

The fourteenth Unified Carrier Registration Plan Board of Directors (Board) meeting was called to order by Avelino Gutierrez, Chair, at 11:00 a.m., EDT.

Attendance: Board of Directors

Present - Avelino Gutierrez, Bob Pitcher, Rick Craig, Buddy Covert, Barb Hague, Frank LaQua, Dave Lazarides, Bill Leonard, Angel Oliver, Rich Schweitzer, Craig Sharkey, and Terry Willert.  
Absent - David Hugel, Ruth Skluzacek, Robert Voltmann,

Introductions were made by all others present.

The agenda was reviewed and approved.

The minutes of thirteenth (June 11 and 12, 2007) Board meeting were reviewed and approved.

Dick Henderson with the Commercial Vehicle Safety Alliance (CVSA) provided an update concerning Unified Carrier Registration (UCR) legislation.

Rick Woods with the Federal Motor Carrier Safety Administration (FMCSA) reported that 16 comments on the UCR fee rulemaking have been received and are being reviewed by the FMCSA.

Avelino Gutierrez explained two questions regarding Pennsylvania's participation in the UCR Agreement. First, whether Pennsylvania is eligible to participate in the UCR Agreement for 2007 under §14504a (g)(2) or (g)(3), and second, if Pennsylvania files a State Plan, what action would the Board take?

John Herzog, Pennsylvania Public Utilities Commission's legal counsel, provided Pennsylvania's position on the UCR Agreement. Pennsylvania has sent its verification of 2004 revenues to Revenue and Fees Subcommittee. UCR enabling legislation may not be necessary under current Pennsylvania law.

Carol Davis with the Texas DOT advised that Texas will not host the national UCR on-line registration system for 2007. Angel Oliver advised that Texas is ready and willing to hand over its system to any State that wants to host the system. Functionality would include self registration and state employee use.

Dave Lazarides, Chair, provided the report of the UCR System Subcommittee. Indiana has responded positively about Indiana hosting the national UCR on-line registration system.

Avelino made a motion that the UCR System Subcommittee be given discretion to name a state registration system as the default UCR application system for those states that do not have an on-line system. Motion passed unanimously.

Bill Leonard, Chair, provided the report of the Revenue and Fees Subcommittee. The outreach to industry notice was presented and discussed. See Exhibit A.

Bob Pitcher, Chair, provided the report of the Industry Advisory Subcommittee. He will draft Board's annual report to Congress under the Sunshine Act for review by the Board in August.

Frank LaQua, Chair, provided the report of the Depository Subcommittee. Terry Willert has agreed to handle the function of monthly notification to the States of UCR Fees activity.

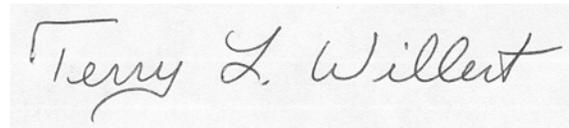
Barbara Hague, Chair, provided the report of the Procedures Subcommittee.

Terry Willert provided a review of the revised Question and Answer document. Bob Pitcher made a motion to approve the Question and Answer document with the additional revisions as discussed. Motion passed unanimously. See Exhibit B.

Avelino made a motion to appoint Terry Willert as the UCR Board Secretary. Motion passed unanimously.

The next Board meeting will be scheduled July 24, 2007, in Chicago.  
Telephonic meetings were scheduled for August 9 and August 30.

Meeting adjourned at 1:00 p.m. EDT.

A handwritten signature in cursive script that reads "Terry L. Willert". The signature is written in dark ink on a light-colored, slightly textured background.

Minutes approved by the UCR Board on July 24, 2007.  
Terry L. Willert  
UCR Board Secretary

## UNIFIED CARRIER REGISTRATION PROGRAM

### IMPORTANT NOTICE FOR ALL INTERSTATE MOTOR CARRIERS, FREIGHT FORWARDERS, BROKERS & LEASING COMPANIES

If you operate a truck or bus in interstate or international commerce, or if you make the arrangements for the transportation of cargo and goods, there is a new federal law that applies to your business.

