

JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR

# POST AUDIT DIVISION

LEGISLATIVE AUDIT REPORT

## Coal Resource Transportation System

Legislative Auditor: Aaron Allred  
Post Audit Division Director: Justin Robinson



GENERALLY ACCEPTED GOVERNMENT  
AUDITING STANDARDS STATEMENT

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (**GAGAS**). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

POST AUDIT DIVISION  
Justin Robinson, Director

# POST AUDIT DIVISION

## POST AUDITS SUBCOMMITTEE MEMBERS

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Roman Prezioso	Timothy Miley
Greg Boso	Gary Howell



## *Post Audit Report on the Coal Resource Transportation System*

July 23, 2019

### LEGISLATIVE AUDITOR'S STAFF CONTRIBUTORS

Aaron Allred.....Legislative Auditor  
Justin Robinson.....Director  
Adam R. Fridley, CGAP..... Audit Manager  
Nicholas Hamilton.....Senior Auditor  
Rueben Kerns..... Auditor  
Nathan Hamilton..... Referencer

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*The Division of Highway's Annual Report to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee Does Not Include Statutorily Required Information, Including Information Regarding the Cost to Maintain the CRTS and the Amount of Undue Road Damage Caused By It.*

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## **Executive Summary**

The Legislative Auditor conducted this audit of the Coal Resource Transportation System (CRTS) pursuant to W.Va. Code §4-2-5. The objective of this review was to determine whether the West Virginia Division of Highways is in compliance with West Virginia Code's periodic reporting requirements for the CRTS.

## **Frequently Used Acronyms in This Report**

CRTS: Coal Resource Transportation System

CRTRF: Coal Resource Transportation Road Fund

CMVW: Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee

CRTDC: Coal Resource Transportation Designation Committee

DOH: Division of Highways

PSC: Public Service Commission

## **Report Highlights**

### **Issue 1: The Division of Highways' Annual Report to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee Does Not Include Statutorily Required Information, Including Information Regarding the Cost to Maintain the CRTS and the Amount of Undue Road Damage Caused By It.**

- The DOH is not including any of the required statutory elements in its annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee (CMVW). The elements include the following:
  - Citations issued for violations of this chapter;
  - Disposition of the violations;
  - Road conditions and maintenance;
  - Amount of undue road damage attributable to coal resource transportation road system use.
  
- While DOH acknowledges that CRTS roadways sustain more frequent damage and are more costly to repair and maintain, it neither tracks nor reports any information related to the amount of undue damage to these roadways or the costs to maintain them.

## Recommendations

1. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Division of Highways comply with West Virginia Code §17C-17A-3 to include the required information in the annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Committee.
2. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Legislature consider revising West Virginia Code §17C-17A-3 to provide clarification as to which disposition information is required to be reported in the annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Committee.
3. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Division of Highways begin separately tracking and reporting data related to the costs to maintain and repair roads and bridges on the Coal Resource Transportation System.

## Post Audit's Response to the Agency's Written Response

On July 17, 2019, Post Audit received a written response from the Chairman of the Public Service Commission (Appendix C). The PSC indicates no disagreement with the report and offers many benefits of the CRTS. The PSC also includes in its response a recommendation that the Legislature consider sunsetting the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee and requiring the PSC and DOH respectively provide annual reports directly to the Legislature.

The Legislative Auditor provided a draft copy of the report to the DOH and held an exit conference on Tuesday, July 16, 2019. The DOH acknowledged the statutory requirement to include the elements discussed in this audit report and indicated that it will do so moving forward. The Department of Transportation (DOT) provided a written response on July 18, 2019 (Appendix D), indicating its belief that tracking and reporting costs associated with maintenance of the CRTS "*is of little, if any, benefit.*" Furthermore, DOT indicates that it would support legislation to repeal the legislative requirement to report data related to the CRTS.

**Issue 1: The Division of Highways' Annual Report to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee Does Not Include Statutorily Required Information, Including Information Regarding the Cost to Maintain the CRTS and the Amount of Undue Road Damage Caused By It.**

**Issue Summary**

During the ongoing audit of the Public Service Commission (PSC), the Legislative Auditor became aware of specific responsibilities the Division of Highways (DOH) has pursuant to W.Va. Code regarding the Coal Resource Transportation System (CRTS). Based on this information, the Legislative Auditor conducted an analysis that sought to determine whether the DOH is in compliance with applicable state law as it relates to the CRTS. In addition, the Legislative Auditor sought to evaluate the CRTS's revenues against the expenditures required to repair and maintain CRTS roadways.

The Legislative Auditor's review identified the following issues with respect to the CRTS:

1. The DOH is not including any of the required statutory elements in its annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee (CMVW). The elements include the following:
  - Citations issued for violations of this chapter;
  - Disposition of the violations;
  - Road conditions and maintenance;
  - Amount of undue road damage attributable to CRTS use.
2. While DOH acknowledges that CRTS roadways sustain more frequent damage and are more costly to repair and maintain, it neither tracks nor reports any information related to the amount of undue damage to these roadways or the costs to maintain them.

The Legislative Auditor recommends that the DOH comply with W.Va. Code and include in its annual reports to the CMVW all of the statutorily required elements. In addition, the Legislative Auditor recommends the Legislature consider revising W.Va. Code §17C-17A-3 to provide clarification as to which disposition information is required to be reported in the annual reports to the CMVW. Further, the Legislative Auditor recommends that the DOH track and report the specific costs to repair and maintain CRTS roadways and bridges.

## The Legislature Enacted the Coal Resource Transportation Road System in an Effort to Stay Competitive in the Coal Industry by Reducing Transportation Costs.

In 2003, the Legislature concluded that since coal has been a viable resource that led to a surge in the State’s growth and economic potential, the implementation of a system that aids in the extraction, transportation, and exportation of coal would provide benefit and vitality to the rural communities of West Virginia. That same year, the CRTS was implemented to reduce transportation costs in an effort to stay competitive in the coal industry. As of November 2018, the CRTS encompassed approximately 2,192 miles of road and 765 bridges in 19 counties.

The program was enacted with the following objectives:

- To ease the financial burdens of the coal industry by providing an efficient medium to reduce transportation costs by allowing excess loads to be hauled on identifiable roadways throughout the State;
- Reduce the pressures to transport coal over extended hours and increased speeds;
- Help sustain the coal industry as an integral economic and societal force in West Virginia.

As a result, economic incentives such as reduced transportation cost, lessened hours for drivers, and the capacity to transport more coal are realized by allowing coal trucks to carry loads in excess of the legal limit of 80,000 pounds.

State-maintained roads and public highways are the primary method of transportation for coal-hauling vehicles on the CRTS. The maximum vehicle gross weight for coal trucks on the CRTS range from 80,000 to 120,000 pounds with a tolerance of five percent, based on axle configuration. Figure 1 below provides a breakdown of those limits.

