

Can Lane Departure and Other Safety Systems Improve Business?

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For the past decade, passenger vehicles have been utilizing technology improvements in safety systems such as collision warning, lane departure warning and blind spot cameras. Recently these types of systems have also become available to commercial trucks and the benefits are worth considering.

The U.S. Department of Transportation released a Large Truck Crash Causation Study and found that a full 10% of accidents involving these vehicles are due to distracted drivers. These new safety systems directly target distracted drivers and can be a boost to a company's safety record and bottom line. Considering all the costs associated with crashes such as driver time missed, repairs, disrupted loads, increased insurance premiums and

legal costs, even a minor accident can quickly become expensive. A company running a 3% profit margin will need \$833,000 in additional revenue to cover the cost of a \$25,000 accident. As the costs of an accident increase, it becomes clearer that any measures that can be taken to avoid these costs are worth investigating.

These systems can be retro-fitted onto existing fleets or installed on new purchases. They range in cost from \$1,000 to \$10,000 per vehicle depending on the manufacturer and system. Initial analysis of these systems has been promising both from tractor manufacturers and independent researchers. Volvo found that 80% of carriers who installed these systems on their trucks plan to purchase them on all future fleet upgrades. The Federal Motor Carrier Safety Administration performed a study that found a minimum cost-benefit ratio of \$1.33 benefit for every \$1 in cost on these systems. Examining the financial

benefits of these systems as part of any safety strategy in the future is advised. There could also be an additional benefit from proposed tax credits.

Congress has taken interest in these systems as improvements to highway safety are pursued through legislation. In 2011, the Commercial Motor Vehicle Advanced Safety Technology Act was written to specifically include tax incentives to carriers who installed these systems (tax credit of up to \$3,500 per vehicle). While that particular piece of legislation was not enacted, the ideas included in it are still being considered by several members of Congress and could provide additional benefits to those who pursue this technology for their fleets.

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