The Unified Carrier Registration (UCR) Program requires individuals and companies that operate commercial motor vehicles in interstate or international commerce to register their business with a participating state and pay an annual fee based on the size of their fleet. Brokers, freight forwarders and leasing companies are also required to register and pay a fee of \$39 unless they also operate as a motor carrier.

A "commercial motor vehicle" is defined as a self-propelled or towed vehicle used on the highways in commerce principally to transport passengers or cargo, if the vehicle:

- (a) has a gross vehicle weight of 10,001 pounds or more;
- (b) is designed to transport 11 or more passengers (including the driver); or
- (c) is used in transporting hazardous materials in a quantity requiring placarding.

You must register by **Date TBD, 2007** in order to operate legally in interstate commerce.

The fee brackets for motor carriers are listed below:

<b>Fleet Size (Include Trailers)</b>		<b>Fee Per Company</b>
<b>From</b>	<b>To</b>	
0	2	\$ 39.00
3	5	\$ 116.00
6	20	\$ 231.00
21	100	\$ 806.00
101	1,000	\$ 3,840.00
1,001	200,000	\$ 37,500.00

Example: A motor carrier operating four tractor-trailer combinations has a fleet size of eight commercial motor vehicles and pays \$231.00.

Included in this mailing is a UCR registration form along with an instruction sheet. To avoid delays it is highly recommended that you register on-line. Go to [www.tobedecided.com](http://www.tobedecided.com) and follow the step by step instructions.

If you would like to learn more about UCR go to [www.ucrbirds&bees.com](http://www.ucrbirds&bees.com) or call 1 (888) UCR-For Dummies.

**The Unified Carrier Registration Act of 2005**  
**Questions & Answers: Informal Guidance for Interested Parties**

Exhibit B, UCR Plan Board Meeting Minutes  
June 28, 2007

Disclaimer: The answers provided here are based on the informal interpretation of the Unified Carrier Registration Act of 2005 (“UCR Act”) by the Unified Carrier Registration Plan Board of Directors (“UCR Board”) and are subject to further interpretation by the UCR Board. The answers given here do not limit or restrict future UCR Board interpretations or the UCR Board’s implementation of the UCR Act or the Unified Carrier Registration Agreement (“UCR Agreement”).

**A. Law**

*1. What is the law that governs the UCR Agreement?*

The UCR Agreement is established by federal law in the UCR Act, which is part of the federal highway reauthorization bill known as the Safe, Accountable, Flexible, Efficient Transportation Equity Act, A Legacy for Users (“SAFETEA-LU”), Public Law 109-59, enacted August 10, 2005. The UCR Act is sections 4301 through 4308 of SAFETEA-LU. In particular, the structure of the UCR Agreement is set forth in section 4305 of the UCR Act, which enacts §14504a as a new section in 49 United States Code (“USC”).

*2. What is the “transition termination date” mentioned in section 4303(c) of the UCR Act?*

The UCR Act deals with a number of subjects in addition to the UCR Agreement. Among these is the final repeal of a remnant of federal economic regulation of motor carriers, that is, the distinction between interstate common and contract carriers. Section 4303 eliminated this distinction on January 1, 2007. This provision has nothing at all to do with the UCR Agreement.

*3. What is the relationship between the Unified Carrier Registration Plan (“UCR Plan”) and the UCR Agreement?*

The UCR Plan is the organization of State, Federal and industry representatives responsible for developing, implementing and administering the UCR Agreement. The UCR Agreement is the interstate agreement, developed under the UCR Plan, governing the collection and distribution of registration information and fees generated under the UCR Agreement (“UCR fees”).