<b>Type of Truck</b>	<b>Number of Axles</b>	<b>Maximum Weight (lbs)</b>	<b>Maximum Weight With 5% Tolerance (in lbs)</b>	<b>Annual Special Permit Fee (\$)</b>
<b>Single Unit</b>	1 Steering Axle, 2 in Tandem	80,000	84,000	\$100
<b>Single Unit</b>	1 Steering Axle, 3 in Tridem	90,000	94,500	\$160
<b>Tractor-Semitrailer</b>	5 Axles	110,000	115,500	\$300
<b>Tractor-Semitrailer</b>	6 or More Axles	120,000	126,000	\$500

*Source: West Virginia CSR §150-27-3.*

Simply stated, the tolerance accounts for variances in load that are difficult to accurately measure, which gives coal transportation vehicles flexibility concerning the weight of the load

being hauled. Special permits are issued based on the number and combination of axles a vehicle has and contain a corresponding maximum gross vehicle weight.

The Public Service Commission (PSC) and Division of Highways (DOH) received statutory authority from the Legislature to oversee the implementation and administration of CRTS. The DOH was delegated with establishing all legal vehicle road weight limits for all public highways, including roads within the CRTS. Specifically, the statutory requirements of the PSC were to administer the CRTS permitting program and enforce the provisions of Senate Bill 583 (SB583), which includes the collection of fee monies, enforcement of administrative sanctions (e.g., reporting and weight violations), and to ensure proper reporting requirements for shippers/receivers. Fee monies collected from permitting and 5-cent tonnage fees are remitted to the Coal Resource Transportation Road Fund (CRTRF), which is a special revenue fund administered by the DOH to supplement repairs and maintenance of roadways and bridges in the CRTS.

State-maintained roads and public highways in certain counties are eligible to qualify as part of the CRTS.<sup>1</sup> In 2005, legislation was enacted that created the Coal Resource Transportation Designation Committee (CRTDC) whose responsibility is to approve the designation of additional coal resource transportation roads not located within the counties of Boone, Fayette, Lincoln, Logan, McDowell, Mercer, Mingo, Raleigh, Wayne, and Wyoming. Additions to the CRTS can be made by companies requesting to include additional segments of state-maintained roads and are subject to an application process with a corresponding \$5,000 fee.

Enforcement of the weight limits on the CRTS is governed by the CRTS Section of the Transportation Division within the PSC. PSC Utilities Inspectors are tasked with conducting site inspections, reviewing data and documentation for the electronic reporting system, and visual inspections of weight scales at shipper and receiver sites. Also, PSC Weight Enforcement Officers, although not classified as staff in the CRTS Section, monitor the daily activity of weight enforcement at designated weigh stations across the State.

### **Division of Highways Annual Reports to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee Do Not Include Statutorily Required Information.**

In an effort to examine the costs and benefits associated with operating on coal resource transportation roads, W.Va. Code §17C-17A-3 requires the DOH to provide periodic reports to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee (CMVW). The CMVW was established with the purpose of studying the implementation of the commercial motor vehicle weight and safety enforcement program and the effects of excess loads on roadways. To ensure comprehensive advisement under this article, the committee is to be comprised of appointed state employees from state agencies and members of the West Virginia Legislature. The reports are to include the following information:

<sup>1</sup> Counties included are Boone, Fayette, Lincoln, Logan, McDowell, Mercer, Mingo, Raleigh, Wayne, Wyoming, Braxton, Webster, Ohio, Greenbrier, Clay, Nicholas, Summers, and Kanawha.

*(1) Citations issued for violations of this chapter; (2) disposition of the violations; (3) road conditions and maintenance; and (4) the amount of undue road damage attributable to coal resource transportation road system use.*

The Legislative Auditor reviewed these reports, provided on an annual basis by DOH to the CMVW, from 2015-2018. The DOH has not included any statutorily required data as required under the provisions of W.Va. Code §17C-17A-3 in its reports. The lack of information provided in this report makes it difficult for analyses to be conducted on CRTS operations to determine its effectiveness.

### **Citations**

Noncompliance with applicable laws and regulations on the CRTS are met with the issuance of citations, commonly referred to as violations. Violations may be issued for numerous reasons but are most commonly issued on the basis of (1) overweight and (2) reporting violations. Overweight violations are issued when trucks are hauling loads in excess of the legal limit. Alternatively, reporting violations occur when drivers, shippers, or receivers fail to adhere to the reporting requirements for shipments on the CRTS.

### **Disposition of Violations**

Violations are differentiated by their disposition, or what happened as a result of a violation being issued. The disposition of a violation contains identifying attributes which makes each violation unique. For each violation issued by enforcement officers (or other comparable law enforcement) on the CRTS, the disposition must include specific information to differentiate one violation from the next. These identifying attributes are stored internally in a data management system which allows internal users to produce reports that assist in maintaining efficient and effective enforcement on the CRTS.

W.Va. Code mandates that the disposition of CRTS violations must be included in the DOH's report. However, W.Va. Code does not clarify what information regarding dispositions must be reported. The statute's broadness and ambiguity leave reporting dispositions open for interpretation. As a result, the State's ability to collect, assimilate, and report on CRTS operations may be hindered by a lack of usable information. **Therefore, the Legislative Auditor recommends the Legislature consider revising West Virginia Code §17C-17A-3 to provide clarification as to which disposition information is required to be reported.**

The Legislative Auditor's Office was provided with data relating to the violations in the *Notice of Violations* by the PSC or other law enforcement, which is a comprehensive listing of all violations and their identifying attributes. The following attributes are reported with each violation:

- |                      |                           |
|----------------------|---------------------------|
| ➤ Date Issued        | ➤ Sum of Adjustments (\$) |
| ➤ Respondent Parties | ➤ Latest Payment Date     |
| ➤ Case Number        | ➤ Balance Due (\$)        |
| ➤ Site               | ➤ County                  |

- Date Served
- 20 Days Up
- Identifying Number
- Type of Violation
- Fine Amount (\$)
- Hearing Required
- Date Staff Memo Filed
- Order Final Date
- Offense Number

\*Categories indicated with a dollar sign represent a monetary amount.

The Legislative Auditor’s examination indicated that none of the above-mentioned attributes were included to provide an accurate disposition of the violations. This may be due, in part, to the shared responsibilities of the PSC and DOH.

The PSC is statutorily required to enforce the provisions of W.Va. Code on the CRTS. Conversely, reporting CRTS-related operations—as it relates to the CMVW—falls under the purview of the DOH. Because enforcement of the CRTS is under the purview of the PSC, the DOH may not have readily available access to the required information.

Further, the Legislative Auditor determined that the DOH’s annual reports include information regarding its current and future obligation of funds from the CRTRF, but does not include comprehensive information regarding the amount of undue damage caused by coal transportation on the CRTS or any information regarding the total cost of repairs for CRTS roadways. While the DOH is able to provide an estimated cost per bridge, there is no data provided for actual roadways. **Therefore, the Legislative Auditor recommends the Division of Highways comply with West Virginia Code §17C-17A-3 to include the required information in the annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Committee.**

**The Division of Highways Routinely Expresses Concerns Over Insufficient Program Revenues and Its Inability to Ensure Proper Maintenance and Repair. However, It Does Not Track or Report Any Specific Cost Data.**

In each annual report reviewed by the Legislative Auditor, the DOH expresses its conclusions and concerns with the operation of the CRTS. From 2015-2018, the DOH routinely indicated that its major concern was the sufficiency of revenues to maintain the CRTS. According to the 2018 report:

*[It] is clear that the financial resources needed for highway and bridge maintenance on the CRTS exceed the amount of dedicated funds available for that purpose. At this rate, it would take approximately 20 years to replace or repair the programmed CRTS bridges using only CRTS revenues.*

