fuel program. There are several divisions within the department that have responsibilities for motor carrier taxation and auditing: the Revenue Division, Tax Account Administration Division and the Auditing Division. The Revenue Division has an EFT/Business Registration Unit, which sets up all initial tax accounts for new businesses in the state. Businesses that are motor carriers are then referred to the Tax Account Administration Division. The Tax Account Administration Division has a Motor Carrier Unit which processes the IFTA tax returns. This unit does not issue the licenses and decals – that is handled by the DMV. The Auditing Division handles IFTA, IRP, and motor fuels, which are processed by one of the Business Tax Units in the Division. This unit focuses on Motor Carriers, and also audits fuel suppliers, importers and exporters. The Information Technology Division manages the information systems for the Tax Department, which includes database information pertaining to motor carriers.

The multi-state registration, taxation and auditing process works as follows: Businesses register with the State Tax Department either electronically or manually. Copies of the application are sent to Unemployment Compensation. A business type is determined (corporation, sole proprietorship, or limited liability company) because certain organizations have to be registered with the Secretary of State's Office before the State Tax Department can actually set up a company. Based on the company's organization type and clearance with the Secretary's office, the appropriate tax accounts are set up. There is an electronic tax filing system that pushes information to the Secretary of State's Office, State Tax Department and Unemployment Compensation. The order of the workflow depends on the organization type.

If the Secretary of State's office approves the license, the company is free to do business in West Virginia. The State Tax Department also sends a letter to individuals indicating they must obtain an IFTA license, which is obtained from DMV. Motor carriers have a variety of permitting, credentialing and licensing responsibilities that need to be worked out with DMV, PSC and in the case of OS/OW permits, Highways. Once the IFTA license is issued by DMV and confirmed by the Tax Department sets up an IFTA account in its GenTax system. The decal information is put into the GenTax system by DMV officials. When the IFTA quarter ends, all active IFTA taxpayers not filing electronically will have automatically generated returns mailed to them by the State Tax Department. The returns are sent out approximately 60 days before they are due. Once the returns are mailed back into the Tax Department, the mail room processes the returns, scans or images them, and enters in the necessary data into the accounting system. The Tax Account Administration Division then processes the returns. The returns are assessed for accuracy by individuals processing the returns. Some errors are systematically identified by the GenTax system and noted in the reports; others are caught by Tax Department officials. If there is a problem with the return, the taxpayer is contacted and asked to verify the information. If taxes are not filed and paid on time, the first notice goes out approximately one month after the due date. Another notice is sent a month later. If the customer still has outstanding taxes, there will be a lien placed against the customer's property. On the other hand, if the customer is due a

refund, those are processed, tallied across all types of taxes tracked by the department and reported to the Office of State Treasurer, which writes checks and mails them to the taxpayer. If there is an issue with audits or bankruptcy, the Audits or Legal Division will handle most of the taxpayer contact.

Audits are selected in large part based on the quotas established by IFTA and IRP. The agreements require the Tax Department to audit a certain percentage of high-, medium- and low-mileage accounts. Leads on potential audits come from a variety of places; some leads are generated internally, others externally. When a company is selected for an audit, the Audit Division sends out a notification letter, questionnaire, and a waiver (to waive the 30-day waiting period notice if desired). The carrier has 45 days to respond. Once a response comes back, a case is created and assigned to the IFTA/IRP supervisor. The supervisor assigns this to a field-based auditor. The IRP information comes from DMV, as the Tax Department does not track IRP accounts. IRP information requests are submitted to the DMV; the agency returns requests for information in printed format and mails in to the Tax Department. Auditors are cross-trained to do audits for other excise taxes, with the exception of the cigarette tax. The field auditor then conducts the audit. Additional assessments are finalized and sent to the Tax Department for processing by audit clerks. Audit clerks will assess the audit to make sure all of the information was correctly assigned. Any revisions or changes to the audit will be sent back to the auditor by the audit clerk. Once the audit clerk signs off, the audit supervisor will review it. Once that process is complete, it is assigned to an “administrative review” status, where the assistant director or director will sign off on the audit. Once that it approved, the audits are assigned to billing or refunds in the case of IFTA, and back to the DMV for billing or refunds in the case of IRP. The DMV handles the IRP billing for the audit, even though it was conducted by the Tax Department. Transmittals to other jurisdictions for IFTA are handled by the Tax Department. The transmittal file sent to the IFTA Clearinghouse will reflect changes in audit statuses based on the new information acquired during the audit process. Transmittals from the IFTA Clearinghouse to West Virginia are caught by the GenTax system and the funds transfers are posted in the appropriate Road Fund account.

Figure 3. Tax Account Administration Division

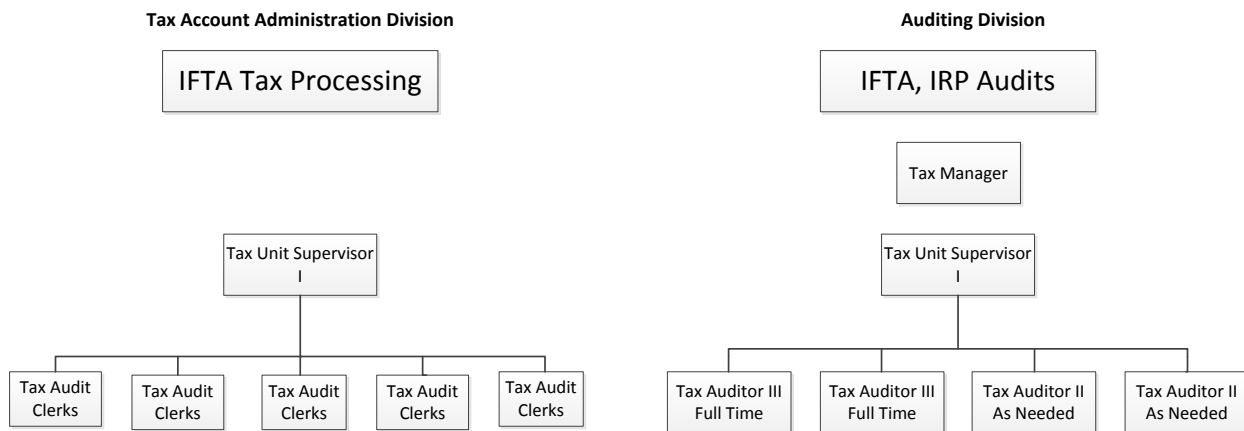


Figure 3 shows the personnel composition of the Tax Account Administration Division and Auditing Division for IFTA tax processing, as well as IFTA and IRP audits. There are five Tax Audit Clerks who process IFTA returns in the Excise Tax Unit, which is managed by a Tax Unit Supervisor. The Tax Unit Supervisor reports to a Tax and Revenue Manager, who oversees other tax units in addition to the Excise Tax Unit. The number of personnel who do IFTA and IRP audits varies. There are two full-time IRP/IFTA auditors, with an additional two to three auditors who generally do excise tax audits, but are cross-trained to do IRP and IFTA audits. The supervisor for this unit is a Tax Unit Supervisor, who also reports to a Tax and Revenue Manager.

Budget

Table 3 displays the budget information for the State Tax Department, which is located in the West Virginia Department of Revenue. The vast majority of Tax Department revenue comes from the state’s General Fund, roughly 80 percent. The remainder consists of modest amounts of appropriated and non-appropriated special fund allocations (about 4 percent and 16 percent, respectively). The Tax Department receives an administrative fee for processing the IFTA tax returns, and performing the IFTA and IRP audits.

Table 3. Budget for the State Tax Department

Tax Division (Revenue)			
Fund Type	Actual FY 2011	Budgeted FY 2012	Requested FY 2013
General Fund	21,120,946	27,519,596	27,510,956
Federal Fund	-	-	-
Appropriated Special Fund	1,114,315	1,886,360	1,492,817
Non-appropriated Special Fund	4,219,102	10,717,000	10,717,000
Totals	\$26,457,345	\$40,132,956	\$39,730,773
Total FTEs: 478	Motor Carrier Services FTEs: 12		

Source: West Virginia State Budget Office

Information Technology

Currently, DMV officials can VPN into the State Tax Department’s GenTax system in order to enter information about IFTA registration and decal issuance. There are security settings in place which allow those individuals to see relevant information for IFTA issuance but they cannot see other tax information. Individuals at the DMV can see attribute information such as name, address, contact information, etc. Those individuals may also see whether the organization has an active business license or suspended account. If there are problems in other tax areas DMV officials get a message that instructs them to tell the customer to call the Tax Department. Only motor carrier accounts are visible to these officials due to legal restrictions.

In the ACS system, which was in place until 2010, DMV officials were able to view IFTA return information because of a memorandum of understanding in place between DMV and Tax. After the implementation of the GenTax system, this changed because the GenTax system allows individuals with clearance to see IFTA returns the ability to see corporate and personal income tax returns, which are statutorily protected by privacy laws.

Motor carrier and IFTA returns can be filed electronically on the MyTaxes portal at mytaxes.wvtax.gov. GenTax includes a web services package that allows passing of tax information between the state tax system and the individual. Some transactions are processed immediately, while others are posted on a nightly basis. Tax forms and notices can be sent to taxpayers via a secure connection in the system. Online payment is strictly ACH/debit; however, credit card payments can be processed through the electronic services page. Those payments are processed by the Treasury Department. Audit payments can be made electronically as well through the MyTaxes portal.

Challenges for Consolidation

Tax Privacy Laws

Auditors in the Tax Department exchange a variety of tax information with each other. In cases where audits may be generated by examining abnormalities with corporate or personal income taxes, the ability to pursue such leads rests on the ability to share information with other employees of the Tax Department. If the audit functions for IRP and IFTA were broken out of the Tax Department, the ability to share tax information and share information about motor carriers potentially not paying all appropriate IRP and IFTA taxes (or fees). Reorganization may make it increasingly difficult to effectively enforce the tax code with the most flagrant violators.

GenTax Compatibility Issues

Another challenge concerns the information technology solution to the GenTax system. If IFTA tax processing, IFTA audits and IRP audits were moved under DMV jurisdiction, there would have to be an information technology solution developed, as GenTax is not set up to allow tax information firewalls that would be legally required in order to protect the privacy of other tax information in the system. Statutory restrictions at both the federal and state level prevent this information from being shared outside the Tax Department. One possibility suggested by DMV officials is to go back to the ACS system they were using before the GenTax system was implemented. However, this would require a security and feasibility assessment of the GenTax system and a rewriting of the software that would allow passing of restricted information between agencies.

Auditing Capacity

Auditors are cross-trained so they can do a variety of audits. Although there auditors whose primary designation is to work on motor carrier audits for IFTA and IRP, as well as fuel purchases, these auditors are also trained to do audits for certain excise taxes. If those auditors are moved to the DMV, there will have to be new personnel trained to do motor fuel audits and other excise tax audits. It would cost the agency lots of institutional knowledge and make pooling labor resources more difficult for the Tax Department. This invalidates to some degree the benefit of cross-training and is potentially a less efficient use of auditing resources.

Costs

The cost to reorganizing the tax functions will be significant. There will have to be significant personnel and information technology upgrades or retrofits in order to make the system workable. The legal challenges are considerable.

2.3 PUBLIC SERVICE COMMISSION

Organizational Structure, Function and Personnel

The Transportation Division of the West Virginia Public Service Commission has oversight over multiple motor carrier permitting and regulation programs.

The Transportation Administration Division consists of three sections: Motor Carrier, Hazardous Materials, and the Coal Resource Transportation System. The Motor Carrier section administers Unified Carrier Registration, intrastate motor carrier operating authority, intrastate and interstate assessments, filing fees for intrastate authority (taxi cabs, limousines, etc.), insurance fees, and solid waste disposal. The Hazardous Materials section oversees registration of hazardous materials transported in West Virginia and handles its identification, registration and permitting of commercial vehicles carrying such materials through the Alliance for Uniform Hazmat Transportation Procedures. Last, the Coal Resource Transportation System is a permitting and monitoring system for coal haulers on CRTS-designated routes. There is a section solely devoted to the coal hauling program.