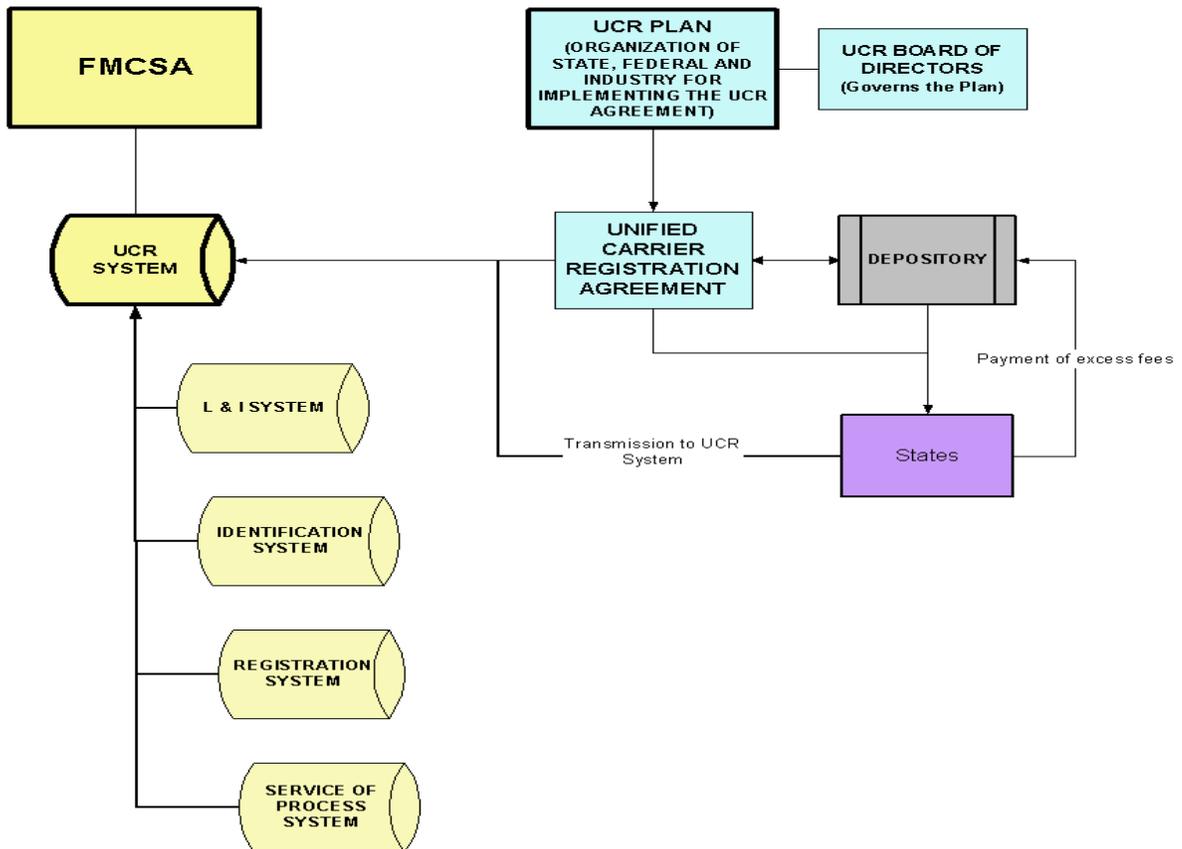
**The Unified Carrier Registration Act of 2005**  
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**B. Relationship to UCRS**

1. *What is the relationship between the Unified Carrier Registration System (“UCRS”) established under section 4304 of the UCR Act and the UCR Agreement?*

Despite their similar names, UCRS and UCR Agreement have little to do with one another, and the timetables for their implementation are not dependent upon one another. In addition to creation of the UCR Agreement, the UCR Act addresses the consolidation of a number of the currently separate motor carrier databases maintained by the Federal Motor Carrier Safety Administration (“FMCSA”) into a single on-line system to be known as the UCRS. *See the following flowchart.* The UCRS is a federal computer system of motor carrier data, which under the UCR Act was to be established during 2006 but will in fact require more time to complete. The UCR Agreement is a base-state system administered by federal and state governments and by the motor carrier industry for the collection of fees levied on motor carriers and related entities. It is anticipated by some that future State enforcement of the UCR Agreement may be accomplished by accessing carrier data stored in the UCRS, but the mechanism for doing this is not yet established, and its precise nature remains unclear at this time.

**Unified Carrier Registration Act of 2005**



**The Unified Carrier Registration Act of 2005**  
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2. *Is there any relationship between the fees under the UCRS and the UCR fees?*

No. Section 4304 of the UCR Act imposes certain fees with respect to the UCRS (for example, on motor carriers first applying for federal authority and on some third parties accessing data in the system). Their only purpose is to provide funds to maintain the UCRS. These fees are collected by FMCSA and are federal monies; they have nothing at all to do with the UCR fees.