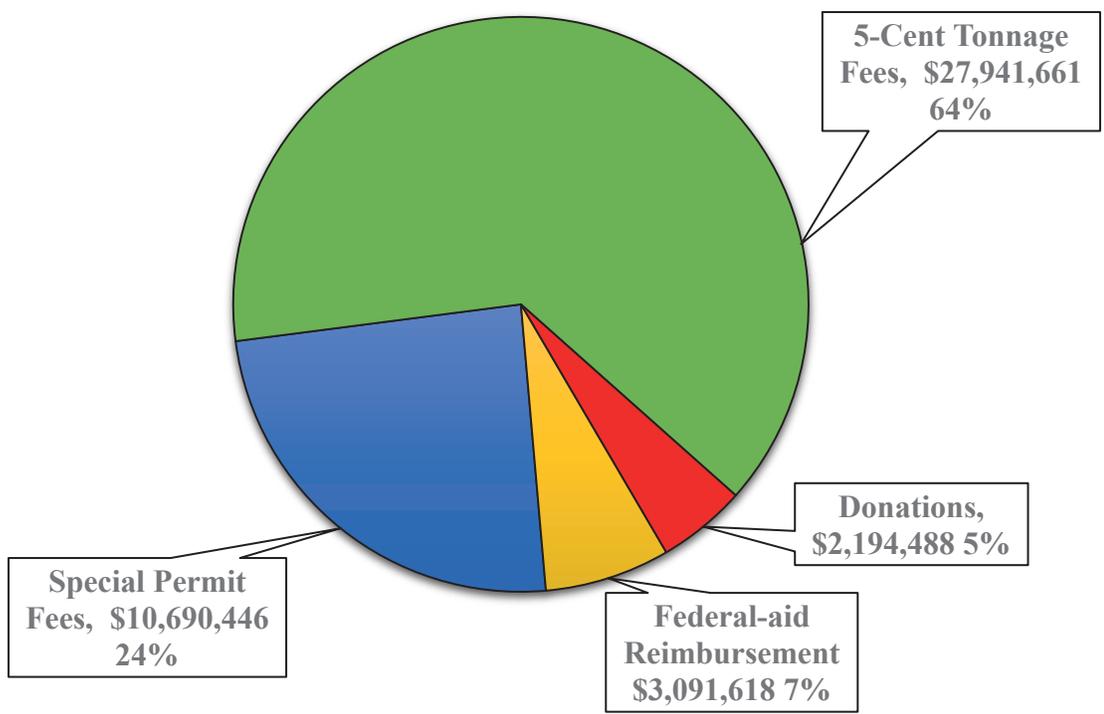
Damage to roads and bridges on the CRTS can be attributed to two primary factors:<sup>2</sup> excessive loading of trucks and the speed at which those trucks travel. As loads in excess of the legal limit increase in frequency, diminished road conditions become a primary safety concern for motorists, and, ultimately, the State. Because public safety is a chief concern of all state-run

<sup>2</sup> Excluding common factors inherent to non-CRTS roadways and bridges.



The Legislative Auditor requested and analyzed revenue and expenditure data relating to the CRTS operations. The CRTS has generated an average annual revenue stream of approximately \$3 million, totaling \$44 million, over the life of the program since 2003. Revenues are comprised of special permit fees, 5-cent tonnage fees, and donations provided by coal companies from 2003-present.<sup>3</sup> Of the four sources, 5-cent tonnage fees account for the majority of revenue—approximately \$28 million or 64 percent—attributable to the CRTRF, over that same period. The other sources of revenue account for the remaining \$16 million or 36 percent of CRTRF funds. Figure 3 provides a percentage breakdown of CRTRF funds attributable to the revenue streams mentioned.

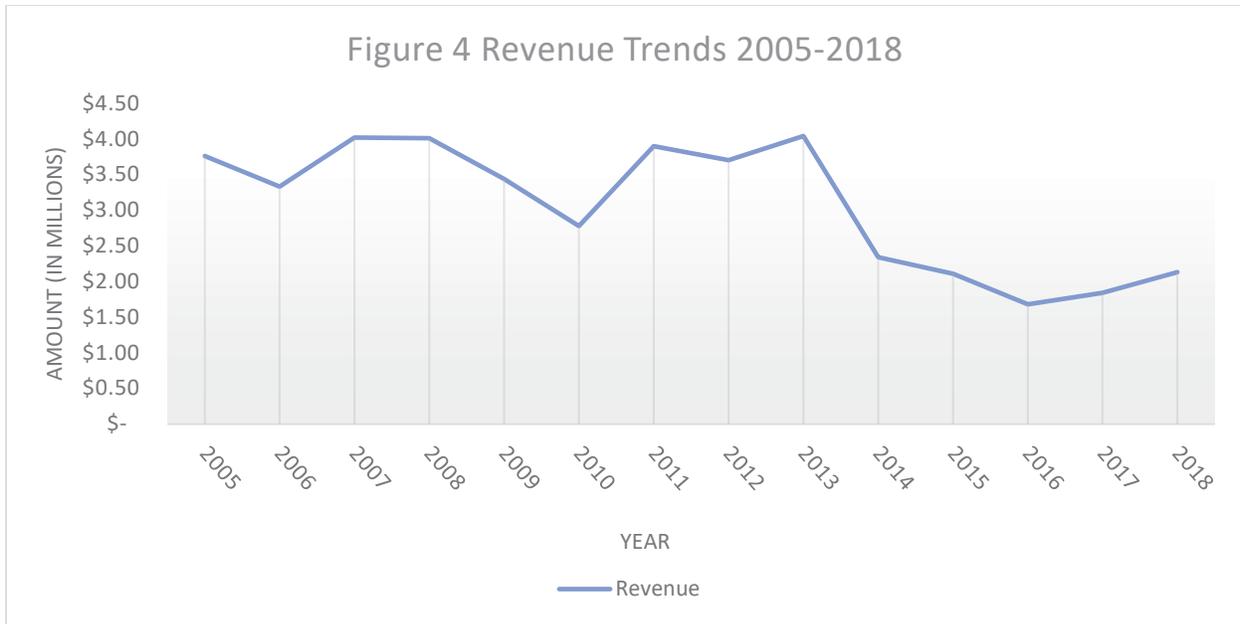
**Figure 3**  
**Percent of CRTRF Funds Attributable to Revenue Streams**



Source: Figures derived from the 2018 report to CMVW.

Since the program’s inception, CRTRF revenues have experienced considerable annual fluctuations, most notably since 2013. Annual revenues exhibited a high of \$4.04 million in 2013 and a low of \$1.68 million in 2016, representing a decrease in revenue of approximately 58 percent, and also totaling the lowest annual revenue inflow since the program was enacted. Annual revenues are displayed in Figure 4 below.

<sup>3</sup> Federal-aid reimbursement is a fourth source of funds; however, it is not considered a primary source.



Source: 2018 report to the CMVW.

<b>Figure 5 Annual CRTS Revenue 2005-2018</b>	
<b>Year</b>	<b>Annual Revenue</b>
2005	\$3,760,000
2006	\$3,330,000
2007	\$4,020,000
2008	\$4,010,000
2009	\$3,440,000
2010	\$2,780,000
2011	\$3,900,000
2012	\$3,700,000
2013	\$4,040,000
2014	\$2,340,000
2015	\$2,110,000
2016	\$1,680,000
2017	\$1,840,000
2018	\$2,130,000

Source: Compiled from DOH annual reports.