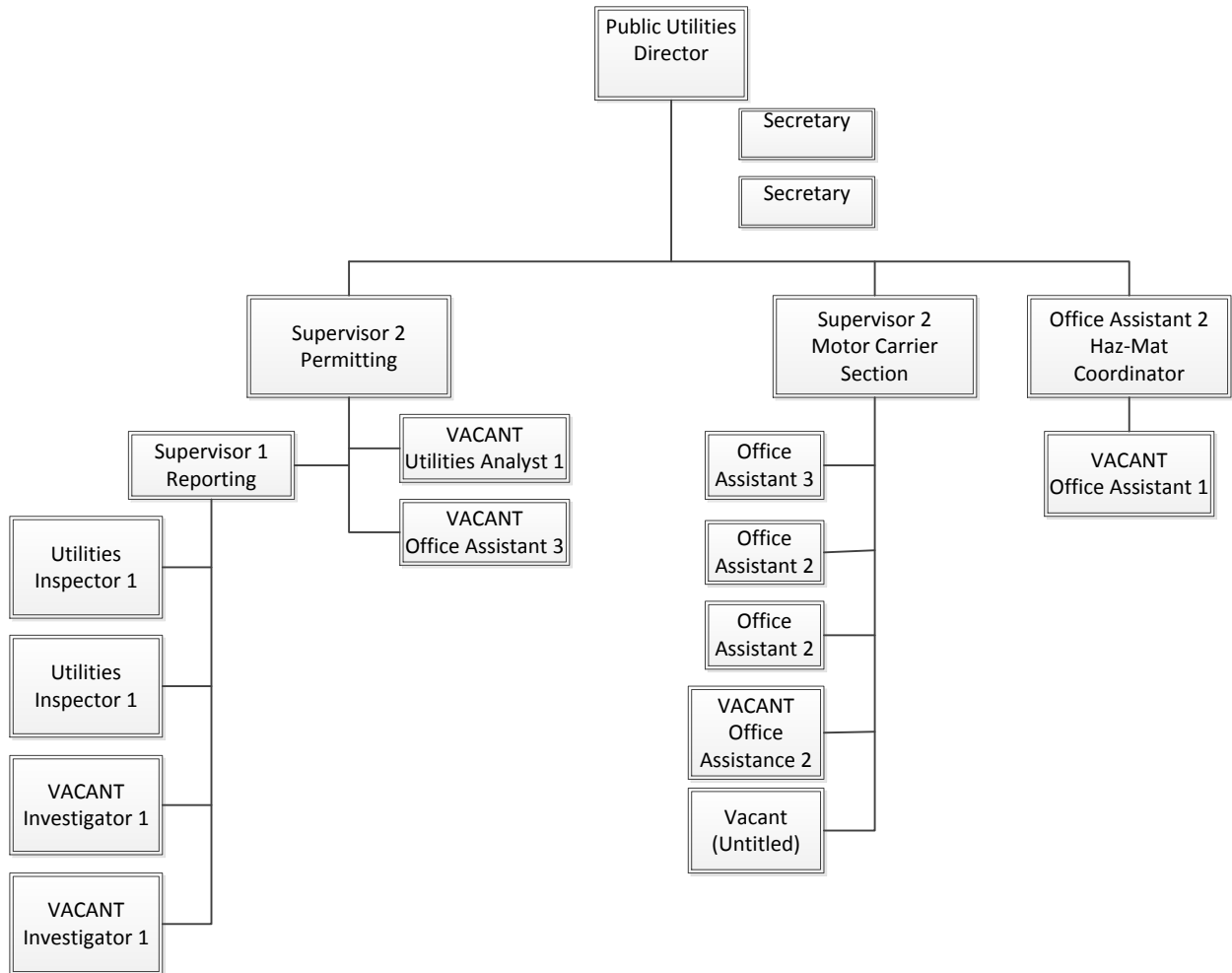
The Transportation Enforcement Division handles roadside and scale house enforcement of motor vehicle safety laws and regulations, permitting and credentialing programs and weight and measure laws and regulations. The division has four sections: Safety Enforcement, Railroad Safety, Special Operations and Logistics. Officers in the Safety Enforcement Section perform vehicle safety inspections of vehicles operated by motor carriers, as well as driver checks. Inspections are conducted in various parts of the state, at scales as well as at terminal facilities of intrastate carriers. The Railroad Safety Section is responsible for the administration and enforcement of federal and state safety regulations governing the transportation of persons or property by rail. As such, this division is not relevant to the study. Special Operations conducts safety audits on motor carriers involved in interstate commerce and does compliance reviews on non-hazardous materials intrastate carriers. This section includes a Special Patrol Unit, which patrols areas with high commercial vehicle accident rates in West Virginia. Logistics procures and inventories supplies and equipment. This group installs and maintains electronic equipment for the entire division.

For purposes of this study, only the Safety Enforcement and Special Operations section are of interest. The relevant IT support for the Transportation Administration Division and Transportation Enforcement Division is nested in the Administrative Division, which oversees the maintenance and installation of all technology at weigh stations as well as cruisers manned by the Enforcement Section. IT support typically resolves software issues with ASPEN, ISS and other software used to assist with commercial vehicle enforcement

The Transportation Administration Section has 12 employees and 7 vacant positions. Figure 4 displays the Transportation Administration Section organization chart. The director has control over the three subsections, Logistical support for the section is provided by two secretaries. The CRTS Program, which is to the left under the Permitting Supervisor 2 position, which also includes a Supervisor 1 and two Utilities Inspectors. There are two vacant Utilities Inspector positions, a vacant Utilities Analyst 1 position and a vacant Office Assistant 3 position. The Motor Carrier section is the middle branch, with a Supervisor 2, an Office Assistant 3, two Office Assistant 2s, a vacant Office Assistant 2 and a vacant untitled position. In the right branch

of the chart, the Hazmat Coordinator is an Office Assistant 2. Currently, there is a vacant Office Assistant 1 in that section.

Figure 4. PSC Administration Section



The Transportation Enforcement Section has 83 employees and 4 vacant positions. The employee organization contains the following personnel titles:

- Public Utilities Director (1)
- Administrative Secretary (1)
- Paralegal (1)
- Utilities Analyst 5/Manager (4)
- Regional Supervisor (8)*
- CRTS Supervisor (1)
- Special Operations Supervisor (1)
- Officers (42)
- Turnpike Patrol (6)

Special Operations (6)
Safety/Loss Control Specialist 1(1)
Secretary 2 (2)*
Office Assistant 2 (1)
Utilities Inspector Supervisor (1)*
Utilities Inspector 3 (4)
Utilities Inspector 2 (5)
Electronic Technician 2 (1)
Electronic Technician1 (1)*

*= Vacancy

Figure 5 displays the organizational chart for the Transportation Enforcement Division. Over the entire division is a public utilities director. The director's support staff consists of an administrative secretary and a paralegal. Directly below the There are four Utilities Analyst 5s, or managers of various sections. The sections are Eastern CMV Enforcement, Western CMV Enforcement, Special Operations and Training, and Railroad Safety (which is not of interest regarding consolidation but is part of the division nonetheless). The Eastern CMV Enforcement Section contains a Manager, 4 regional supervisors (with one vacancy), a CRTS supervisor, 24 officers and a Safety/Loss Control Specialist. The Special Operations and Training section contains a Manager, Special Operations Supervisor, seven officers in Special Studies Operations, six officers in the Turnpike Control and a Secretary 2 for logistical support. The Western CMV Enforcement Section has a Manager, four regional supervisors and 22 officers. Logistical support includes an Electronic Technician 2, an Electronic Technician 1 and a Secretary 2(which is currently vacant). The Railroad Safety Section consists of a Manager, Supervisor, five Inspector 3s and four Inspector 2s.

Figure 5. Transportation Enforcement Division Organization

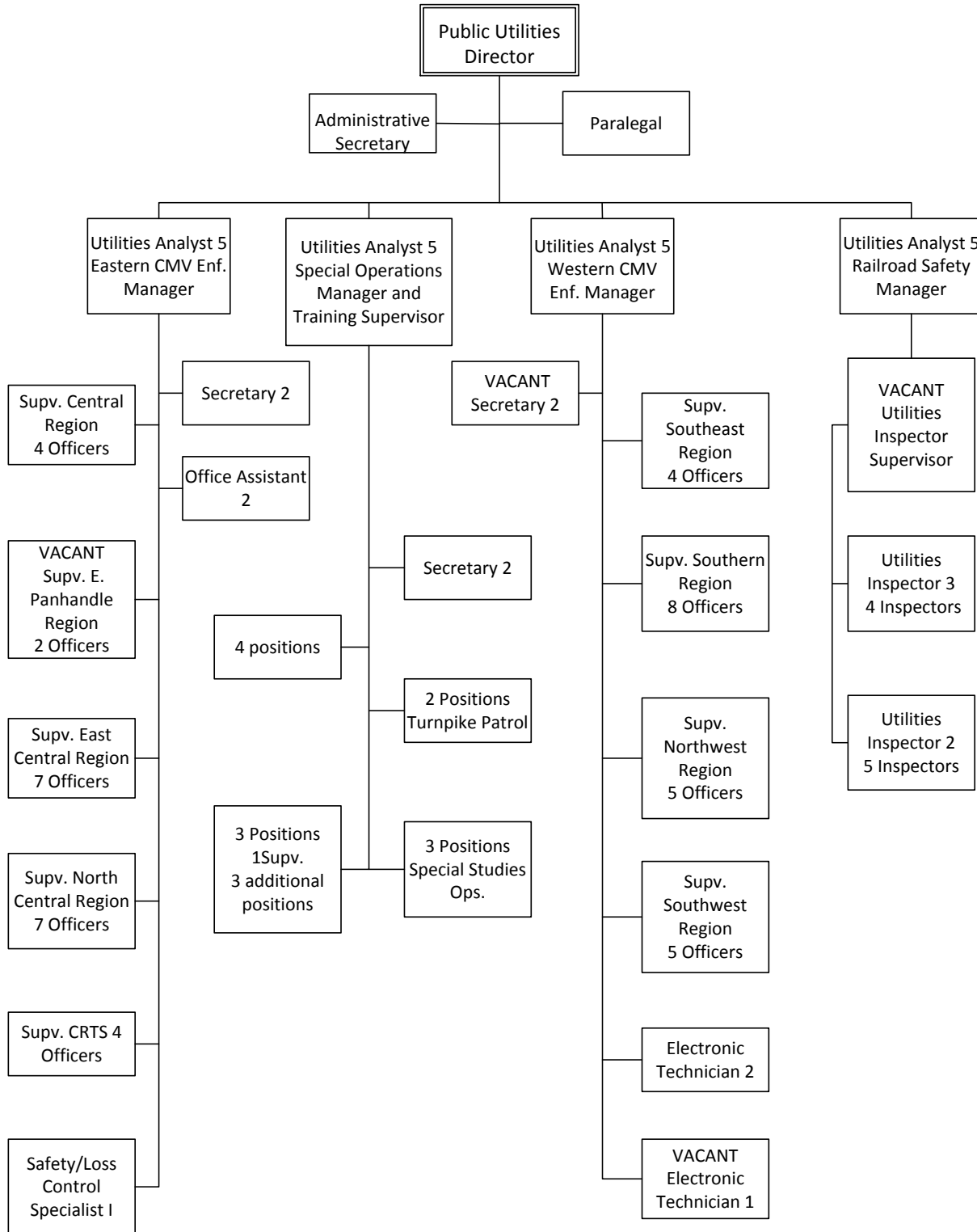


Table 4. Public Service Commission Budget

Fund Type	Actual FY 2011	Budgeted FY 2012	Requested FY 2013
General Fund	-	-	-
Federal Fund	1,165,407	2,785,392	2,793,785
Appropriated Special Fund	19,598,098	23,841,041	23,921,493
Non-appropriated Special Fund	1,005,146	2,216,839	1,687,211
Totals	\$21,768,651	\$28,843,272	\$28,402,489
Total FTEs: 294.04	Motor Carrier FTEs: 106		

Source: West Virginia State Budget Office

The Public Service Commission budget (shown in Table 4) for FY 2012 was \$26,715,278. This money was comprised of \$2,793,785 in Federal funds and \$23,921,493 in special revenue. None of the PSC funds come from the state's General Revenue fund. There are three primary funds the PSC uses to track its motor-carrier-related expenditures. The funding for the Motor Carrier Administration section comes from UCR and various permitting programs. State funding provided approximately \$2,260,273 of spending for the PSC's Motor Carrier programs for FY 2012, and federal funding provides an additional \$1,032,897 for these programs. The funding for weight/commercial vehicle enforcement comes from a combination of permitting programs, federal funding, and revenue from intrastate utility assessments. Spending in this area totaled \$3,298,808.38 for FY 2012. The assessments comprise a large percentage of the total spending on weight enforcement, as the weight enforcement program is the legacy from a prior merger with the Department of Highways. Administratively the weight enforcement and permitting/credentialing enforcement taking place at the scales were combined under the direction of the state Legislature. However, an alternative mechanism for funding was never identified, and PSC made up the difference with the assessments, which amounted to roughly \$3.2 million in FY 2012.

