



## ISSUE BRIEF: Third-Party Commercial Driver's License Testing

### UNDERSTANDING THE ISSUES: THIRD-PARTY COMMERCIAL DRIVER'S LICENSE TESTING

To obtain a commercial driver's license (CDL), a student driver must follow a two-step process similar to that of someone seeking a traditional driver's license. First, the driver must pass a written knowledge test. Then, the student must take a behind-the-wheel CDL skills test. Upon satisfying these requirements, new CDL drivers are qualified for jobs operating a truck or bus.

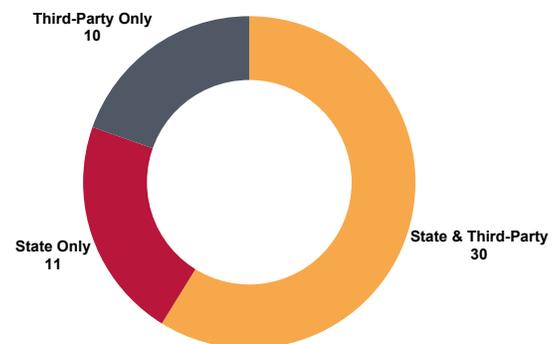
The Federal Motor Carrier Safety Administration (FMCSA) sets minimum CDL testing standards for all states, but states are free to determine the entity that administers or conducts the CDL skills exam. Forty states have adopted some form of third-party testing to ensure there are enough personnel, testing sites and resources to test students. Common third-party testing entities include commercial driving schools, trucking companies, municipalities and independent testing centers.

### ECONOMIC IMPACT OF CDL TESTING DELAYS NATIONWIDE

With commercial vehicle drivers in high demand within the trucking and bus industries, there are more people needing to take the CDL skills test in order to fill the open jobs in these industries. The high demand for this occupation has led to testing delays for potential drivers, especially in states without third-party testing. The testing delays not only have a negative economic impact on drivers, but their families, communities, and federal, state, and local governments experience negative economic consequences as well. According to a 2019 study that uses available data from 33 states, 49.0% of the estimated 669,688 initial CDL skills tests and retests experienced delays in 2016. These delays totaled over 6.4 million days resulting in negative economic impacts of jobs on hold, lost wages, lost sales, and forgone taxes.

While CDL testing delays are a problem in most states, the states with some form of third-party testing don't experience negative economic impacts as severe as those with only state-run testing centers. This is due to states with some form of third-party testing having reduced wait times compared to states with state-only administrators. The average wait time for states with state-only administrators is 12 days for initial tests and 17 days for retests. Average wait times in states with

CDL Skills Test Providers by State



Data Source: Commercial Vehicle Training Association (January 2019)

state-run and third-party systems are three days for initial tests and under nine days for retests. States with only third-party administrators had no waiting time for the initial test and under two days for a retest.

Testing delays have a negative economic impact on drivers, their families, and their communities.

## HOW OKLAHOMA COMPARES

While Oklahoma has a combined state-run and third-party system, the state has not been able to take advantage of a pilot program to allow third-party testing for a set number of businesses. The two-year pilot program was slated to begin no later than July 1, 2016, but implementation requirements were too rigid for many businesses to participate and other challenges prevented the program's launch. As a result, Oklahoma continues to see significant wait times and delays for CDL testing.

In Oklahoma, there were 6,274 retests given in 2016 with a wait time of five days, which resulted in a quantifiable negative economic impact to the state in the form of lost driver wages, reduced economic output and the resulting foregone taxes. The table below compares those economic impacts in Oklahoma to those in states with third-party only testing.

	Delayed Drivers	Lost Driver Wages	Economic Output*	Total Forgone Taxes
Oklahoma	6,274	\$5,071,440	\$5,553,734	\$1,651,136
Third-Party Only States	5,454	\$6,159,136	\$7,259,605	\$1,546,260

\*Economic output captures the production and sales of goods and services that would have resulted if drivers had received lost wages and additional jobs were subsequently created.

The 5,454 delayed drivers in third-party only states make up only 9.2% of the total drivers tested in those states in 2016. Oklahoma's delayed drivers make up 41.7% of the state's total drivers tested the same year. The data shows that third-party testing helps reduce wait times, which in turn limits the negative economic impacts resulting from the testing backlogs.

For more research and information on policies that impact the growth and success of Oklahoma, visit [www.okresearchfoundation.org](http://www.okresearchfoundation.org).