**C. Hazardous Materials**

1. *Does the UCR Act of the UCR Agreement affect a State's annual registration of interstate and intrastate hazardous materials carriers or hazardous waste carriers?*

No. As long as the hazardous materials or hazardous waste annual registration applies to all motor carriers and motor private carriers, whether interstate or intrastate, it is not considered an "unreasonable burden upon interstate commerce" under § 14504a(c), found in section 4305 of the UCR Act, because it applies whether or not the carrier is subject to jurisdiction under subchapter I of chapter 135, 49 USC. Likewise, States that are part of the Alliance for Uniform Hazmat Transportation Procedures could continue to require annual renewals and fees.

Note: The UCR Act simply does not deal with hazardous materials carriers or hazardous waste carriers. Interpretations in this document are not intended to mean that hazardous materials carriers or hazardous waste carriers are included in the UCR Agreement.

**D. Intrastate Operations**

1. *Does the UCR Act prohibit States from regulating motor carriers that operate only in intrastate transportation?*

No, the UCR Act does not affect a State's regulation of intrastate only carriers that do not handle interstate freight or provide interstate transportation.

2. *The UCR Act prohibits States from doing certain things and imposing certain fees on interstate carriers with regard to intrastate operations. What are these?*

Section 4305 of the UCR Act prohibits a State from requiring an interstate carrier, for-hire or private, to renew with it the carrier's intrastate authority or insurance filings or any other filings required of an intrastate carrier, except with respect to intrastate operations whose regulation has not been federally preempted (for example, authorization and rates for nonconsensual towing, and the transportation of household goods). Notice that a State only faces prohibitions with respect to various requirements it may have with respect to an interstate carrier's renewal of intrastate authority.

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*3. Does the UCR Act allow a State to continue to impose a requirement – and a fee – on an interstate carrier when it first obtains intrastate operating authority?*

Yes. A State may still require an interstate carrier initially applying for intrastate authority to prove it has insurance coverage and charge it an initial application fee.

The UCR Act draws a distinction between the requirements (including the requirement to pay a fee) a State may impose on an interstate motor carrier when it *initially* applies for intrastate operating authority, and those requirements which pertain to the *renewal* of the intrastate authority by an interstate carrier. For an *initial* application for intrastate operating authority, a State may continue to impose on an interstate motor carrier the application requirements, including the fees, and may not recoup such revenues under the UCR Agreement. For the *renewal* of an intrastate operating authority, a State may *not* continue to impose on an interstate motor carrier the application requirements, but *may* recoup under the UCR Agreement the revenues it loses from the discontinuance of such a program.

*4. Does the UCR Act allow a State to require registration and payment of a registration fee from an interstate carrier for an intrastate permit that is issued on a yearly basis? That is, the permit is not renewed annually, rather it is only valid for one year from the date of issuance as compared to a registration for which an initial registration fee is paid and the registration remains valid until cancelled or revoked.*

No, this is considered a renewal and the registration fee cannot be charged after the first initial registration. However, the State may recoup under the UCR Agreement the revenues it loses, based on calendar year 2004 revenues, from the discontinuance of the renewal registration fees.

*5. Are a State's other fees and taxes affected by these provisions?*

No. A State's other fees and taxes on motor carriers are not affected. In particular, the law contains a provision that specifically states that these federal provisions do not affect the rate of a fuel use tax a State may impose or the rate of its vehicle registration fees.

## **E. Prohibitions**

*1. The UCR Act prohibits States from doing certain things and imposing certain fees on interstate carriers. What are these?*

In addition to the prohibitions noted in the answer to question D2, Section 4305 of the UCR Act prohibits a State from requiring an interstate carrier, for-hire or private, to register with it the carrier's interstate operations, to file information concerning the carrier's federally required insurance, to file the name of the carrier's federally required agent for service of process, and to pay any fee or tax from which a carrier engaged exclusively in intrastate operations is exempt.