Information Technology

Several years ago the PSC decided to implement an integrated database, which integrates all divisions of the PSC. The contacts for all utilities and relevant motor carriers are contained in the database. Most of the carrier information for firms in this database pertains to firms that have to interact with the Utilities Division of PSC – those firms with operating authority issues, such as taxicab, limousine or solid waste companies. There is a connection to the state's mainframe system, but it is primarily used for HR tasks and functions. PSC has also designed a Motor Carrier database for the permitting and credentialing programs. The Motor Carrier system handles information for all permitting and credentialing programs, with the exception of Hazmat and CRTS. Mainframe systems were phased out a few years ago. The system in place now is a SQL back-end system with a Visual Basic front-end system that performs all database functions

for the Motor Carriers Section. All vehicle records, carrier information, permit and credential information, invoicing information, tax and fee payment histories, etc. are in this database.

There is a single-sign-on component for the Windows network at PSC, which allows all employees access to the various systems nested within PSC. A security table determines whether officials have read-only access or permission to edit records. These functions are all integrated with the overall network for the PSC. Pieces of the network, such as the Motor Carrier Database, could be moved out, as the database is essentially a module within a broader system.

Components of the Motor Carrier system, such as security and user privileges, would have to be broken out and rebuilt if migrated to a different information system. The exact interaction between the Utilities database and Motor Carrier database needs to be explored to see how data is shared for companies that do business with both divisions of PSC.

Challenges for Consolidation

UCR Funding Issue

The UCR agreement currently in effect requires all UCR revenue to be spent on administration and enforcement of the interstate operating authority program. If the Transportation Enforcement Division is not merged into the Division of Motor Vehicles, the money for the enforcement costs (which constitute the vast majority of UCR-related expenses) would legally have to be repatriated to the Transportation Enforcement Division. Another option would be to relocate move the Transportation Enforcement Division into the DMV; however, such as move would create additional complications.

Weight Enforcement Funding Issue

One complication that would be created by moving the Transportation Enforcement Division into the DMV is the funding source for enforcement at the scales, virtual weigh stations and other roadside locations, as well various vehicle inspection operations. Currently this money is derived from utility assessments performed by the PSC's Utilities Division. Officials reported this amount of money comes to roughly \$3.4 million annually. The revenue issue is a legacy of a previous reorganization, in which the function of weight enforcement (or commercial vehicle enforcement) was fully transferred to PSC. Previously the administrative and financial responsibilities were shared between PSC and the Department of Highways. Initially, Highways provided funds for a portion of the necessary funding while PSC assumed full control of commercial vehicle enforcement. If this function was transferred to the DMV, a funding stream for enforcement activities would have to be identified.

Coordination with PSC Officials

Another complication encountered by merging services into the DMV would be the information firewall between DMV and PSC, which makes interagency cooperation difficult. The Motor Carrier Administration and Enforcement sections are in frequent communication in order to carry out appropriate functions. There are PSC hearings related to applications for operating authority that would either have to be migrated to DMV or a workflow that allowed both agencies to exchange information in order for such functions to be carried out.

IT Issues

Reprogramming the Motor Carrier database may be necessary, and could be further complicated if the Utilities database records pertaining to motor carriers cannot be easily disentangled from the current system. More follow-up is necessary to determine the exact nature of this problem. New security programs will be necessary. It also needs to be determined whether the languages used to program the servers at PSC can be used to work with the systems in DMV. West Virginia Interactive will need to provide a technical assessment of this situation.

Concerns of PSC Officials

Officials in PSC contend the agency does a good job serving the motor carrier industry and is worried about the impact of consolidation. The PSC has still not resolved all of the issues created from the 2008 reorganization between the Department of Highways and the PSC. The CRTS and Hazmat programs make use of the information in the Motor Carrier database in some instances. The Utilities Division also has some contact with some of the motor carriers via hearings and assessments. Removing the database and reorganizing personnel may disrupt workflow in PSC in unforeseen ways. PSC officials contend a simpler alternative would be to create an integrated web interface for motor carrier owner-operators or the relevant administrator to file all taxes, fees, permits and credentialing paperwork, while leaving the physical operations intact in the current configuration.

2.4 DIVISION OF HIGHWAYS

Organizational Structure, Function and Personnel

The Central Permits Section, which is a subunit within the West Virginia Department of Transportation, has oversight over two areas of motor carrier permitting and regulation: oversize-overweight permitting and superloads. The Central Permits Section in the Division of Maintenance (which is nested inside the Division of Highways) handles all requests for oversize-overdimension permits and superloads. Applications for these permits are generally filed online through the oversize permitting system developed by Bentley, a company that specializes in software development for engineers, architects, geospatial professionals, constructors and owner-operators. The modeling software allows the Division of Highways to process permit requests, analyze structures that might create obstacles for oversize permits moving along particular routes and will soon allow for invoicing of those requests. According to Division of Maintenance officials, about 130,000 permits are processed every year, generating roughly \$7 million in revenue. This revenue is currently collected by the DOT business manager and the monies needed to run the Central Permits Section are returned to that section. Every permit processed by the office currently undergoes an automated bridge analysis process in the Bentley system. The more involved superloads are examined by superload specialists, and in some cases highway engineers, before being approved. Currently, about 77 percent of permits are filed through the online portal, and 80 percent of them are approved through the web interface during the initial review process. The rest are reviewed internally, and are either approved or rejected.

The Central Permit Section is working with Bentley to have a fully hosted portal running by the end of the year. All motor carriers will be required to file OS/OW permits and superloads online. Invoicing will be handled directly by Bentley instead of the business manager. There will be a terminal located in the Central Permit Section office for walk-in customers so that their permits can be processed through the new system. Regional permitting has not been a major priority for OS/OW permitting. The DOH district office in Clarksburg issues roughly 20-50 permits a year, mostly to a single customer. The agency does not provide escorts for motor carriers moving OS/OW loads, either. Private companies handle that task. Enforcement is handled by CVE officials under PSC jurisdiction.

Table 5.Division of Highways Budget

Fund Type	Actual FY 2011	Budgeted FY 2012	Requested FY 2013
General Fund	-	-	-
Federal Fund	503,068,035	499,600,000	502,900,000
Appropriated Special Fund	684,276,141	714,315,642	671,734,495
Non-appropriated Special Fund	37,610,388	23,030,000	23,831,000
Totals	\$1,224,954,564	\$1,236,945,642	\$1,198,465,495
Total FTEs: 4806	Motor Carrier FTEs: 8		

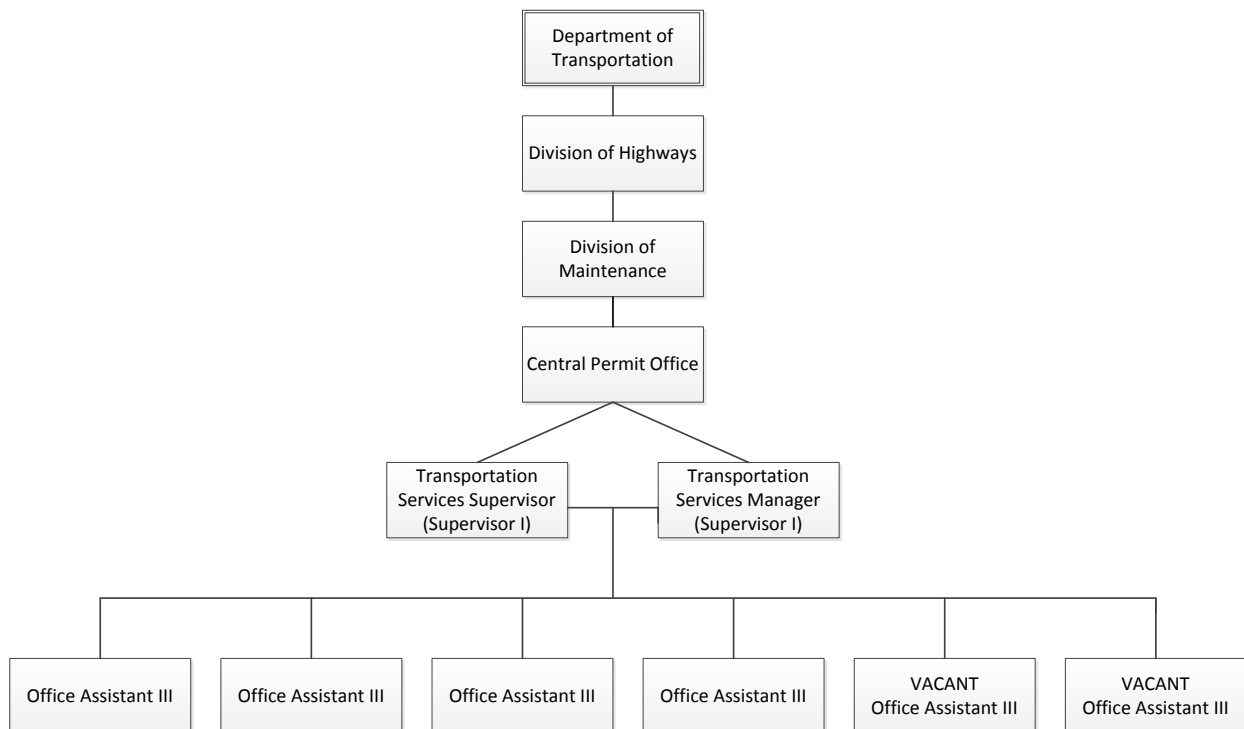
Source: West Virginia State Budget Office

The Division of Highways, in which the Division of Maintenance and Central Permit Sections are nested, has a budget of \$1.17 billion for FY 2013. This money all comes from the state's

Road Fund, which is a consortium of taxes, fees, licenses, and other sources of transportation-based revenue collected by the division. The Division of Highways is budgeted to spend \$294.8 million of this money in FY 2013. Most of this money (nearly 73 percent) goes to contractors for road maintenance. The Central Permit Office represents a very small piece of this pie. It generates far more revenue through its operations than is needed to run the section. Beginning shortly, the invoicing for OS/OW permitting will be handled by Bentley, who will transmit the money to the state while keeping a commission for itself of approximately 14 percent.

The Central Permit Section currently has 8 positions. There are two Transportation Services Managers with Supervisor I status, 4 individuals with an Office Assistant 3 classification (including the 2 superload specialists) and two vacancies. Figure 6 shows the organizational structure. The figure shows the Central Permit Office is nested within the Division of Maintenance, which is nested within the Division of Highways, which is nested within the Department of Transportation.