The Legislative Auditor requested expense records from the DOH for maintenance projects conducted on CRTS roadways to compare program revenues to the cost to repair and maintain CRTS roads. However, **DOH officials indicated that they neither maintain separate records for maintenance on coal resource transportation roads nor maintain cost data for repairs on the CRTS compared to other non-CRTS state-maintained roads.**

Although the DOH cannot provide an estimated cost to repair coal resource transportation roads, it does provide an estimated cost to repair bridges encompassed in the CRTS.

Figure 6 Increase in Bridge Costs					
Year	Bridges Scheduled for Repair/ Replacement	Estimated Total Repairs	Average Cost Per Bridge	Increase in Total Cost from Base Year	Increase in Average Cost from Base Year
2015	29	\$25,700,000	\$900,000	-	-
2016	29	\$30,100,000	\$1,150,000	17%	28%
2017	34	\$53,100,000	\$1,500,000	107%	67%
2018	44	\$62,000,000	\$1,400,000	141%	56%

Source: 2015-2018 Annual Reports to CMVW

A review of available data provided by the DOH in annual reports to the CMVW disclosed estimated bridge repair costs have steadily increased from 2015 through 2018. As shown in Figure 6 above, 2015 had an estimated total bridge cost of \$25.7 million with each subsequent year increasing in total cost, ending with 2018 exhibiting an estimated total bridge cost of approximately \$62 million. This equates to a 141% increase in estimated total bridge costs from 2015 to 2018.

A comparison of CRTS-related expenses to normalized state-maintained road expenses would allow a cost multiplier to be reasonably calculated. A cost multiplier would provide a simple way of comparing expense costs on CRTS roads and non-CRTS roads. However, due to the lack of sufficient data for measurable comparisons, the Legislative Auditor was unable to determine how total CRTS maintenance compares to general road maintenance on state-maintained roads that prohibit the transportation of excess loads.

The Legislative Auditor acknowledges that fee revenues generated by the CRTS were intended by the Legislature as a financial supplement, not as a standalone means to fully support the CRTS. However, the Legislative Auditor concludes that it is prudent to separately track and report the costs associated with repair and maintenance of CRTS roadways and bridges given the amount of state funds that are appropriated to the DOH for road maintenance and the continued concern expressed by the DOH regarding these expenses. This would allow the CRTS program to evaluate any potential increase in the maintenance costs for these roads against the adequacy of the funds generated in the CRTRF to supplement those costs. **Therefore, the Legislative Auditor recommends that the DOH begin separately tracking and reporting data related to the costs to maintain and repair CRTS roads and bridges.**

## Conclusion

The Coal Resource Transportation System is made up of nearly 2,200 miles of roadways, predominantly comprising southern West Virginia’s secondary roads. For some counties, CRTS road-miles account for close to half of the total road-miles in the county.

While it is widely acknowledged that the increased weight limits for coal hauling along these roads exponentially increases the damage they sustain, thereby increasing the costs of maintenance and repair, the DOH currently does not track these increased costs. Moreover, important data regarding activities on the CRTS are not being reported to the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee, as required under current law.

On July 18, 2019, the Cabinet Secretary for the Department of Transportation responded to the findings of this report indicating that, *"the DOT feels that the reporting of cost data for maintenance and repair pertaining to those routes included in the CRTS is of little, if any, benefit to the public or the Legislature."* The DOT acknowledged, however, the current statutory requirement to include the elements discussed in this audit report and indicated that it will do so moving forward.

## **Recommendations**

1. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Division of Highways comply with West Virginia Code §17C-17A-3 to include the required information in the annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Committee.
2. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Legislature consider revising West Virginia Code §17C-17A-3 to provide clarification as to which disposition information is required to be reported in the annual reports to the Commercial Motor Vehicle Weight and Safety Enforcement Committee.
3. If the Legislature maintains the reporting requirements, the Legislative Auditor recommends the Division of Highways begin separately tracking and reporting data related to the costs to maintain and repair roads and bridges on the Coal Resource Transportation System.

# Appendix A

## WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

*Post Audit Division*

1900 Kanawha Blvd. East, Room W-329  
Charleston, WV 25305-0610  
(304) 347-4880



Justin Robinson  
Director

**Delivered via Electronic Mail**

July 10, 2019

Byrd E. White, III, Cabinet Secretary  
West Virginia Department of Transportation  
State Capitol Complex  
Building 5

Dear Cabinet Secretary White:

This is to transmit a draft copy of our report on the Coal Resource Transportation System. This report is tentatively scheduled to be presented during the Tuesday, July 23, 2019 interim meeting of the Post Audits Subcommittee, which is currently scheduled for 10:00a.m. in the Senate Finance Committee Room (451-M). We recommend that you send a representative from your agency to the meeting to respond to the report and answer any questions committee members may have during or after the meeting.

If you would like to schedule a meeting to discuss any concerns you may have with the report, please notify Terri Stowers, Executive Administrative Assistance, at 304-347-4880 by Friday, July 12, 2019. In addition, we would like to extend the opportunity to you to provide written comments on the report. We will need any written response by noon on Wednesday, July 17, 2019 in order for it to be included in the final report. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink that reads "Justin Robinson".

Justin Robinson  
Director

Enclosure

c: Elwood Penn, Director, Planning Division, West Virginia Division of Highways



# Appendix A

## WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

*Post Audit Division*

1900 Kanawha Blvd. East, Room W-329  
Charleston, WV 25305-0610  
(304) 347-4880



Justin Robinson  
Director

**Delivered via Electronic Mail**

July 10, 2019

Charlotte Lane, Chairwoman  
West Virginia Public Service Commission  
201 Brooks Street  
Charleston, WV 25323

Dear Chairwoman Lane:

This is to transmit a draft copy of our report on the Coal Resource Transportation System. This report is tentatively scheduled to be presented during the Tuesday, July 23, 2019 interim meeting of the Post Audits Subcommittee, which is currently scheduled for 10:00a.m. in the Senate Finance Committee Room (451-M). We recommend that you send a representative from your agency to the meeting to respond to the report and answer any questions committee members may have during or after the meeting.

If you would like to schedule a meeting to discuss any concerns you may have with the report, please notify Terri Stowers, Executive Administrative Assistance, at 304-347-4880 by Friday, July 12, 2019. In addition, we need your written response, should you choose to provide one, by noon on Wednesday, July 17, 2019 in order for it to be included in the final report. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink that reads "Justin Robinson".

Justin Robinson  
Director

Enclosure

## **Objective, Scope, and Methodology**

The Post Audit Division within the Office of the Legislative Auditor conducted this review as authorized by Chapter 4, Article 2, Section 5 of the *West Virginia Code*, as amended.

### **Objectives**

The objective of this review was to determine if the West Virginia Division of Highways (DOH) is in compliance with the West Virginia Code requirements with respect to its periodic reports on the Coal Resource Transportation System (CRTS). In addition, the objective sought to determine what data the DOH maintains on the specific costs of repairing CRTS roads and bridges.

