

Seventy-Ninth Unified Carrier Registration Plan Board of Directors Meeting
June 12, 2013
Minutes

The seventy-Ninth (79th) Unified Carrier Registration (UCR) Plan Board of Directors (Board) meeting was called to order by **Avelino Gutierrez (NM), Chairman** at 12:00 p.m. EST.

NOTE: Gene Eckhardt (WA) prepared these minutes. Although he took copious notes during the UCR Board meeting, he lost all of the notes during travel home. He was able to use an audio recording of the latter part of the meeting to prepare these minutes and has relied on input from various board members for the minutes for the first part of the meeting. Portions of the audio recording of people speaking without a microphone are unclear. Also, except when confirmed by specific individuals, the minutes prior to the audio recording regarding motions show Avelino Gutierrez (NM) as the moving party and Gene Eckhardt (WA) as the second.

Attendance - Board of Directors:

Present – Avelino Gutierrez (NM) - Chairman, Sandy Bowling (IN), Woody Chambers (Industry), Gene Eckhardt (WA), Mike Hoeme (KS), Angel Oliver (TX), Dave Lazarides (IL), Neal Murphy (MA), and Scott Morris (AL),

Absent – Adam Anderson (UT), Jay Gingrich (Industry), Robert Pitcher (Industry), Rick Schweitzer (Industry), and Robert Voltmann, (Industry),

Roll Call - Avelino Gutierrez (NM) conducted a roll call of the States with self-introductions of government and industry representatives made by those in attendance.

Teleconference Ground Rules - Avelino Gutierrez (NM) established.

Meeting Agenda – Avelino Gutierrez (NM) explained that he would move the Report of the Depository Subcommittee to the end of the agenda. Avelino Gutierrez (NM) moved to accept the meeting agenda. Second: Gene Eckhardt (WA). No discussion. Agenda approved (Exhibit A).

Vote: Aye – All Nay – None

Minutes - Gene Eckhardt (WA) moved to approve the minutes of the April 4, 2013, Board meeting. Second: Neal Murphy. (Exhibit B)

Discussion: Woody Chambers (Industry) stated that he did not move to accept the minutes of the April 4, 2013 Board meeting. Avelino Gutierrez (NM) substituted his name. Meeting Minutes, as revised, approved (Exhibit B).

Vote: Aye – All Nay – None

Updates concerning UCR Legislation – Information not available prior to audio recording.

FMCSA Update - Bill Bronrott (FMCSA) – Information not available prior to audio recording.

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Report of the Audit Subcommittee - Gene Eckhardt (WA), Chair. There was a lot of good discussion during the NCSTS meeting regarding audits: best practices, alternate sources, data collection, and sharing results. Next steps are to meet with the Procedures Committee to review individual state audit programs and results, collect state data, and develop reports.

Report of the Procedures Subcommittee - Adam Anderson (UT), Chair, Absent. On Adam's behalf, Avelino Gutierrez (NM) asked the Board to approve the revised 2014 Registration Forms and Instruction Sheets, with the understanding that if anyone finds issues that require corrections, the Board would consider that at the next Board meeting. There was no discussion and the Board approved the forms (Exhibit C). Moved: Avelino Gutierrez (NM). Second: Neal Murphy (MA).

No discussion. Approved.

Vote: Aye – All Nay – None

Report of the UCR System Subcommittee - Dave Lazarides, (IL) Chair. Working with Indiana to implement depository function for the 2013 registration period.

Best Practices Subcommittee - Dave Lazarides (IL), Chair. Report on unregistered carriers reports on the Indiana site for states to use.

Report of the Registration System of the State of Indiana – Sandy Bowling (IN), Chair

Information not available prior to audio recording.

AUDIO RECORDING STARTS HERE:

Sandy Bowling (IN) responded to questions on companies changing their Base State - choosing to register in a state different than the state in which the company previously registered.

Bill DeBord (KY) – stop companies from shopping around states.

Scott Morris (AL) asked if there was any way the Indiana system could lock a company into a base state when registered. That would require the company to get approval from the Board and demonstrate cause to change its base state. Sandy Bowling (IN) replied that the system cannot do that now, but that she will look into that.

Report of Industry Advisory Committee – Avelino Gutierrez (NM) - Bob Pitcher (Industry) is not with us today so we will skip that report.

Report of the Revenue and Fees Committee – Dave Lazarides (IL), Acting Chair. Remind Board that we have locked in 2014 fees and that we are close to the time we need to lock in 2015 fees. The registration period starts with notice to industry in October of the year prior to the registration period. The 2015 registration period starts in October 2014 with notice to industry. A reasonable timeframe for rulemaking is about 12 months, leaving the Board with

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only about two months (July and August) to prepare a recommendation to change the 2015 fees. Although the states are moving in the right direction with developing best practices, beginning audits, reviewing audits, and increased participation and registration, we are not there yet.