Figure 6. Central Permit Office Organizational Structure



Information Technology

The Bentley SUPERLOAD system is an electronic system meant to streamline the OS/OW and superload process. It automates most of the permitting process, provides intelligent routing, real time road and bridge analysis, payment processing and issuance. The Bentley system was specifically designed so that it can be integrated to work with transportation information networks, specifically the CVISN (Commercial Vehicle Information Systems and Network)

architecture of a given state. West Virginia officials would like to integrate their Bentley system with other information systems pertaining to motor carrier regulation, taxation and permitting.

Challenges for Consolidation

Superloads Analysis

The primary difficulty in integrating the OS/OW permitting process pertains to superloads, which require bridge analysis and expertise normally reserved for engineers working in the state highways department. The highways department is responsible for maintenance of highways, bridges and other roads throughout the state, and needs to be apprised of OS/OW traffic on routes for planning and safety purposes. There are no engineers working in the DMV, and given the tendency to pool engineers in highways for various projects, having dedicated personnel for OS/OW and superload permitting is probably not the most efficient way to manage this activity. If the Central Permits Section were to be reorganized under the DMV frequent contact with state highway engineers would still be necessary. Once the fully serviced Bentley system is operational, there will be little need for carriers to have direct contact with employees in the Central Permits Section, reducing the advantage of physical relocation to an extent. On the other hand, cross-training those employees to handle other tasks besides OS/OW permitting may provide additional benefits.

Chapter 3. Motor Carrier Consolidation, Best Practices in Other States

This chapter examines the organization of motor carrier regulation, taxation and credentialing and enforcement in other states. States identified for analysis are Kentucky, Oregon, Indiana and Maryland. The first three states were chosen because they all have most if not all motor carrier services consolidated within a single agency, and may have practices that the West Virginia DMV may be interested in emulating to various degrees. Maryland has had some successful economic development policies of interest to the DMV. Each section details each state's organizational features, personnel and budgets. The final section will draw on some general conclusions officials will want to consider as consolidation proceeds.

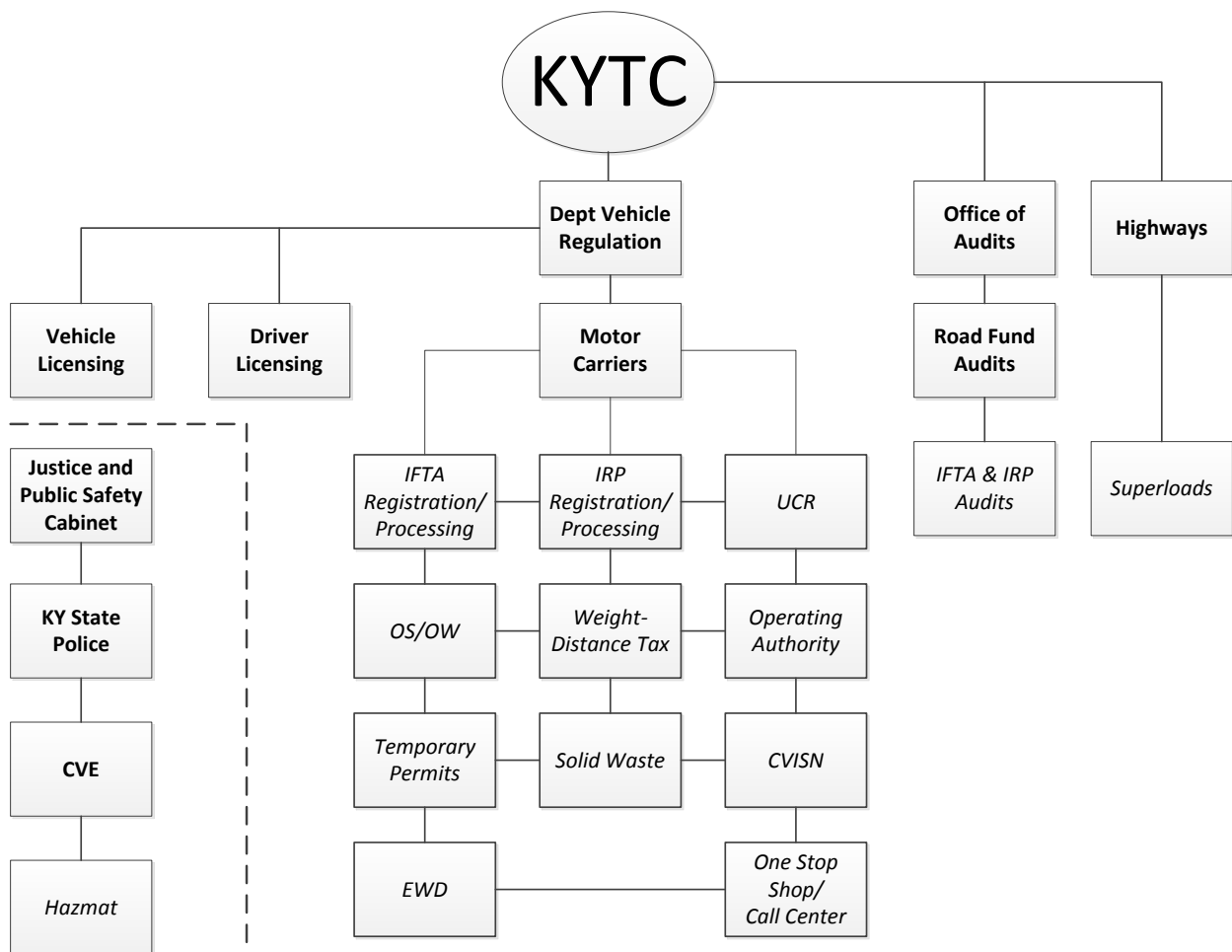
3.1 KENTUCKY

Kentucky's motor carrier services are almost entirely housed within the Department of Vehicle Regulation, which is nested within the Kentucky Transportation Cabinet. The current organization of the Department of Vehicle Regulation is the result of organic institutional evolution going back roughly 30 years. In 1981, the Division of Fuel and Roadway Taxation was created to handle tax processing for the intrastate and interstate fuel tax, as well as the weight-distance tax. Shortly thereafter, the Division of Fuel and Roadway Taxation was combined with the state's motor carrier licensing, permitting and credentialing programs to create the Division of Motor Carriers, which was to be nested within the Department of Vehicle Regulation along with the Division of Vehicle Licensing and the Division of Driver Licensing. The state's programs at that time included IRP (which Kentucky joined in 1973), intrastate and interstate fuel tax, operating authority, oversize-overweight permits, solid waste, insurance fee, temporary permits and the weight-distance tax (known as KYU). Audits of these programs were set up in the Division of Road Fund Audits, which is now located in the Office of Audits. Over time, other programs were added to the Division of Motor Carriers.

Several changes have followed, although the basic configuration of the Division of Motor Carriers and related programs are essentially the same. Kentucky joined IFTA in 1995, with its participation IFTA replacing the previous interstate fuel tax program. The Division of Motor Carriers handles IFTA registration and decal issuance, although IFTA audits (as well as IRP audits) are handled by Road Fund Audits. The tax processing is currently conducted by the Regional Processing Center in New York States, which handles processing for 14 IFTA jurisdictions. The Division of Motor Carriers was also chosen to lead Kentucky's CVISN efforts beginning in 1995. In 1998, Transportation Cabinet officials decided to create an integrated One Stop Shop that would enable a customer to come into the Transportation Cabinet's main office and receive assistance with all motor carrier-related permitting, credentialing and taxation issues. This system was taken into account so that when the Transportation Cabinet moved into its new building on Mero Street in Frankfort in 2002, the building was set up so that customers could be assisted with all Motor Carriers, Vehicle License and Driver License-related issues at one location. There are six customer service representatives who assist these walk-ins. In 2010, the state added a call center with an additional 24 employees to take calls from customers concerning routine questions and problems. Those with more complicated issues can be referred to the administrators of the corresponding motor carrier program. This move was supported by the Kentucky Motor Truck Association and others in the industry because it consolidated all of these processes in one organizational unit.

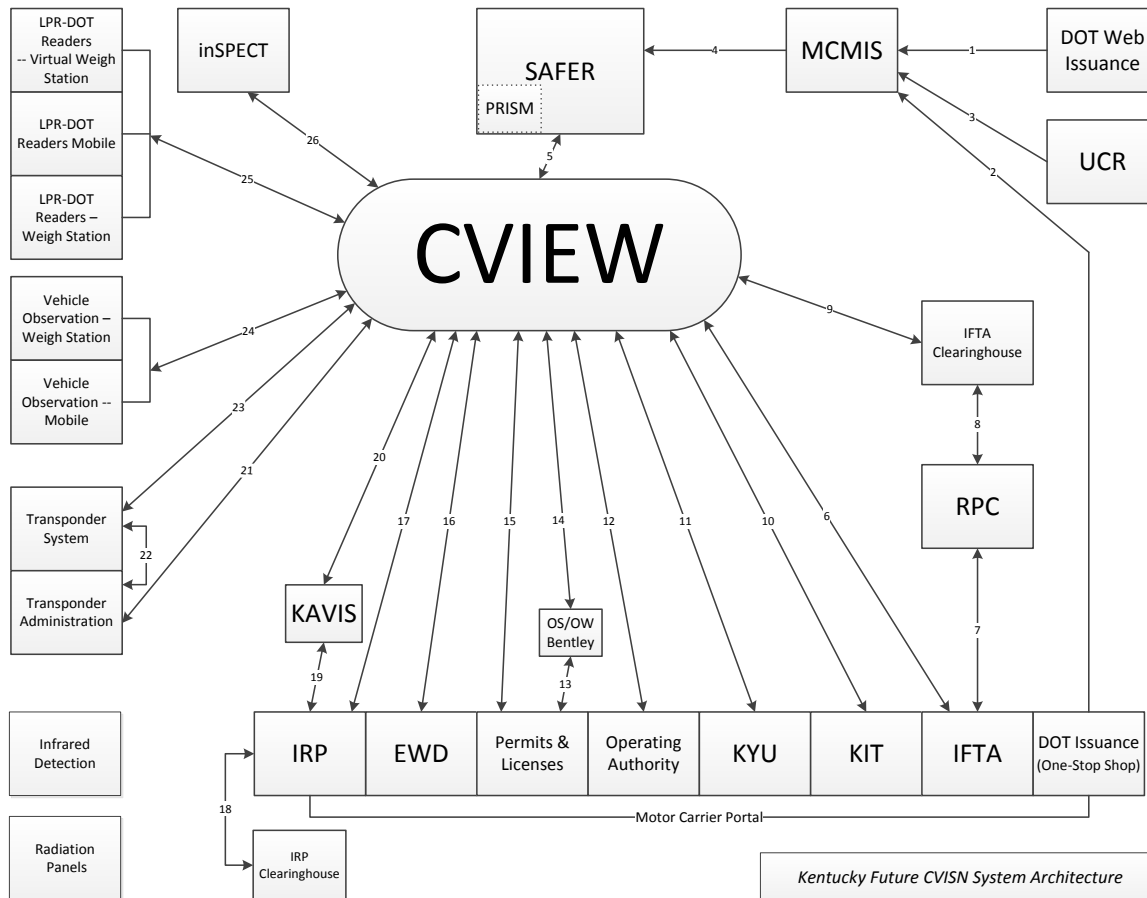
The current configuration of the Kentucky's motor carrier-related functions is shown in Figure 7. As stated, the Division of Motor Carriers currently handles the bulk of the programs related to motor carrier licensing, regulation and taxation. There are a few exceptions to this rule. For example, the Department of Highways, also in the Transportation Cabinet, controls the evaluation of superloads and corresponds with the Division of Motor Carriers when approving the issuance of such permits. As aforementioned, Road Fund Audits handles the auditing function for the weight-distance tax, IRP and IFTA. The most significant exception is Commercial Vehicle Enforcement. Until 2004, the CVE was under the Department of Vehicle Regulation within the Transportation Cabinet. However, the responsibilities were shifted from the Transportation Cabinet to the Justice and Public Safety Cabinet. Effectively, the Kentucky State Police run the Commercial Vehicle Enforcement program, as well as the hazardous materials, or hazmat program. The law enforcement agency does so in consultation with the Kentucky Transportation Cabinet, which still provides most technical and logistical support, as well as purchases technological upgrades to assist station officers with the screening process.