### **Scope**

The scope of this review consists of all DOH reports to the Commercial Motor Vehicles Weight and Safety Enforcement Advisory Committee between 2015-18. The scope involved interviewing select staff with PSC and the DOH. The audit staff will not attempt to make any determination regarding expenditures of monies collected for the Coal Resource Transportation Road Fund.

### **Methodology**

Post Audit staff gathered and analyzed several sources of information and assessed the sufficiency and appropriateness of the information used as evidence. Testimonial evidence was gathered through interviews with various agencies that oversee, collect, or maintain information. The purpose for testimonial evidence was to gain a better understanding or clarification of certain issues, to confirm the existence or non-existence of a condition, or to understand the respective agency's position on an issue. Such testimonial evidence was confirmed by either written statements or the receipt of corroborating or physical evidence.

Audit staff analyzed various source documents that were either provided by the PSC, the DOH, or publicly available on the web. In addition, information was obtained using the State Auditor's website.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# **Comments on Legislative Auditor Report on the Coal Resource Transportation System**



**Charlotte R. Lane, Chairman  
Public Service Commission of West Virginia**

**Tuesday, July 23, 2019  
10:00 a.m. – 12:00 p.m.  
Senate Finance – 451M**

Public Service Commission of West Virginia  
Response to Legislative Auditor Report on Coal Resource Transportation System  
Presenter – Charlotte R. Lane, Chairman

Thank you for the opportunity to respond to the Legislative Auditor's report on the Coal Resource Transportation System (CRTS).

- The Commission fulfills its delegated duties under the CRTS statutes, W. Va. Code §§17C-17A-1 et seq. and 17C-17B-1 et seq.
  
- CRTS is a successful program. Benefits of the CRTS laws include increased public safety for citizens who reside along and share CRTS roadways and for truck drivers. By reducing gross weights of coal trucks, CRTS has also decreased damage to state roads and bridges. The program has generated \$38.9 million from operators using CRTS routes. It has also resulted in another \$2.2 million in donations made to DOH in order to upgrade roads that companies wish to add to the CRTS system.
  
- The CRTS provides an administrative sanction process to address violators. Administrative sanctions are applied to coal operators and transportation companies, thus holding both accountable. The program also helps to ensure compliance with other state and federal agencies by verifying that a company has a valid contract, business license and insurance; that it is registered with the Commission; and that it is properly permitted by other agencies before issuing a CRTS permit.
  
- CRTS code mandates coal companies submit daily electronic filings containing detailed data of coal shipments, including the gross vehicle weight of every shipment. This data enables the Commission to deploy Enforcement Officers to routes that are identified as problem areas, which improves the safety of those roadways. This information has also decreased the amount of time Enforcement Officers must spend weighing coal shipments, which increases the time they can spend on other enforcement duties.
  
- The Commission-appointed member of the Commercial Motor Vehicle Weight and Safety Enforcement Advisory Committee (CMVW) chairs and attends the quarterly meetings of CMVW. At that meeting, the PSC provides all attendees with a summary

report of notices of violation (NOV), citations issued, sanctions issued, sanctions dismissed, sanctions collected and the number of final orders issued. The Commission also provides a breakdown of the number of NOV's issued by county. The Commission has additional specific background data on the issued NOV's and citations, and can provide that to DOH or to the Legislature.

- Attached is an example of Commission reporting to the CMVW.
- The original purpose of the CMVW was to receive and address citizen complaints related to coal truck traffic. The committee worked diligently during its early years to develop protocols that have grown into the efficient and effective system that is today's CRTS. Because those efforts were so successful, citizen complaints have now decreased to a level that indicates that such oversight is no longer necessary. Therefore, we respectfully suggest that the CMVW be sunsetted, and that the DOH or PSC, as applicable, report annually to the Legislature.

# CMV Weight and Safety Enforcement Advisory Committee

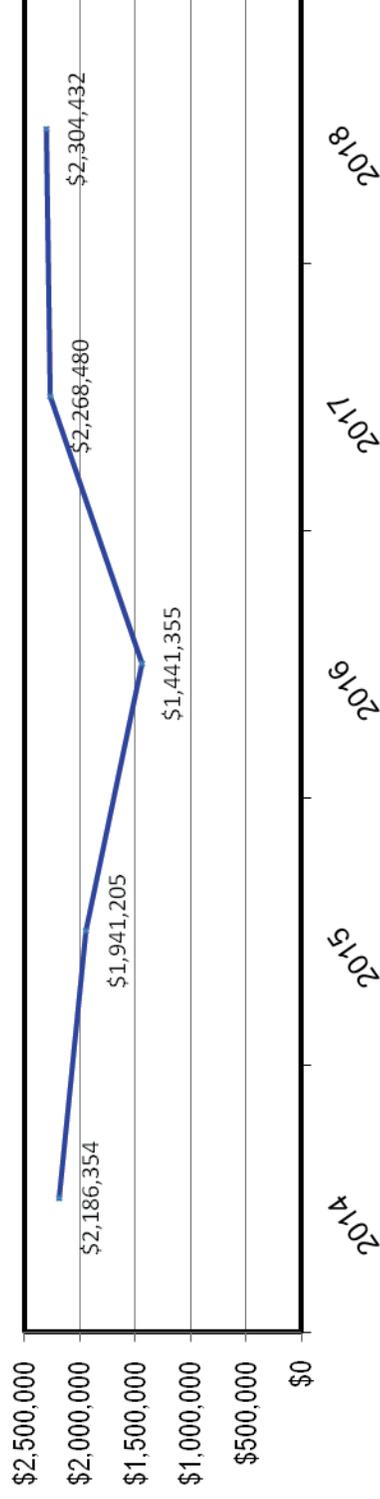
## Annual CRTS Permits Issued by Class

YEAR	Class A Single unit truck, 1 steering axle and 2 axles in tandem, maximum gross weight 80,000 lbs. (5% tolerance), \$100 annual permit fee	Class B Single unit truck, 1 steering axle and 3 axles in tridem, maximum gross weight 90,000 lbs. (5% tolerance), \$160 annual permit fee	Class C Tractor-semitrailer combination with 5 axles, maximum gross weight 110,000 lbs. (5% tolerance), \$300 annual permit fee	Class D Tractor-semitrailer combination with 6 or more axles, maximum gross weight 120,000 lbs. (5% tolerance), \$500 annual permit fee	Total
2014	13	154	92	1,246	1,505
2015	7	170	113	1,058	1,348
2016	5	157	81	853	1,096
2017	4	144	75	1,000	1,223
2018	1	176	50	1,090	1,317
2019 YTD	2	151	45	927	1,125

# CMV Weight and Safety Enforcement Advisory Committee

## Annual CRTS Permit and Tonnage Fee Revenue by Quarter ( Last 5 Years plus YTD)

YEAR (Collected during)	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	TOTAL
2014	\$499,725	\$425,549	\$448,605	\$812,475	\$2,186,354
2015	\$432,429	\$419,011	\$359,365	\$730,399	\$1,941,205
2016	\$306,142	\$272,016	\$220,366	\$642,831	\$1,441,355
2017	\$467,300	\$513,357	\$465,999	\$821,825	\$2,268,480
2018	\$464,105	\$375,374	\$484,713	\$980,241	\$2,304,432
2019 YTD	\$555,681	Available July 19, 2019			\$555,681