What is the status of UCE Legislation? UCR legislation is Part of the Surface Transportation Reauthorization. Process is just now beginning. FMCSA is preparing FY 2015 budgets, programs and policies. FMCSA hopes that this process will develop into a five or six year program. There is no calendar. FMCSA will submit information for review next year. There will be multiple reviews by Office of Management and Budget, etc. before any recommendations go to Congress.

Report of Depository Subcommittee - Scott Morris (AL), Chair. He is working on the second distribution for 2012 and only needs funds from MN, which he expects to receive in the next few days. Final distributions for 2009 (Approx. \$14,000) and 2010 (Approx. \$195,000) are in process. He is also working with Indiana to develop a new depository function within the Indiana system, scheduled for completion by the end of the summer. He will use the new depository function for the first distribution for 2013, but will need to use manual calculations to close out years prior to 2012.

<u>Year</u>	<u>Total</u>	<u>Total Includes State* System Revenue (through May 2013)</u>
2013	\$97.3	\$17.7
2012	\$99.8	\$19.2
2011	\$97.1	\$19.7

* AL, GA, IL, ME MO, NC, ND OH, VI

New Hampshire requested information regarding how to book a receivable and Scott Morris (AL) agreed to provide that information.

Avelino Gutierrez (NM) asked if final distributions would take place prior to the end of the month for states with fiscal year ending June 30? Scott Morris (AL) responded that he cannot guarantee a final distribution by the end of June because he has not yet received funds from all states.

Colorado would prefer to receive funds in next fiscal year.

Future Board Meetings – Avelino Gutierrez (NM)

All on Thursday, 9:00 am – 12:00 pm EDT

Approved: July 25, August 29, and September 19

Proposed: October 31 (subject to approval by Bob Pitcher (Industry))

New Matters:

Avelino Gutierrez (NM) proposed that the Board establish:

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- October 1, 2013, deadline for
 - ALL registration systems to be up and running to allow UCR registrations.
 - ALL states to send 2014 registration materials to entities, on list sent by Sandy Bowling, required to pay UCR fees.
- January 1, 2014, as the recommended date that enforcement begins for the 2014 registration year and direct Adam Anderson to notify CVSA of the Board's recommended enforcement date.

General background and discussion.

Establish Dates For State Registrations Systems To Be Operational And For States To Send Registration Materials To Carriers.

Motion by Avelino Gutierrez (NM): The Board approve October 1, 2013, as the date for Indiana and all other states that have their own electronic registration systems to allow UCR registrations to occur. Move the Board to establish October 1, 2013, as the recommended deadline for states to send 2014 registration materials to those entities required to pay UCR fees on the list provided by Indiana. Second: Neil Murphy (MA)

Discussion:

Angel Oliver (TX) asked how long it would take for states to get the carrier list. Sandy Bowling (IN) responded as soon as she can ask FMCSA. Last year, she received it about three weeks after she requested it. Avelino Gutierrez (NM) noted that the proposal is a recommended date. However, he feels it is important that we get information to the carriers at least three months before enforcement. States would receive the carrier list in early September, about four weeks before the deadline..

Angel Oliver (TX) commented that she can go along with the recommendation, but 30 days is not a lot of time for Texas. Avelino Gutierrez (NM) said that he doesn't think anyone on the Board has had an issue with states that exceeded the deadline by a couple of weeks.

Sandy Bowling (IN) noted that when the Indiana system goes live on October 1, the system will no longer work for 2011 registrations and fees. When people send notice this year, in addition to adding the web site, please include the new SmartPhone app. Sandy volunteered to send a suggested message.

Motion Approved.

Vote: Aye – All

Nay - None

Establish January 1, 2014, As Enforcement Date.

Motion by Avelino Gutierrez (NM): Establish January 1, 2014, as the recommended date that enforcement begin for the 2014 registration year and direct Adam Anderson to notify CVSA of the Board's recommended enforcement date. Second: Scott Morris (AL).

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Discussion:

Woody Chambers (Industry) - Why does the Board propose to recommend an enforcement date? There is no statutory requirement for the Board to recommend an enforcement date, and the Board recommendation in the past has created problems.

Avelino Gutierrez (NM) agrees that there is no statutory requirement for the Board to recommend an enforcement date. However, many states look to the Board for our opinion as to when it is fair to start enforcement and CVSA asks us each year to set an enforcement date, which they include in their calendar. We are trying to get the word out to everybody, enforcement and industry, as to a date that we think it would be reasonable to begin enforcement. The date is recommended, not mandatory. However, it is helpful that everyone knows when the Board believes that enforcement should begin.