Figure 7. Kentucky Motor Carrier Program Organization



The CIVSN team provides a general strategic direction for vehicle enforcement at the weigh stations and for roadside screening. Members of the CVISN team are drawn from the Division of Motor Carriers, Road Fund Audits, Kentucky Transportation Center, Commercial Vehicle Enforcement, and Department of Vehicle Regulation administrators. Kentucky was one of the first states to achieve Core CVISN compliance. The state had experienced a temporary loss of momentum pertaining to the CVISN program due to the loss of key personnel, but in late 2006 reorganized and re-energized the program with the leadership of the Kentucky Transportation Center. Currently, the CVISN program's top-level design calls for several projects to improve screening at the state's fixed and virtual weigh stations, as well as the development of a Super

Figure 8. Kentucky Super CVIEW Architecture



CVIEW, which will integrate all of the information systems at the scale, IT systems the Department of Vehicle Regulation in Frankfort and national databases maintained by the federal government. Figure 8 displays this architecture, which has two primary components. The Motor Carrier Portal, which is an online database that will combine individually maintained modules for IRP, extended weight decals, permits and licenses, operating authority, KYU (weight-distance), KIT (intrastate fuel tax), IFTA (interstate fuel tax) and DOT number issuance. The boxes going down the left side of the diagram indicate information systems that are or will be maintained by Commercial Vehicle Enforcement. At the top are the information systems provided by the federal government, such as MCMIS, SAFER and PRISM. Unified Carrier

Registration (UCR) has its own standalone system, maintained by the state of Indiana. There are some ancillary databases. The IFTA and IRP Clearinghouse must interact with Kentucky's in order to complete funds netting processes with other member jurisdictions. Bentley will provide the OS/OW database. The regional processing center (RPC) processes the IFTA tax returns. KAVIS is Kentucky's new vehicle licensing and driver licensing information system. The complete architecture is tentatively schedule to be in place by sometime in 2015.

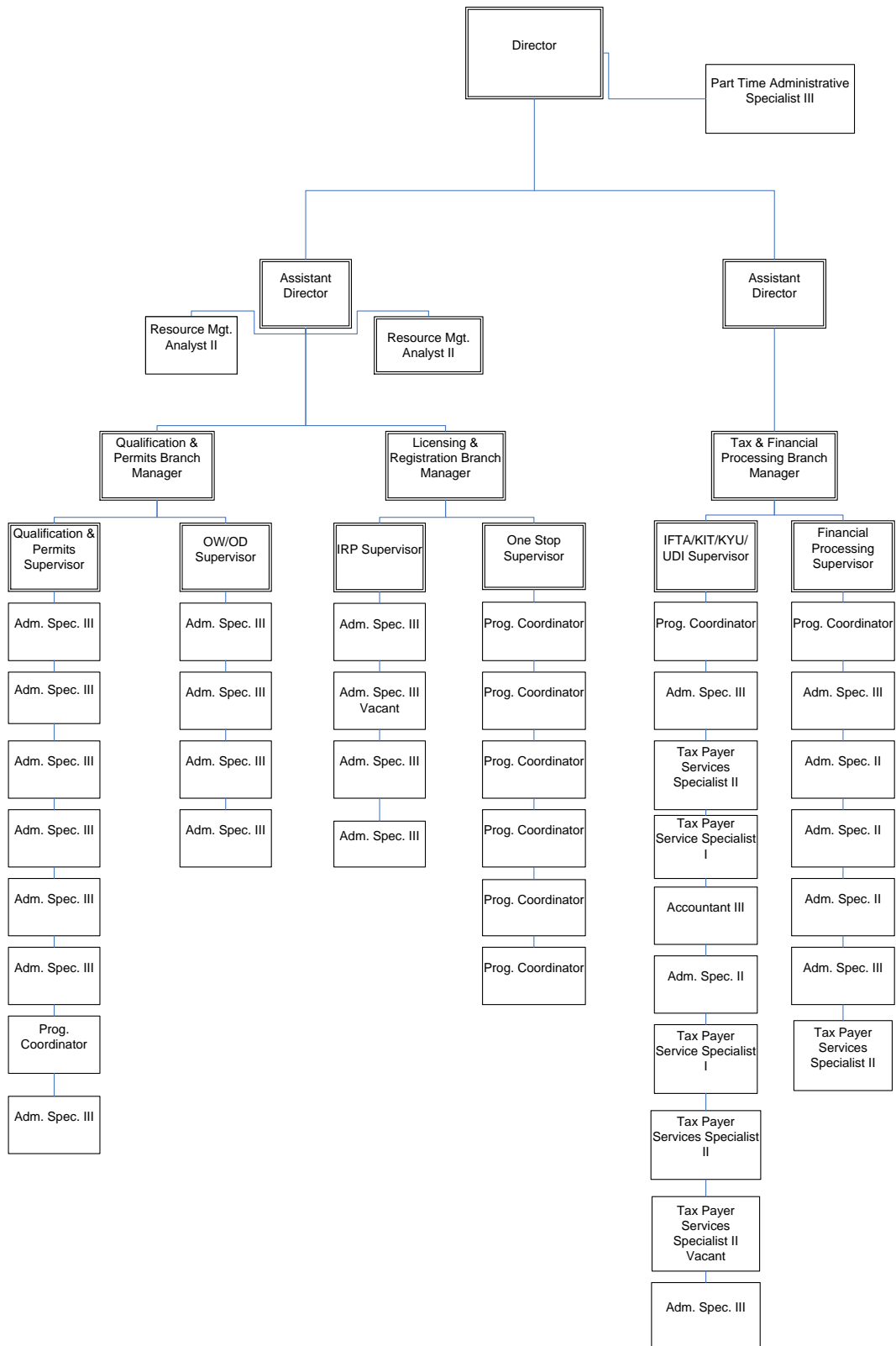
Figure 9 shows the personnel organization in the Division of Motor Carriers. There are 54 employees, including vacancies, but not including the 24 temporary employees working at the call center. Under the director, which is an appointed (or political) position, there are two assistant directors. One director has responsibility for all permits and licensing, while the other assistant directors handles all tax matters. The Qualifications and Permits branch administers all temporary permits, OS/OW permits, and coordinates with Highways regarding superloads. The Licensing and Registration Branch handles IRP and One Stop Shop. The Tax and Financial Processing Branch oversees IFTA, KIT, KYU, UDI and financial processing for the Division of Motor Carriers.

Table 6. Kentucky Division of Motor Carriers Budget, FY 2007-12

Expense Type	2007	2008	2009	2010	2011	2012
Personnel	2,416,400	2,647,000	2,564,900	2,731,800	2,853,700	2,968,700
Operating Costs	125,600	125,600	225,500	437,500	260,000	228,300
Total Budget	2,542,000	2,772,600	2,790,400	3,169,300	3,113,700	3,197,000

Table 6 displays the annual budget for the division of motor carriers from FY 2007-2012. Two types of expenditures are detailed – personnel and operating costs. During that time, personnel costs increased by 22.9 percent, from \$2,416,000 to \$2,968,700. Operating costs gradually increased for 3 years before peaking at \$437,500 in 2010, and have since been cut back to \$228,300. More than 90 percent of the budgeted funds go to personnel costs. However, it should be noted that miscellaneous costs for some equipment purchases, as well as for maintenance of various servers and programming costs incurred by the KYTC's integrated IT Department. For example, maintenance of the primary ALTS mainframe costs about \$700,000 per year. Phone and computer costs run roughly \$65 a month per employee. Nor does the budget include the costs of Commercial Vehicle Enforcement or CVISN grants, which are used to finance weigh station equipment maintenance and upgrades.

Figure 9. Kentucky Division of Motor Carriers



3.2 OREGON

The Motor Carrier Transportation Division is responsible for most motor carrier regulation, licensing, permitting and taxation in Oregon. Since 1996, the agency has had responsibility for audits, IFTA and IRP programs, safety programs, household goods, passenger service, economic complaints and weight-distance tax. Figure 12 displays the organizational configuration of the division, which has five sections: Field Motor Carrier Services, Investigation/Safety/Federal Programs, Motor Carrier Audit, Salem Motor Carrier Services and Complaint Resolution/Economic Regulation. The reorganization of this unit into its current state occurred SB 1149, which transferred duties, functions and powers related to motor carriers or railroads from the Public Utility Commission to the Motor Carrier Transportation Division. Funding related to these duties, functions and powers was also transferred from the Public Utility Commission to the Department of Transportation. The impetus for reorganization was primarily driven by the trucking industry in Oregon, and was generally supported by elected officials in the Legislature as well as the governor. The primary voice of opposition was the Public Utility Commission, which understandably lost lots of personnel, funding and a substantial component of its agency mission during the consolidation process.

The consolidation process was aided by the creation of the Motor Carrier Transportation Advisory Committee. This committee combines government officials from every motor carrier program and a diverse cross-section of the motor carrier industry. The committee, which has been meeting monthly since 1995, was a crucial component in the success of the consolidation, according to Oregon Department of Transportation (ODOT) officials. As a result of the advisory committee's creation, the relationship between state government officials and members of industry has improved dramatically in Oregon. Overall, the consolidation efforts were implemented over a short period of time, with most changes occurring during 1996.

The consolidation efforts created a One Stop Shop within Motor Carrier Transportation Division. The bill did not include a transfer of Public Utility Commission employees to the newly created division. Instead, Public Utility Commission employees were given the first chance to interview for any transfer, promotion, demotion or re-employment in the newly created Motor Carrier Transportation Division. This allowed the new division flexibility in terms of staffing, allowing it to hire the best employees available. This did result in some layoffs. However, most of those who were not hired for the Motor Carrier Transportation Division received appointments elsewhere in state government. A senior official conceded, however, that state employees (who were also SEIU members) who were not selected were probably the most adversely affected by the consolidation process. Overall, industry representatives, legislators and eventually employees were pleased with the result, because it created a central office with expertise for all motor carrier-related matters. It allowed for a synergistic work environment, and provided significant efficiencies in terms of administering Oregon's motor carrier programs. It is estimated the number of full-time employees have been reduced by nearly 100 positions, through the initial consolidation process and later through employee attrition. These reductions in employment have reduced labor, equipment, and facilities costs.

The Motor Carrier Transportation Division operates a central office in Salem, Oregon, regional offices around the state and weigh stations around the states. There are six scale houses at

various ports-of-entry, as well as 88 portable WIM sites that allow remote tracking. Oregon does have e-government options for most of its motor carrier services. There is a Motor Carrier Application Development Unit, which is part of the Information Systems Branch, located in the DOT's Central Services, which writes all code for these applications (such as online IRP and IFTA filing). The division's primary sources of funding come through the state's Highway Fund and from its own regulatory enforcement activities.