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*2. Except under the UCR Agreement, can States require registration and/or collect fees from interstate motor carriers or interstate motor private carriers, for the carriers' interstate operations?*

No. Under the UCR Act, States will not be able to register or collect fees from interstate exempt carriers and interstate private carriers. Also, under the UCR Act, the SSRS is repealed as of January 1, 2007, and States may no longer collect SSRS fees. The UCR Agreement was intended by Congress to replace revenues the States have derived from SSRS and certain other programs, and to provide the sole means for any State to recoup these monies. Whether or not a State elects to participate in the UCR Agreement, it may not engage in any of the activities prohibited by the UCR Act.

*3. If an interstate motor carrier's interstate authority is revoked, is the motor carrier then subject to interstate registration by a State?*

No, the motor carrier is still subject to the UCR Agreement. Enforcement of operations under a revoked interstate authority is not part of the UCR Agreement.

*4. Will there be a credential for UCR registrants under the UCR Agreement?*

No. There is no UCR Agreement credential requirement. Section 4306 of the UCR Act includes a general prohibition against State requirements on interstate motor carriers, motor private carriers, freight forwarders, or leasing companies to display any credentials in or on a commercial motor vehicle. Although there are a number of exceptions to this general prohibition, none apply to the UCR Agreement.

## **F. UCR Agreement**

*1. What will be included in the UCR Agreement, and who will put it together?*

The UCR Act provides much of the framework for the UCR Agreement, and the rules under which the UCR fees will be collected and administered. To the extent that the UCR Act fails to supply what is necessary in this regard, it gives authority to the UCR Board to set such rules and procedures with respect to (at least) what information an entity subject to the UCR fees will need to submit to its Base State every year, the procedures by which an entity can change its Base State, how information will be transmitted from a Base State to the UCRS, transmission of UCR fees from a Base State to the UCR depository, and how the UCR Agreement may be amended.

*2. What entities are subject to the UCR fees?*

Except as noted in question F3 below, the UCR Agreement requires all motor carriers and motor private carriers required to register with the United States Department of Transportation ("USDOT") as well as brokers, freight forwarders, and leasing companies (collectively referred to as UCR registrants) to pay UCR fees.

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*3. What entities are not subject to the UCR fees?*

There are two types of entities that are not subject to UCR fees: (1) entities that receive USDOT numbers under the PRISM program as “registrants” but have no interstate operating authority; and (2) purely intrastate carriers, that is, those that do not handle interstate freight or make interstate movements, unless the State has elected to apply the provisions of the UCR Agreement to such intrastate carriers.

*4. Are interstate motor carriers and interstate motor private carriers operating only small vehicles (gross vehicle weight rating (“GVWR”) or gross vehicle weight (“GVW”) of 10,000 pounds or less, or designed to transport 10 passengers or less, including the driver) subject to UCR fees?*

Yes, except as noted in question F3 above, if the motor carrier or motor private carrier is required to register with the USDOT then it is subject to UCR fees in the lowest fee category.

*5. What entities based in Canada, Mexico, or any other country are subject to the UCR Agreement?*

Motor carriers, motor private carriers, freight forwarders, leasing companies, and brokers based in Canada, Mexico, or any other country that operate in interstate or international commerce in the United States, are subject to the UCR Agreement.

*6. With regard to an unreasonable burden, does the transportation or service referred to in the phrase “motor carrier or motor private carrier providing transportation or service subject to jurisdiction under subchapter 1 of chapter 135” that is found in 49 USC, § 14504a(c)(1), mean all interstate transportation provided by an interstate motor carrier or interstate motor private carrier?*

Yes, it means all interstate transportation of both regulated and exempt commodities as well as both regulated and exempt transportation services. Further, the UCR Agreement is intended to be inclusive of all interstate motor carriers and interstate motor private carriers and, therefore, it would make no sense to apply the “unreasonable burden” section to certain types of carriers and not to others.

Note: Subchapter 1 of chapter 135 contains §§ 13501 through 13508.