Public Service Commission of West Virginia

# CMV Weight and Safety Enforcement Advisory Committee

## 2018 CRTS Administrative Sanction Summary

2018	1st Qtr. 2018	2nd Qtr. 2018	3rd Qtr. 2018	4th Qtr. 2018	2018 Totals
Notice of Violations (NOV)	NOV's Issued - 75	NOV's Issued - 82	NOV's Issued - 65	NOV's Issued - 79	NOV's Issued - 301
	0 - Driver / 0 - Owner	3 - Driver/ 3 - Owner	2 - Driver/2-Owner	0 - Driver/0 Owner	5 - Driver /5- Owner
	71 Shipper / 4 Rec.	74 Shipper/2 Rec.	59-Shipper/ 2-Receiver	77-Shipper/ Receiver -2	281-Shipper /10-Rec.
Transactions Cited and Citations Issued (Overweight - OW) (Citation - Cit.)	435 - Erroneous or Untimely	424 - Erroneous or Untimely	80 - Erroneous or Untimely	18 - Erroneous or Untimely	957 - Erroneous or Untimely
	1350 - Electronic OW Trans.	1075 - Electronic OW Trans.	1049 - Electronic OW Trans.	1,306 - Electronic OW Trans.	4,780 - Electronic OW Trans.
	0 - CRTS Speeding Cit.	0 - CRTS Speeding Cit.			
	0 - OW Enforcement Cit.	3 - OW Enforcement Cit.	2- OW Enforcement Cit.	0 - OW Enforcement Cit.	5- OW Enforcement Cit.
Sanctions Issued	\$102,774	\$121,890	\$92,168	\$84,280	\$401,112
Sanctions Dismissed	- \$12,978	- \$10,350	- \$1,450	- \$0	- \$24,778
Total Sanctions	\$89,796	\$111,540	\$90,718	\$84,280	\$376,334
Sanctions Collected	\$55,693	\$74,844	\$53,142	\$206,810	\$390,489
License Suspensions	0	0	0	4	4
Permit Suspensions	0	0	1	4	Owner - 5
Final Orders Entered	75	85	61	81	302
<u>2018 Notice of Violations by County</u>					
Boone - 55	Braxton - 0	Clay - 0	Fayette - 12	Greenbrier - 5	Kanawha - 8
Lincoln - 0	Logan - 47	McDowell - 69	Mercer - 1	Mingo - 63	Nicholas - 14
Ohio - 0	Pocahontas - 0	Raleigh - 17	Upshur - 0	Wayne - 0	Webster - 0
Wyoming - 10					Total - 301

# CMV Weight and Safety Enforcement Advisory Committee

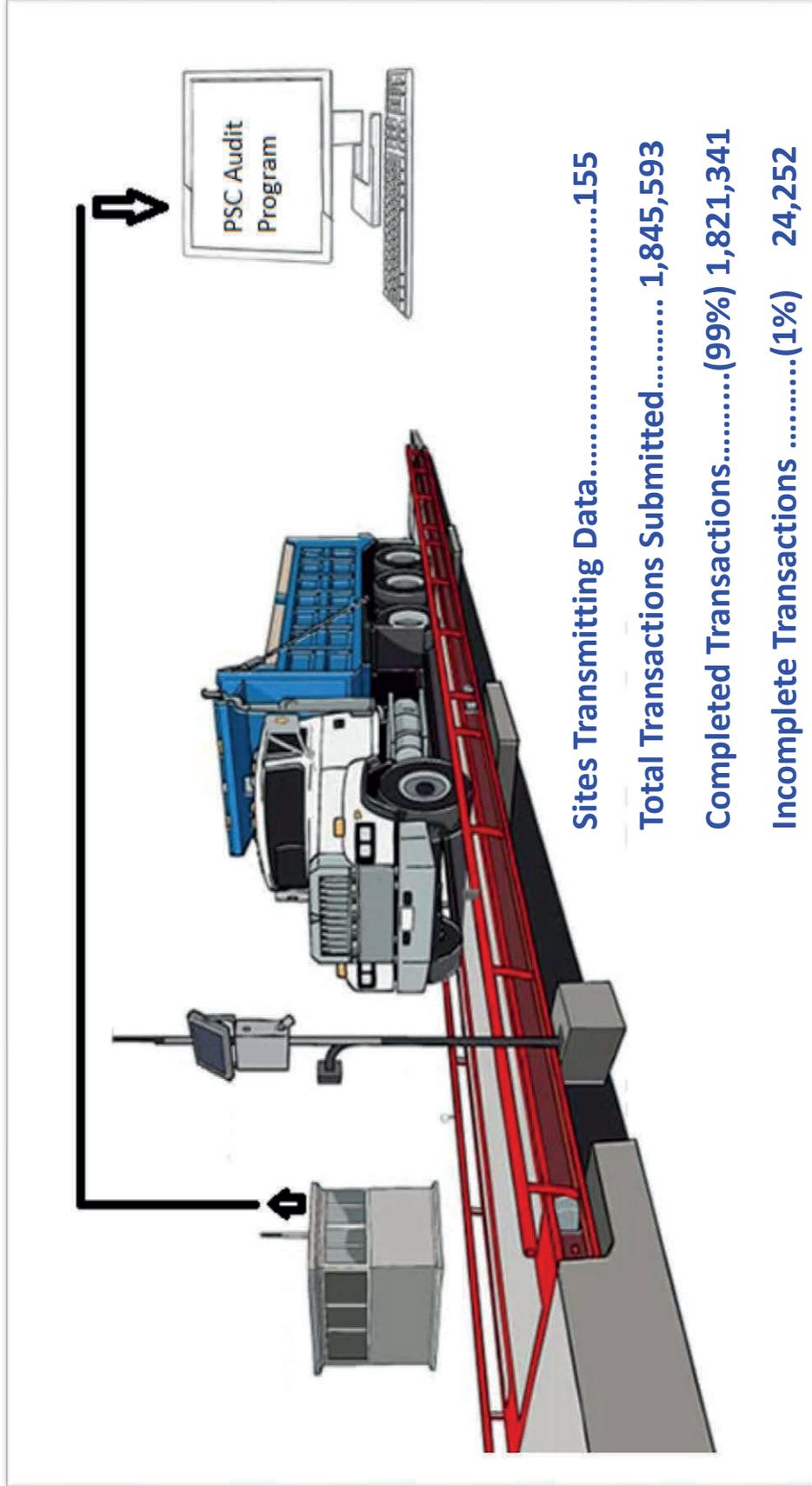
## 1st Quarter 2019 CRTS Administrative Sanction Summary

2019	1st Qtr. 2019
Notice of Violations (NOV)	<u>NOV's Issued - 106</u>
	1 - Driver /1 - Owner
	93- Shipper / 11- Rec.
Transactions Cited and Citations Issued (Overweight - OW) (Citation – Cit.)	98 - Erroneous or Untimely
	1456 - Electronic OW Trans.
	0 - CRTS Speeding Cit.
	1 - OW Enforcement Cit.
Sanctions Issued	\$82,962
Sanctions Dismissed	-\$0
<b>Total Sanctions</b>	<b>\$82,962</b>
Sanctions Collected	\$87,037
License Suspensions	1
Permit Suspensions	0
Final Orders Entered	104