Figure 10. Motor Carrier Transportation Division Organization Chart

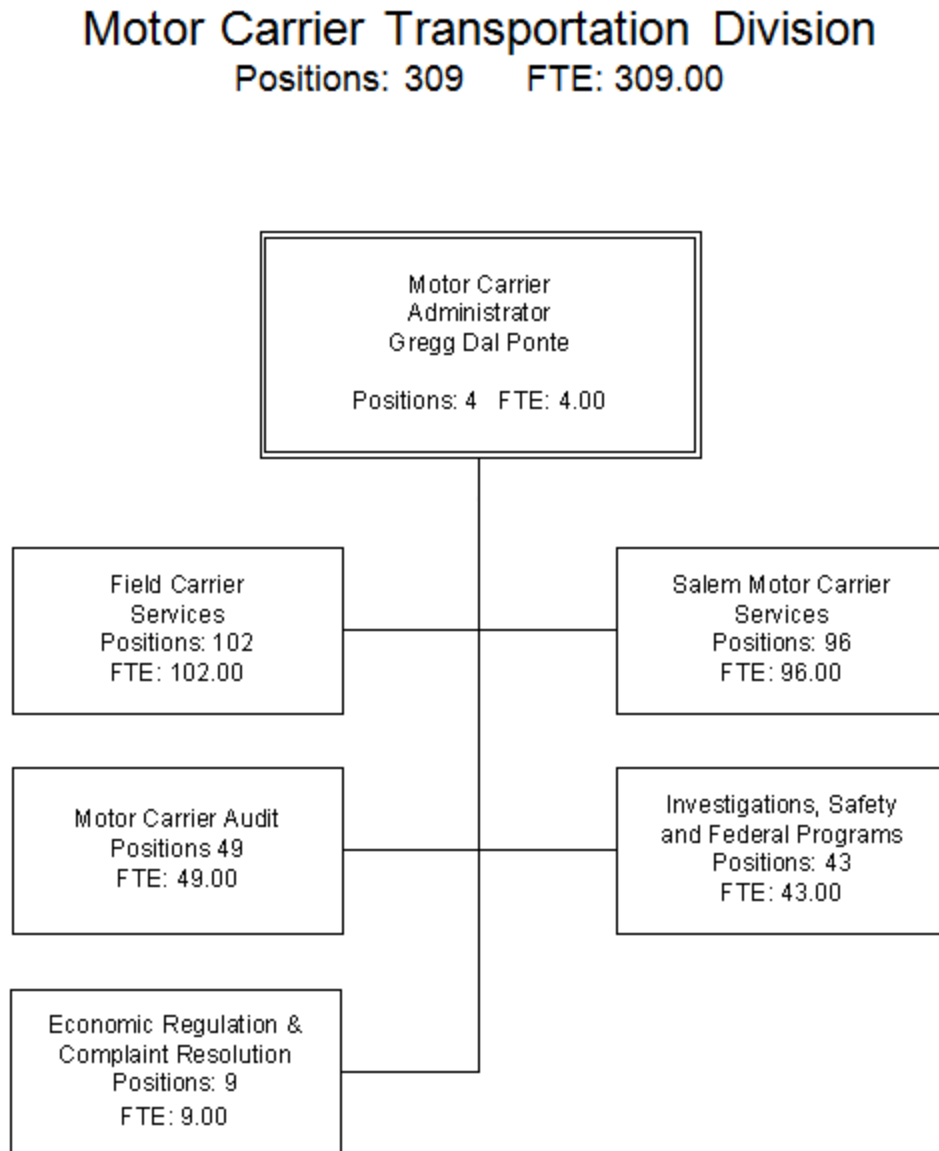


Figure 11 displays the Motor Carrier Transportation Division organizational chart. The number of full-time employees is reported for each section. Overall, the agency has 309 full-time employees. The administrator, which includes the director, has four positions. The Field Carrier Services section is largest, with 102 full-time employees. Next largest is Salem Motor Carrier Services, with 96 full-time employees. The auditors and staff in the Motor Carrier Audit sections comprise of 49 full-time employees; the Investigations, Safety and Federal Programs section has 43 employees; and Economic Regulation and Complaint Resolution has 9 employees.

Figure 11. Motor Carrier Transportation Division Budget

	2005–2007 Expenditures	2007–2009 Approved Budget	2009–2011 Governor's Recommended w/o JTA	2009–2011 JTA	2009–2011 Governor's Recommended
Program					
<u>Motor Carrier Transportation</u>	\$51,988,542	\$57,381,379	\$63,265,191	\$5,000	\$63,270,191
Total MCTD	\$51,988,542	\$57,381,379	\$63,265,191	\$5,000	\$63,270,191
Expenditures by Revenue Source					
Federal (FF and FF as OF)	\$4,480,455	\$5,371,863	\$5,561,876	\$0	\$5,561,876
State (Other)	47,508,087	52,009,516	57,703,315	5,000	57,708,315
Revenue Bonds					
State (General)					
Total	\$51,988,542	\$57,381,379	\$63,265,191	\$5,000	\$63,270,191
Positions	315	316	313	0	313
Full-Time Equivalent (FTE)	315.00	316.00	313.00	0.00	313.00
Personal Services	\$37,352,473	\$40,587,176	\$43,948,668	\$0	\$43,948,668
Services & Supplies	14,328,982	13,042,663	18,951,067	5,000	18,956,067
Capital Outlay	307,087	373,159	365,456	0	365,456
Special Payments	0	3,378,381	0	0	0
Debt Service	0	0	0	0	0
Total	\$51,988,542	\$57,381,379	\$63,265,191	\$5,000	\$63,270,191

Figure 12 shows 3 recent budgets for the Motor Carrier Transportation Division. Oregon budgets are approved on a biennial basis, which means each total includes funding for two fiscal years. According to this report, actual expenditures for FY 2005-07 were almost \$52 million. The approved budget for FY 2009-11 of \$57.4 million, then increasing to \$63.3 million in the FY 2009-11 governor's recommended budget shows funding in this agency has appeared to increase, even during an economic recession and beginning of a slow recovery. The largest component of these expenditures is personnel services, which account for roughly 72 percent of overall expenditures for FY 2005-2007 expenditures. The bulk of the rest was spent on services and supplies, with a relatively small investment in capital outlay. The employment levels have remained rather constant for the last three budget cycles, ranging from 313 to 316 FTEs.

3.3 INDIANA

The responsibility for motor carrier taxation, regulation and credentialing in Indiana falls to Motor Carrier Services, which is located in the Department of Revenue. These administrative functions were consolidated into Motor Carrier Services beginning in 1996. The transition took roughly four years, as functions were incrementally implemented from the Public Service Commission, Bureau of Motor Vehicles and Department of Transportation. Those other agencies had previously been responsible for operating authority (Public Service Commission), IRP (Bureau of Motor Vehicles), OS/OW (Department of Transportation) and CDL/medical cards (Bureau of Motor Vehicles). Eventually, the responsibility for the CDLs /medical cards was transferred back to the Bureau of Motor Vehicles. Enforcement of motor carrier safety and weight laws is handled by the Indiana State Police, which also owns the scale facilities. Auditing functions (for IRP/IFTA) have been moved into the Division of Revenue, which is a separate section in the Department of Revenue. The annual budget for Motor Carrier Services is nearly \$12 million. About \$9 million of those funds come from a statutorily dedicated diesel fuel surcharge of 1 cent per gallon. The rest comes from UCR funds, which are collected by Motor Carrier Services and amount to \$2.5 million annually.

Officials in Indiana recommend a gradual transition approach to Motor Carrier Services consolidation. Transitioning multiple sections from multiple agencies at the same time makes it very difficult to attend to the myriad details and problems that arise. According to Indiana officials, issues with information technology alone tend to be quite onerous. Migrating information systems from one agency to another and getting them to communicate with each other takes lots of time and patience. Additionally, there are substantial organizational, budgetary, and personnel issues as well. Indiana was able to tackle these issues by having designated funding streams for Motor Carrier Services, and had a provision allowing all pay grades to remain the same when merging personnel from other agencies. Even given such advantages, officials in Indiana maintained a gradual transition is much preferable to a single event.

3.4 MARYLAND

Maryland is of interest to West Virginia DMV officials because of the success the state has respecting its economic activity for the trucking and warehouse industry. According to Bureau of Economic Analysis' 2010 GDP estimates, Maryland's trucking economy is \$1.29 billion, whereas West Virginia's is about \$666 million – roughly half the size. However, accounting for population, the per capita GDP of the trucking industry is actually greater in West Virginia (\$359 per person) than Maryland (\$222 per person). Nevertheless, there are developments in the trucking and warehousing/distribution centers in Maryland's Panhandle region that West Virginia officials find appealing. Maryland's freight highway network is centered on the high population centers of the northeastern part of the state. The freight network, which consists primarily of interstate roads and designated truck routes are essential, and officials aim to ensure the roads are in a good state of repair with respect to supporting both trucking and warehousing. There are no rail or intermodal centers in the panhandle region. Most of the intermodal centers serve the Port of Baltimore, and link the state's trucking network to the local, regional and global supply chain. Strategic planning is an important component for the state's intermodal transportation network. The Maryland Statewide Freight Plan provides a focus on multimodal projects and policies, tracing the flow of freight throughout the state and provides future direction for transportation planning.

Figure 12. Total Truck Tonnage, 2006

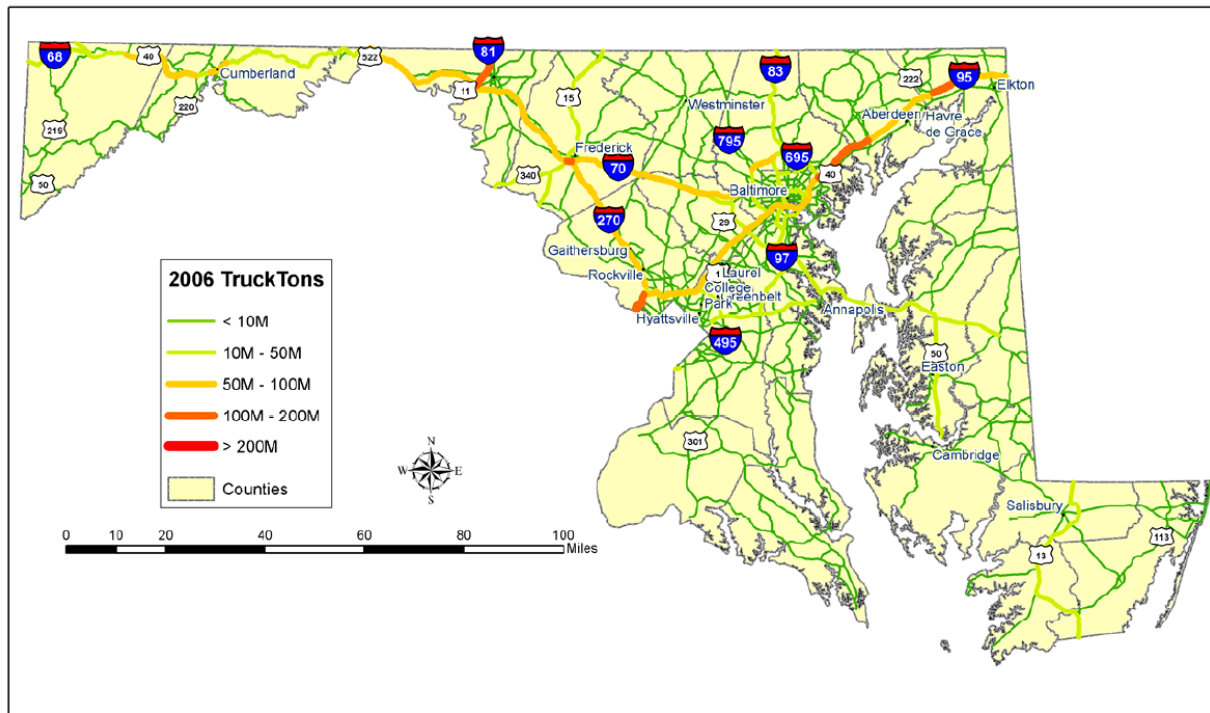


Figure 12 provides a visual illustration of truck tonnage moving throughout the state of Maryland based on an analysis performed by Cambridge Systematics.² As demonstrated, there is significantly less freight flow in the panhandle region of the state than in the Baltimore-Washington D.C. corridor. Most freight movement in the panhandle region is between Interstate 68 and Interstate 81. Maryland has made a significant investment in public-private partnerships for intermodal transportation, which has directly helped the state's overall transportation network. Some examples include the partnership with PortsAmerica at the Seagirt Marine Terminal at the Port of Baltimore, the partnership with a short line railroad operator over state owned assets, and a partnership with concessionaires at travel plazas. One clear advantage Maryland enjoys is ready access to waterways and large international airports in Baltimore and Washington D.C. As a result, there is a large influx of goods not only for state consumption but also temporarily stored goods prepared for both interstate and overseas exports.