Vote: Aye – All

Nay – None

Abstain – Woody Chambers

Memorandum of Understanding (MOU) Between the UCR Board and the State Of Indiana.

Avelino Gutierrez (NM) gave some background on the original MOU, which was signed January 7, 2008, for a five-year period and expired this year. He said that it has been a great partnership that has improved over time. The quality of reports and service has improved as well. Avelino thanked Sandy Bowling (IN), Mr. Poe (IN) and the Indiana IT staff for their hard work and commitment to improve the system, and asked that Sandy convey that back to everyone in Indiana.

Dave Lazarides (IL), Avelino Gutierrez (NM), and Sandy Bowling (IN) prepared a proposed new MOU that has been circulated to the Board for review. The new MOU is for an additional five-year term. Much of the language is the same as the original MOU. A new element in the MOU is the Depository Accounting Function. Scott Morris (AL) mentioned earlier that he expects to use that function toward the end of the summer to make the first distribution for the 2013 registration period. The Depository Banking Function will remain in North Dakota at the Bank of North Dakota. The new MOU documents a more mature relationship between the UCR and the State of Indiana with respect to reporting and reports as set forth in paragraphs 2.3 and 2.4.

Motion by Avelino Gutierrez (NM): The Board direct the Chair to sign on behalf of the Board the new Memorandum of Understanding with the State of Indiana. Second: Neil Murphy (MA)

Discussion:

In response to a question regarding the email function in paragraph 2.3, Dave Lazarides (IL) said that the system would provide states with instructions on how to use email function. Participating states have control over their own email content, contact information, when and how often to send emails, etc. He also expects that the Board will be more aggressive in soliciting

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nonparticipating states because the system is just hitting the 59 percent registration threshold and we need a higher participation rate.

Dave Lazarides (IL) noted that paragraph 2.2.5 states “Indiana will not customize the UCR system for any individual state.” Indiana has discretion about what they do. The Board is working closely with Indiana and we have developed a timetable for delivering certain products that reflects the best use of our resources. If a state has a request, we ask that the state to submit the suggestion to the Board and the Board will consider suggestion with the committee review process. State suggestions may provide the seed for improvements to the entire system that will benefit all states. However, suggestions that only affect one or a few states have a lower system priority. We are just trying to focus our resources to their best use.

Vote: Aye – All

Nay – None

UCR Enforcement Penalties by State: Table HANDOUT

Avelino Gutierrez (NM) - Only difference between this table (Exhibit D) and the last version is that the Iowa DOT added a \$250 UCR penalty. If anybody has changes, please send them to Avelino Gutierrez (NM) and he will publish that. He intends to publish current information every three months.

Woody Chambers (Industry) reiterated that he would still like to see penalty information for nonparticipating states and Avelino Gutierrez (NM) committed to make an effort to include that information.

OTHER OLD OR NEW MATTERS?

Registration Revenue - Scott Morris (AL) – For 2012, we are just shy of \$100 million and we are on track to surpass the \$100 million mark in the next six to eight weeks. Thus far, 2013 collections are about \$4.5 million ahead of the 2012 registration year, but we do not know if that means is more money coming in or just the same amount of money coming in faster. The 2012 registration period has been the most successful registration period to date. We are close to reaching \$107 where all states will collect their caps. Scott thinks that we have a real shot at hitting that goal, and he urged everyone to be diligent in registering new carriers and pursuing unregistered carriers.

FMCSA Alert RE Operating Authority – Private Carrier or Exempt Commodities - Sandy Bowling (IL) – There is a new FMCSA alert - “This Carrier May Not Have A Valid Operating Authority”. Enforcement in Indiana wants to issue carriers an “Out of Service” order, but the message is not always true. The company may be a private carrier or transporting exempt commodities, both of which do not require an operating authority. May need additional enforcement training to go to the next level down to determine if the carrier really needs operating authority. Are any other states having an issue with enforcement?

Comment Unknown: Alaska is having the same problem and is doing additional training.

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Woody Chambers (Industry) suggested that the Board should probably refer this issue to CVSA as a training issue on operational policy.

Avelino Gutierrez (NM): ANY OTHER BUSINESS? Hearing none, is there a motion to adjourn?

Moved: Scott Morris (AL)

Second: Dave Lazarides (IL)

The Board adjourned at approximately 10:30 EDT.

Minutes approved by the UCR Board on _____.

Gene Eckhardt for Adam Anderson, UCR Board Secretary

Exhibit A – July 25, 2013, Meeting Agenda

Exhibit B – May 16, 2013, Board Meeting Minutes

Exhibit C – 2014 Registration Forms and Instruction Sheets

Exhibit D – UCR ENFORCEMENT PENALTIES BY STATE

Exhibit E –

Exhibit F –