2019 1 <sup>st</sup> Quarter Notice of Violations by County					
Boone – 25	Braxton – 0	Clay - 0	Fayette – 12	Greenbrier – 1	Kanawha - 5
Lincoln - 0	Logan - 6	McDowell - 15	Mercer – 0	Mingo – 27	Nicholas - 5
Ohio - 0	Pocahontas - 0	Raleigh - 9	Upshur - 0	Wayne – 0	Webster – 0
Wyoming - 1					Total - 106

# CRTS Electronic Reporting

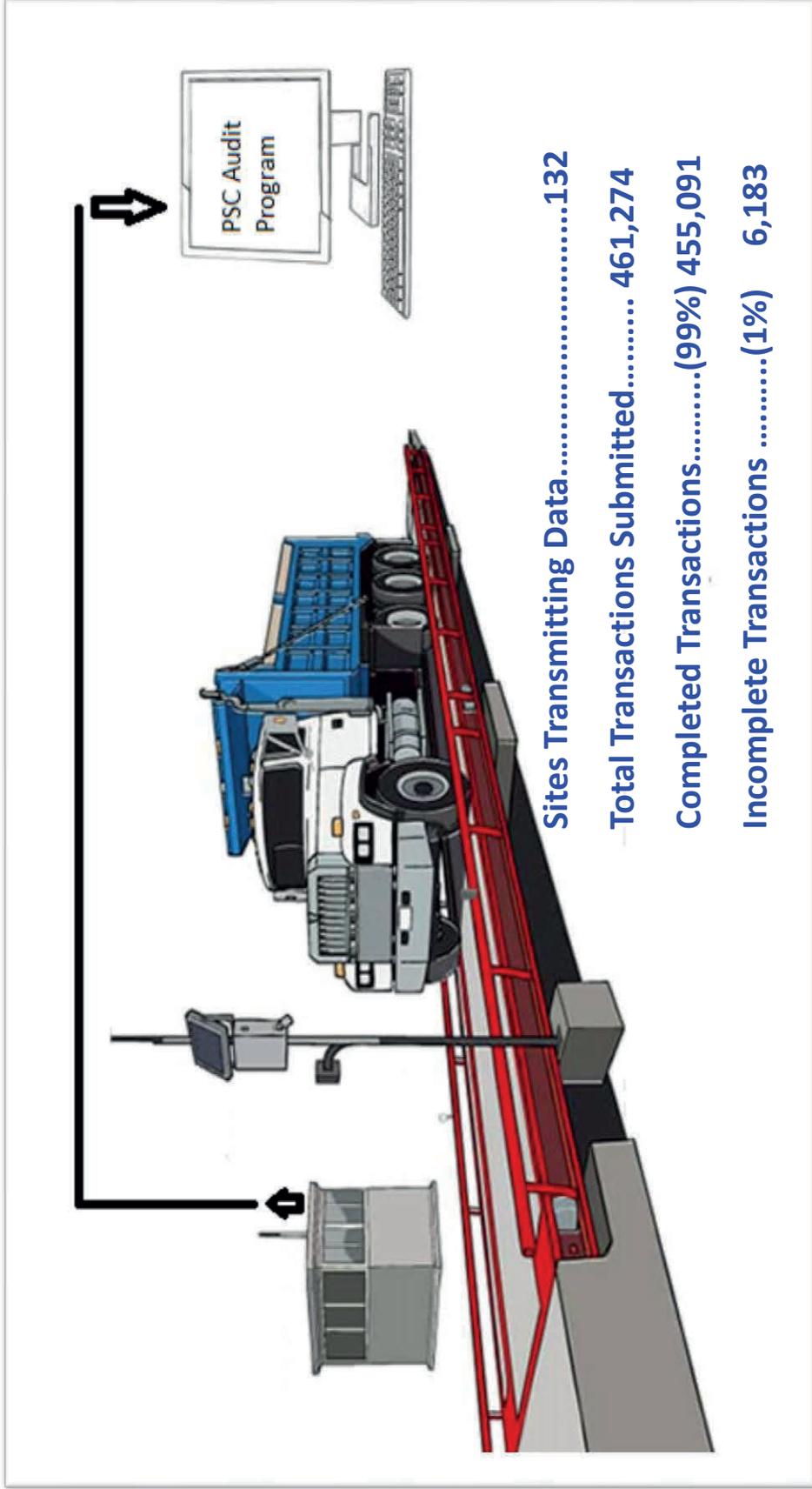
2018 File Transfer Protocol and Manual Entry Electronic Reporting Results



Public Service Commission of West Virginia

# CRTS Electronic Reporting

1<sup>st</sup> Quarter 2019 File Transfer Protocol and Manual Entry Electronic Reporting Results



Public Service Commission of West Virginia

# Complaint Hotline (1-866-SEE-TRUX)

2018 – page 1 of 2

No.	County	Date	Type	No.	County	Date	Type	No.	County	Date	Type
1	Boone	1/3/18	Speeding	36	Boone	4/9/18	Speeding	71	Mingo	7/26/18	Other
2	Kanawha	1/17/18	Speeding	37	Logan	4/11/18	Speeding	72	McDowell	7/30/18	Other
3	McDowell	1/18/18	Load Not Covered	38	Boone	4/16/18	Speeding	73	Kanawha	7/31/18	Speeding
4	Boone	1/19/18	Speeding	39	Boone	4/26/18	Speeding	74	Boone	8/6/18	Speeding
5	Kanawha	1/19/18	Speeding	40	McDowell	5/7/18	Speeding	75	Kanawha	8/10/18	Other
6	Raleigh	1/25/18	Other	41	Raleigh	5/9/18	Speeding	76	Boone	8/10/18	Weight
7	Boone	1/26/18	Other	42	Mingo	5/9/18	Other	77	McDowell	8/13/18	Speeding
8	Logan	1/29/18	Speeding	43	Logan	5/9/18	Speeding	78	McDowell	8/15/18	Speeding
9	Logan	1/31/18	Speeding	44	McDowell	5/10/18	Other	79	Raleigh	8/15/18	Other
10	Kanawha	1/31/18	Speeding	45	Mingo	5/16/18	Speeding	80	Raleigh	8/15/18	Other
11	Boone	1/31/18	Speeding	46	Logan	5/16/18	Speeding	81	Boone	8/16/18	Weight
12	Raleigh	2/2/18	Load Not Covered	47	Boone	5/18/18	Other	82	McDowell	8/20/18	Speeding
13	McDowell	2/5/18	Speeding	48	Kanawha	5/21/18	Reckless	83	Kanawha	8/20/18	Speeding
14	Boone	2/12/18	Speeding	49	Boone	5/22/18	Other	84	Raleigh	8/22/18	Speeding
15	Mingo	2/13/18	Other	50	Kanawha	5/30/18	Reckless	85	Logan	8/22/18	Speeding
16	Raleigh	2/14/18	Other	51	Mercer	6/7/18	Speeding	86	Raleigh	8/24/18	Speeding
17	Mingo	2/15/18	Other	52	Boone	6/8/18	Reckless	87	Raleigh	8/24/18	Speeding
18	Logan	2/20/18	Reckless	53	Mingo	6/14/18	Speeding	88	Raleigh	8/29/18	Speeding
19	Kanawha	2/21/18	Speeding	54	Raleigh	6/15/18	Weight	89	Kanawha	8/29/18	Reckless
20	Mingo	2/21/18	Other	55	Kanawha	6/15/18	Speeding	90	McDowell	8/29/18	Other
21	Raleigh	2/27/18	Speeding	56	Mingo	6/26/18	Unsafe Load	91	Kanawha	8/30/18	Speeding
22	Boone	2/28/18	Other	57	Wyoming	6/26/18	Reckless	92	Boone	8/30/18	Weight
23	Fayette	3/1/18	Other	58	Boone	6/26/18	Speeding	93	Boone	8/31/18	Speeding
24	Mingo	3/13/18	Reckless	59	Boone	6/26/18	Speeding	94	McDowell	9/4/18	Other
25	Raleigh	3/13/18	Speeding	60	McDowell	6/27/18	Speeding	95	Raleigh	9/7/18	Speeding
26	Boone	3/16/18	Speeding	61	Boone	6/28/18	Other	96	McDowell	9/10/18	Speeding
27	McDowell	3/16/18	Other	62	Mingo	6/28/18	Reckless	97	Boone	9/13/18	Reckless
28	Wayne	3/20/18	Speeding	63	Kanawha	7/10/18	Speeding	98	Boone	9/13/18	Speeding
29	Boone	3/20/18	Speeding	64	Mingo	7/11/18	Speeding	99	Lincoln	9/14/18	Weight
30	McDowell	3/20/18	Speeding	65	Kanawha	7/11/18	Speeding	100	Boone	9/21/18	Other
31	Kanawha	3/20/18	Speeding	66	Raleigh	7/11/18	Speeding	101	McDowell	9/21/18	Other
32	Fayette	3/23/18	Weight	67	Fayette	7/12/18	Other	102	Kanawha	9/21/18	Reckless
33	Boone	3/27/18	Other	68	Boone	7/12/18	Other	103	Boone	9/25/18	Speeding
34	Raleigh	3/28/18	Other	69	Boone	7/12/18	Speeding	104	Raleigh	9/27/18	Other
35	Logan	3/28/18	Speeding	70	Fayette	7/23/18	Other	105	Boone	9/27/18	Reckless