Maryland's motor carrier credentialing and permitting programs are handled by various agencies within the state. The Motor Carrier Division in the Maryland State Highway Administration handles the DOT number, commercial vehicle regulations, safety programs, ITS/CVO programs, and provides the Motor Carrier Handbooks as well as the Maryland Truckers' Map. The Comptroller of Maryland handles IFTA decals, registration and trip permits, motor fuel taxes, and alcoholic beverage transportation permits. The Maryland Department of Environment handles hazardous waste materials program administration and oil control program. As a result, it is probably not the case that Maryland's success with respect to warehousing and distribution is not due to organizational structure, but to the factors mentioned above: strategic planning, intermodal facilities, access to ports and international airports and ample interstate access. It is not known at this time whether any tax incentives or regulatory advantages have an influence.

² Cambridge Systematics. 2009. "Maryland Statewide Freight Plan." Accessed 27 November 2012 at: <http://www.mdot.maryland.gov/Office%20of%20Freight%20and%20Multimodalism/StatewideFreightPlan.pdf>

Chapter 4. Trucking Industry Opinion

Members of the West Virginia Trucking Association have been interviewed and surveyed to assess industry opinion concerning the current system of motor carrier regulation, taxation and credentialing. The motor carrier industry finds state governments handling of such programs to be inefficient, confusing and therefore costly to them. The first step a new trucking company must carry out is to apply for and receive a business license from the Secretary of State's office. This office does not direct motor carriers as to the other required steps in the process necessary to become a fully compliant motor carrier. The next step requires a motor carrier to apply for and receive a USDOT number from the FMCSA. The West Virginia DMV provides this service, although users can just as easily apply online. However, it is not clear such a step is required to individuals starting a new motor carrier business. In addition to these new steps, most individuals are required to go to multiple state agencies scattered about Charleston, depending on the type of vehicle and the nature of their operations. There is no default order, but for some motor carrier operators there are issues if they do not go in the correct order. For example, if individuals go to the DMV to get registered for IRP and IFTA, they are denied the ability to register if there are any tax holds on their accounts – even if those accounts have nothing to do with their business. The State Tax Department runs a check against all tax records. Often times the customer is unaware of any outstanding tax liabilities, and has to make an extra trip to the State Tax Department before returning to the DMV to get the appropriate credentialing. Another issue is a lack of standardization in terms of payment practices. The Public Service Commission does not take credit cards. Instead, customers must pay with certified checks or money orders. Such a requirement often means an extra trip to the bank for individuals unaware of such a requirement. These potential complications, on top of the travel requirement, constitute a significant cost to the trucking industry.

As a result, the process is very cumbersome and potentially quite expensive. Several truckers said they would gladly pay an extra fee just to get around having to go to Charleston for these services. A prominent motor carrier dealer reported providing credentialing services to his clients for about \$500 per vehicle, because they would rather pay the cost than deal with the administrative headache and travel obligations, which “waste an entire day” of their valuable time. However, although his staff is very familiar with the regulations, they wind up running into trouble because of the tax issues mentioned above.

Online services, which are offered for some of West Virginia's motor carrier services, have reduced some of these requirements. However, not all services are electronic, and motor carriers in some regions of the state have not picked up electronic services as quickly as others. Some programs are online (e.g. DOT number, UCR, hazmat, OS/OW permits) and others are not (IFTA, operating authority, solid waste). There is also no centralized location for customer account information, or what is known as horizontal integration of e-government services.

In sum, there are several issues the industry would like to see addressed, because the sum of the current operating structure makes it difficult to get credentialed and begin operations after making a substantial capital investment in a new equipment. Motor carrier operators are especially frustrated when a new truck and trailer, which can cost \$125,000 and \$30,000 respectively, have to remain parked for several days while credentialing issues get resolved.

The West Virginia Trucking Association made several recommendations concerning potential improvements to motor carrier services:

- Provide as many online services as possible
- Provide a centralized customer account management system
- Allow operators to print their own permits
- Provide consistently accepted forms of payment
- Provide all physical services at one location
- Provide a guide that helps owner operators understand state and federal requirements
- Provide a step-by-step procedural guide for all necessary credentials, permits, tax forms, etc.
- Keep merchant rates and swipe fees as low as possible for electronic forms of payment
- Install kiosks at regional offices for walk-ins

It should be noted the industry representatives were not interested in full-service centers at regional offices. They would prefer resources be maximized toward development of web applications and services. Industry representatives want a more centralized system of electronic account management that allows all eligibility issues and questions to be addressed simultaneously and online or with the assistance of a single representative. **Essentially, they want a One Stop Shop setup with better e-government services that allow them to operate more efficiently, with fewer administrative hassles.** Additional information from industry representatives is pending the return of surveys administered at the WVTA's annual convention.

Chapter 5. Recommendations

As a result of all documented research assembled for this report, there are several recommendations that will be made to the West Virginia Legislature. These are mostly generalized recommendations, the details of which await further investigation and deliberation on the part of officials at all affected agencies, as well as members of the Legislature and executive branch. Some of these recommendations will require extensive problem-solving and cooperation between all affected parties if they are to be effective. Without such an approach, the reorganization could exacerbate the current challenges of improving motor carrier services for the people of West Virginia and the motor carrier industry.

Agency Consolidation

In order for more effective administration of motor carrier services in the state, it is recommended that all legal authority, functionality, personnel, equipment, and requisite funding for motor carrier services currently residing in the Public Service Commission, Division of Highways and State Tax Department be moved into the Motor Carrier Services section of the Division of Motor Vehicles. Specifically, this would mean operating authority, hazardous materials registration, solid waste disposal, Unified Carrier Registration, Commercial Vehicle Enforcement, extended weight permits, and Coal Resource Transportation System from the Public Service Commission; IFTA tax processing, IFTA audits, IRP audits and dyed fuel from the State Tax Department; and oversize-overweight (OS/OW) permits from the Division of Highways. Excepted from this move would be superload analysis, which would still need to be conducted by the State Highway Engineer.

Consolidation Plan Development

The Division of Motor Vehicles will need additional time to work through many of the logistical issues involved in such a move, and will need to decide upon a strategic plan and vision consistent with its goals and the goals of West Virginia. The state Legislature should give the agency time to develop a plan that will address physical relocation, personnel, information technology implementation, legal issues, funding issues, and any other unforeseen logistical issues that may arise. This plan will need to be quite detailed and contain several components:

Consolidation Timeline

This plan should also address the timing and process of the consolidation, and whether it should be done incrementally (on an agency-by-agency basis) or simultaneously. This report provides examples of states with both experiences: Indiana's was incremental, while Oregon's was simultaneous. There are benefits and detriments to both processes. Incremental change takes longer but is generally smoother and creates fewer problems along the way. Simultaneous consolidation may take less time but is apt to be more error-prone. Information technology limitations and facilities/personnel planning will ultimately be quite consequential for these decisions.

Federal Statutory and Regulatory Compliance Review

Recommended changes to state laws and regulations will be made in this report, but there are potential issues with federal statutes and regulations, particularly in the area of tax law. The DMV needs to investigate and come to a complete understanding of these issues to ensure tax

privacy laws are not violated. Cooperation and coordination with FMCSA to ensure all migrated services comply with motor carrier law and regulation is also recommended.

Addressing Challenges to Consolidation

Further investigation should specify how the DMV intends to address all of the consolidation challenges we have identified, such as funding problems at the scales and the computer systems at the Tax Department. Any further investigation needs to take on all of these issues. In some cases, the assistance of the West Virginia Legislature may be required, particularly in working out funding issues.

Personnel Plan

A comprehensive personnel plan needs to be assembled to address the transition process. The plan needs to specify a plan for personnel selection and how the DMV would coordinate this process with other agencies. The plan should include a standardized interview process, and criteria for selection of employees. Additional administrative and information technology staff will probably be required. The plan should specify personnel numbers, projected salary costs, new office equipment, relocation costs, etc. The report will need to review the pay grade/classification status of each employee and attempt to resolve incongruities wherever possible. This may require new classifications established with the guidance of the Division of Personnel or smoothing of current pay differentials. A new Motor Carrier Services organization chart should be created as well, specifying job titles, administrative roles and any support staff.

Budget Plan

The agency's new budget plan will need to take into account new projected expenditures and identify the appropriate revenue streams to cover costs. Previously unsolved funding issues resulting from a previous reorganization of commercial vehicle enforcement will have to be addressed. One possible solution would be to allow the DMV to keep a percentage of revenue it brings in from a particular program, such as OS/OW permits or trip permits. Another would be a statutorily dedicated funding stream. This budget plan will have to be worked out in consultation with the Legislature and the State Budget Office. The budget plan will have to include personnel costs, operating costs, new furniture and equipment (including network equipment), maintenance contracts for IT systems, facilities costs and any other transition costs.

Facilities Plan

A plan for acquiring additional space for offices, cubicles, storage, networking equipment and additional customer waiting/service areas should be included. The additional space at the Kanawha Mall in Charleston for lease would be the ideal location for such offices, but DMV administrators will need to assess all possibilities and enter into the appropriate lease or contractual agreement on the basis of the prepared plan.

Motor Carrier Advisory Committee

It is recommended the Legislature create a Motor Carrier Advisory Committee, which will initially consist of all current motor carrier service agencies, as well as key industry representatives. Officials should consult with the West Virginia Trucking Association and other affected trade groups regarding the creation of this committee. Elected officials should be included as well, with members including the Transportation Secretary, Revenue Secretary,

Speaker of the House, President of the Senate or their designated representatives. Initially, this committee should consist of all four motor carrier agencies to help provide a smooth transition to a consolidated administrative apparatus. However, once an agency's responsibilities are wound down they would no longer be on the committee. This committee should meet quarterly at least, perhaps monthly throughout the consolidation process.

IT Strategic Plan

A strategic IT plan will be absolutely necessary and will have to answer several key issues. The first component will need to be a plan to achieve CVISN Core Compliance. This process is already well under way, and it appears West Virginia is close to achieving this, but an accounting of the remaining steps is critical. The sooner CVISN Core Compliance is achieved, the more grant money the state can get through FMCSA to fund these technological improvements. IT logistics will need to be issued. In other words, does DMV plan to tackle this by enhancing its own IT personnel or by strengthening its ties with West Virginia, Interactive? Either way, hiring additional IT staff will be necessary, whether they work internally for the DMV, or are contracted to work with the DMV full-time. Who will design the new motor carrier portal, host the system, maintain the system, and integrate all of the modules from DMV and other agencies? How much space will be needed to maintain all the current network equipment, which is housed in various locations, as well as future IT systems? There should be an overall strategic plan with specific timetables. Another consideration should be the order at which existing systems in other agencies should be migrated to the DMV. Will the standalone systems (like UCR, Hazmat, or Bentley) be incorporated first, while the more difficult (in-house PSC and Tax systems) wait until later? How does this all dovetail with the \$5 million modernization project the DMV plans to pursue?

Motor Carrier Portal

The DMV should work with West Virginia Interactive and other partners to develop a motor carrier portal that combines each of the electronic applications created for various motor carrier regulation, credentialing and taxation programs. This portal should include a single sign-on mechanism so that all motor carrier records are kept in a single, easily accessible online location.

Cross-Training Curriculum

The DMV should develop a training program to train both current and new employees how to administer other programs to be consolidated under DMV administration. The process should enable the agency to compensate when regular program administrators are sick, on vacation or leave. The amount of time and effort needed to train the initial wave of employees is likely to be greater than in future situations. The guide should be specific about how best to cross-train, which programs should be included, and how to prioritize training resources. The strategic focus should be finding efficiencies in the work processes that may enable the agency to save money in the future.

Legislation

This report will include proposed legislation to consolidate the authority and function for all motor carrier programs in the DMV, potentially identify funding mechanisms for unfunded agency functions, address any tax statutes which may preclude DMV usage of tax account information, and examine federal compliance issues. The legislation should establish the authority of the Motor Carrier Advisory Committee. It should also authorize the executive

branch to help coordinate the consolidation process. The report will include a basic legislative package, but additional legislation may be required at a later date for unforeseen circumstances.

Work Flow Issues

There are still some processes that will require coordination with other agencies. For example, business registration with the Secretary of State's office and superload analysis by the engineers in the Division of Highways will require action not under agency jurisdiction. Efforts should be made to sit down with those agencies and devise efficient ways to handle work flow when coordination between those entities is required.

Chapter 6. Legislative Recommendations

Recommendation is still pending further investigation by Rahall Appalachian Transportation Institute and the University of Kentucky. Tentatively, the following sections of the West Virginia Code have been identified as laws to be amended in order to implement the consolidation process. Further investigation may unearth other statutes, as well as potential obstacles via federal law.

Code Section	Title	Agency
§11-14	Gasoline and Special Fuel Excise Tax	TAX
§11-14A	Motor Carrier Road Tax	TAX
§11-14B	Interstate Fuel Tax Agreement	TAX
§11-14C	Motor Fuel Excise Tax	TAX
§24A-1	Purpose, Definitions, and Exemptions	PSC
§24A-1A	Commercial Vehicle Regulation	PSC
§24A-2	Common Carriers By Motor Vehicles	PSC
§24A-3	Contract Carriers By Motor Vehicles	PSC
§24A-4	Private Commercial Carriers	PSC
§24A-5	Powers and Duties of Commission	PSC
§24A-6	Duties and Privileges of Motor Carriers Subject to Regulation of the Commission	PSC
§24A-6A	Registration of Interstate Commerce Commission Authority and Identification of Vehicles to be Operated Thereunder	PSC
§24A-6B	Registration and Identification of Vehicles Operated by Persons Engaged in Hazardous Materials Transportation	PSC
§24A-7	Complaints, Damages and Violations	PSC
§24A-8	Review of Commission's Action by Supreme Court of Appeals	PSC
§17A-2-10	Motor Vehicles Commissioner-- Reciprocal Agreements with other statates	DMV
§17A-2-10a	Authorizing the Entry of this State into Reciprocal Agreements; payment of taxes; issuance of registration plates or markers; promulgation of rules; interagency cooperation, requirement that all registrans pay tax; intermittent interstate commerce and promulgation of rules; proportional registration agreement prevails.	DMV
§17A-10A	Fees for Registration and Licensing, etc.	DMV

THIS LIST MAY NOT BE ALL-INCLUSIVE

Appendix 1. Interviewed Personnel

Division of Motor Vehicles

Joe Miller, Commissioner

Steve Dale, Deputy Commissioner

Mark Holmes, Executive Assistant to the Commissioner

Jerry Conrad, Director of Administrative Services

Monica Price, Manager of Human Resources

Phil Kingery, Manager of Motor Carrier Services

Todd Armstrong, Supervisor of Motor Carrier Services

Public Service Commission

Mike Albert, Chairman

Ryan Palmer, Commissioner

David Kovarik, Administrative Director

Kevin McGraw, IT Manager

Buddy Covert, Motor Carrier Operations Director

Gary Edgell, Motor Carrier Enforcement Director

Beth Sharp, Human Resources Oversight

Division of Highways

Harry Bergstrom, Deputy Transportation Secretary

Marvin Murphy, State Highway Engineer

Bill Wofford Maintenance

Kathy Holtsclaw, Legislative Liaison

State Tax Department

Tonia Oakes, Director, Tax Account Administration

Frank Capehart, Assistant Director, Tax Account Administration

Stephanie Tichenor, Assistant Director, Information Technology Division

Kim Lowers, Assistant Director, Revenue Division (Business Administration)

Patrick Bryant, Tax and Revenue Manager, Northern Region (IFTA, IRP, Motor Fuel Audits)

Industry—West Virginia Motor Truck Association

Jan Vineyard, President

Walt Hanson, Immediate Past Chairman, Petroleum Transport

Jeff Branham, Chairman, New River Trucking, LLC

Mike Smith, First Vice-Chairman, Appalachian Tire Products Inc.

Daniel Harmon, Second Vice-Chairman, Con-Way Freight

Bernie Young, Secretary/Treasurer, Trucks, Inc.

Chuck Bradley, Worldwide Equipment

John Burns, Burns Motor Freight

Fred Burns, Burns Motor Freight

H. Winston McHenry, HWM Trucklines/Winjean Trucking Co.

Mark Thompson, W. S. Thomas Transfer, Inc.

Mark Alagna, UPS

Keith Weatherholt, KelKar Services

State of Oregon

Gregg Dal Porte, Administrator, Department of Transportation

State of Indiana

Jim Poe, Deputy Commissioner, Department of Revenue

Appendix 2. Enrolled House Bill 4103

2011R1440H

ENROLLED H. B. 4103

**(By Delegates Staggers, L. Phillips, Barker,
Ferro, Guthrie and Cowles)**
[Passed March 9, 2012; in effect ninety days from passage.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated '17A 2B 1, '17A 2B 2 and '17A 2B 3, all relating to consolidating government services and enforcement of laws pertaining to the motor carrier industry; stating legislative findings and purpose; designating the Division of Motor Vehicles as the lead agency to develop a plan for the consolidation; and requiring the division to report its plan and recommendations for consolidation to the Joint Committee on Government and Finance by December 1, 2012.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated '17A 2B 1, '17A 2B 2 and '17A 2B 3, all to read as follows:

ARTICLE 2B. CONSOLIDATION OF THE REGULATION OF THE MOTOR CARRIER INDUSTRY. '17A 2B 1. Legislative findings and purpose.

(a) The Legislature finds that responsibility for delivery of government services and the enforcement of laws pertaining to the motor carrier industry currently resides in several state agencies, divisions and departments including the Division of Motor Vehicles, Public Service Commission, Division of Highways, State Tax Department and the State Police. The Division of Motor Vehicles currently administers numerous provisions of this code relating to the regulation of the motor carrier industry in this state, including chapter seventeen a of this code, which prescribes the process for titling and registration of all motor vehicles, the provisions for commercial drivers licenses set forth in chapter seventeen b of this code, and has numerous other responsibilities relating to the motor carrier industry. The Division of Motor Vehicles also has significant interaction with the various federal agencies and other state agencies responsible for the administration of government functions relative to the industry. It further appears to the Legislature that a significant portion of the responsibility, in terms of volume of transactions and its database, routine contact with the industry and assignment of staff pertaining to regulating the motor carrier industry, is currently vested in the Division of Motor Vehicles. Therefore, the Legislature finds that the Division of Motor Vehicles is the appropriate agency to plan the consolidation of the administration and enforcement of the various state laws pertaining to the motor carrier industry.

(b) The Legislature further finds that it is very cumbersome and onerous for motor carrier business entities to obtain the necessary permits, licenses and file the necessary returns, reports and other documents through numerous state agencies whose offices are scattered both geographically and administratively throughout state government. The lack of centralization of these various state agencies also results in the redundancy of information provided by motor carrier entities to the various state agencies. The Legislature further finds that the lack of centralization of these government functions does not encourage the growth and success of this industry in the State.

(c) The Legislature further finds that it would be more cost effective and efficient to both the state agencies and the motor carrier industry to provide these services through consolidated facilities, licensing and permitting processes and electronic information and communication technologies.

(d) Therefore, it is the purpose of this article to facilitate the consolidation of the administration of government services pertaining to the motor carrier industry and to designate the division as the lead agency in planning the

consolidation of state government services and enforcement of laws pertaining to the regulation and taxation of the motor carrier industry.

'17A 2B 2. Development of plan of consolidation of government services and regulation applicable to the motor carrier industry.

(a) Notwithstanding any other provisions of this code to the contrary, the Division of Motor Vehicles is authorized and directed, and is designated the lead state agency to formulate and develop a plan for the consolidation of state government services and enforcement of laws pertaining to the regulation and taxation of the motor carrier industry.

(b) (1) The Public Service Commission, Division of Highways, State Tax Department and the State Police shall cooperate with the division and provide information, aid and assistance as requested by the division to plan the consolidation of state government services and of enforcement of laws pertaining to the regulation and taxation of the motor carrier industry.

(2) The division shall consult with these agencies and shall solicit and use any applicable experience and expertise that can be beneficial to the development of the plan of consolidation.

'17A 2B 3. Report to the Joint Committee on Government and Finance.

(a) The Division of Motor Vehicles shall submit to the Joint Committee on Government and Finance on or before December 1, 2012, a report setting forth the plan for the consolidation of state government services and of enforcement of laws pertaining to the regulation and taxation of the motor carrier industry.

(b) The report shall make recommendations pertaining to changes in laws, administration, personnel and procedure in the provision of government services applicable to the motor carrier industry and shall include drafts of recommended legislation necessary to implement the proposed consolidation.

Appendix 3. List of Acronyms

ACS	Affiliated Computer Services, Inc.
ALTS	Automated Licensing and Taxation System
CAPRI	Compliance Analysis and Performance Review Information
CDL	Commercial Driver's License
CDLIS	Commercial Driver's License Information System
CMV	Commercial Motor Vehicle
CRTS	Coal Resource Transportation System
CTO	Chief Technology Officer
CVE	Commercial Vehicle Enforcement
CVIEW	Commercial Vehicle Information Exchange Window
CVISN	Commercial Vehicle Information Systems and Networks
CVO	Commercial Vehicle Operations
CSR	Customer Service Representative
DMV	Department of Motor Vehicles
DOH	Division of Highways
DOT	Department of Transportation
eCDL	Electronic Commercial Driver's License
e-credentialing	Electronic Credentialing
e-payment	Electronic Payment
e-screening	Electronic Screening
FHWA	Federal Highway Administration
FMCSA	Federal Motor Carrier Safety Administration
FY	Fiscal Year
GPS	Global Positioning System
GDP	Gross Domestic Product

Hazmat	Hazardous Materials
HELP	Heavy Vehicle Electronic License Plate
HR	Human Resources
ID	Identification
IFTA	International Fuel Tax Agreement
IRIS	Infrared Inspection System
IRP	International Registration Plan
ISS	Inspection Selection System
IT	Information Technology
ITS	Intelligent Transportation Systems
LPR	License Plate Reader
MCMIS	Motor Carrier Management Information System
MCSAP	Motor Carrier Safety Assistance Program
MCSIP	Motor Carrier Safety Improvement Process
MOU	Memorandum of Understanding
NCIC	National Crime Information Center
Nlets	National Law Enforcement Telecommunications System
NMVTIS	National Motor Vehicle Title Information System
NTCIP	National Transportation Communications for ITS Protocol
OCR	Optical Character Recognition
ODOT	Oregon Department of Transportation
O&M	Operations and Maintenance
OOS	Out-of-Service
OPEB	Other Post-Employment Benefits
OS/OW	Oversize/Overweight
PC	Personal Computer

PEIA	Public Employees Insurance Agency
PRISM	Performance and Registration Information Systems Management
PSC	Public Service Commission
RFP	Request for Proposals
RS	Registration System
RTI	Rahall Transportation Institute
SAFER	Safety and Fitness Electronic Records
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SEIU	Service Employees International Union
SOA	Service Oriented Architecture
SS	Social Security
TCP/IP	Transmission Control Protocol/Internet Protocol
TA	Temporary Authority
TS	Tax System
UCR	Unified Carrier Registration
UKTC	University of Kentucky Transportation Center
USDOT	United States Department of Transportation
VISTA	Vehicle Information System for Tax Apportionment
VPN	Virtual Private Network
WAN	Wide Area Network
WIM	Weigh-in-Motion
WV	West Virginia
WVTA	West Virginia Trucking Association
WVOT	West Virginia Office of Technology