# Complaint Hotline (1-866-SEE-TRUX) 2018 – page 2 of 2

No.	County	Date	Type	No.	County	Date	Type
106	Boone	10/1/18	Speeding	136	Boone	12/12/18	Speeding
107	Kanawha	10/4/18	Speeding	137	McDowell	12/21/18	Speeding
108	Lincoln	10/5/18	Reckless	138	Boone	12/21/18	Speeding
109	Kanawha	10/9/18	Speeding	139	Boone	12/21/18	Speeding
110	Logan	10/11/18	Reckless	140	Kanawha	12/21/18	Speeding
111	Kanawha	10/15/18	Other	141	Boone	12/27/18	Speeding
112	Boone	10/18/18	Speeding	142	Boone	12/28/18	Reckless
113	McDowell	10/23/18	Speeding				
114	Raleigh	10/24/18	Reckless				
115	Boone	10/24/18	Speeding				
116	Nicholas	10/29/18	Speeding				
117	Randolph	10/30/18	Speeding				
118	Logan	10/30/18	Speeding				
119	Logan	10/30/18	Speeding				
120	Logan	10/30/18	Reckless				
121	Kanawha	10/31/18	Reckless				
122	Kanawha	10/31/18	Reckless				
123	Kanawha	11/2/18	Speeding				
124	Boone	11/2/18	Speeding				
125	Kanawha	11/5/18	Other				
126	Boone	11/7/18	Speeding				
127	Boone	11/13/18	Speeding				
128	Boone	11/13/18	Speeding				
129	Raleigh	11/16/18	Speeding				
130	Boone	11/19/18	Speeding				
131	Boone	11/26/18	Speeding				
132	Kanawha	11/26/18	Reckless				
133	Boone	11/28/18	Speeding				
134	McDowell	11/30/18	Speeding				
135	Kanawha	12/3/18	Reckless				

# Complaint Hotline (1-866-SEE-TRUX)

2019 - 1<sup>st</sup> Quarter

No.	County	Date	Type	No.	County	Date	Type
1	Boone	1/3/2019	Speeding	18	McDowell	2/20/2019	Other
2	Raleigh	1/4/2019	Reckless	19	Boone	2/25/2019	Speeding
3	Logan	1/7/2019	Speeding	20	Boone	2/25/2019	Speeding
4	Kanawha	1/7/2019	Reckless	21	McDowell	2/28/2019	Other
5	Wayne	1/8/2019	Speeding	22	Boone	2/28/2019	Speeding
6	Wayne	1/10/2019	Speeding	23	Kanawha	3/8/2019	Speeding
7	Boone	1/10/2019	Speeding	24	Boone	3/11/2019	Speeding
8	McDowell	1/16/2019	Other	25	Kanawha	3/12/2019	Reckless
9	Raleigh	1/17/2019	Reckless	26	McDowell	3/15/2019	Unsafe Load
10	Boone	1/23/2019	Speeding	27	Kanawha	3/21/2019	Other
11	Nicholas	1/24/2019	Reckless	28	Kanawha	3/22/2019	Speeding
12	Greenbrier	1/25/2019	Weight	29	McDowell	3/26/2019	Other
13	McDowell	2/5/2019	Other	30	Mingo	3/28/2019	Speeding
14	Nicholas	2/6/2019	Speeding	31	Boone	3/28/2019	Speeding
15	Kanawha	2/6/2019	Speeding	32	Kanawha	3/28/2019	Speeding
16	McDowell	2/12/2019	Speeding	33	Boone	3/28/2019	Speeding
17	Boone	2/13/2019	Speeding	34	Kanawha	3/28/2019	Speeding

Public Service Commission of West Virginia



**WEST VIRGINIA  
DEPARTMENT OF TRANSPORTATION**  
1900 Kanawha Boulevard East • Building Five • Room 109  
Charleston, West Virginia 25305-0440 • (304) 558-0444

**Byrd E. White, III**  
Cabinet Secretary

**July 17, 2019**

**Mr. Aaron Allred**  
Legislative Manager  
West Virginia Legislature  
Joint Committee on Government and Finance  
Room E-132  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0610

**LEGISLATIVE MANAGER**

JUL 18 2019

**RECEIVED**

**Dear Mr. Allred:**

Thank you for your letter, dated July 16, 2019, requesting the position of the Department of Transportation (DOT) regarding certain data requirements associated with the Coal Resource Transportation System (CRTS).

As discussed with personnel of your Post Audit Division staff on July 16, 2019, the DOT feels that the reporting of cost data for maintenance and repair pertaining to those routes included in the CRTS is of little, if any, benefit to the public or the Legislature. Maintenance work performed along CRTS routes generally is no different than that performed along non-CRTS routes of the same functional classification. Legislative changes that would eliminate these CRTS reporting requirements would be supported by the DOT.

The DOT appreciates your assistance with this matter. If additional information is needed, please feel free to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byrd E. White, III".

**Byrd E. White, III**  
Secretary of Transportation

**BEW:Cd**





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JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR  
- POST AUDIT DIVISION -

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Room 329 W, Building 1  
1900 Kanawha Boulevard East  
Charleston, West Virginia 25305  
Phone: (304) 347-4880