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*7. What is a UCR registrant's Base State under the UCR Agreement?*

The UCR Agreement is a base-state system, under which a UCR registrant pays UCR fees through its Base State on behalf of all the participating States. A UCR registrant shall select its Base State using the following hierarchy:

- I. If your principal place of business state as completed in Section 1 of the form is AL, AR, CO, CT, GA, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MS, MT, ND, NE, NH, NM, NY, OH, OK, OR, RI, SC, SD, TN, TX, UT, VA, WA, WI, or WV, you must use that state as your base state.
- II. If your principal place of business state is not one of those listed above but you have an office or operating facility located in one of those states, you must use that state as your base state.
- III. If you cannot select a base state using (A) or (B) above, you must select your base state from (A) above that is nearest your principal place of business or select your base state as follows:
  - a. If your principal place of business state is DC, DE, MD, NJ, PA, or VT or the Canadian Province of NB, NL, NS, PE, or QC, you may select one of the following states: CT, MA, ME, NH, NY, RI, VA, or WV.
  - b. If your principal place of business state is FL or NC, the Canadian Province of ON, or a state of Mexico, you may select one of the following states: AL, AR, GA, KY, LA, MS, NM, OK, SC, TN, or TX.
  - c. If your principal place of business state is MO or MN, you may select one of the following states: IA, IL, IN, KS, MI, NE, OH, or WI.
  - d. If your principal place of business state is AK, AZ, CA, NV, or WY, or the Canadian Province of AB, BC, MB, or SK, you may select one of the following states: CO, ID, MT, ND, NM, OR, SD, UT, or WA.

*8. What will UCR registrants under the UCR Agreement have to do to comply?*

Although the details of the UCR Agreement program are being developed by the UCR Board, a UCR registrant will be required to register annually for the UCR Agreement and pay its UCR fees at the same time.

*9. How will the administrative costs of the UCR Agreement be paid?*

The UCR Act specifies that following the distribution of funds from the UCR depository to States that did not on their own collect all the revenue to which they were entitled in a given year, there is to be a distribution to pay the administrative costs of the UCR Agreement. The UCR Board will include in its recommendation of the level of UCR fees an amount to cover the administrative costs of the UCR Agreement.

**The Unified Carrier Registration Act of 2005**  
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**G. UCR Board**

*1. Are meetings of the UCR Board open to the public?*

Yes. Meetings of the UCR Board and its subcommittees are open to the public. Notice of UCR Board meetings will be published in the *Federal Register*.

*2. What subcommittees will the UCR Board establish, and how will these operate?*

The UCR Act requires the UCR Board to establish at least three subcommittees: an audit subcommittee, a dispute resolution subcommittee, and an industry advisory subcommittee. To date, the UCR Board has established an industry advisory subcommittee, and in addition, a revenue and fees subcommittee, a procedures subcommittee, a UCR systems subcommittee, and a UCR depository subcommittee. The UCR Act specifies few details of the operations of the UCR Board's subcommittees, except that the chair of each one is to be a member of the UCR Board and that each one is to include both government and industry representatives among its members. The exception is the industry advisory subcommittee, whose membership is to be entirely made up of industry representatives.

**H. State Participation**

*1. How does a State elect to participate in the UCR Agreement?*

To participate in the UCR Agreement – that is, to collect UCR fees – a State must signify to the USDOT its desire to do so by filing with the USDOT Secretary its plan for UCR Agreement administration. This is a one-time filing.

*2. What is the content of the plan a State must submit in order to participate?*

The UCR Act specifies that the plan filed by a State must set out which State agency will administer its UCR Agreement program, and that this agency will have the legal authority, resources, and qualified personnel necessary to do so. In addition, the plan must show that the State will use at least as much money for motor carrier safety programs, enforcement, or for UCR Agreement administration as the revenue it will derive from the UCR Agreement.

*3. May a State use the revenues it derives from UCR fees for intrastate motor carrier safety programs and enforcement?*

Yes. The UCR Act draws no distinction in this regard between programs that affect intrastate motor carriers and interstate motor carriers.

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*4. Will a State need enabling legislation to participate in the UCR Agreement?*

That depends on a State's own constitution and statutes. However, a State generally requires legal authority to collect any fee. Some States may have authority under their existing statutes adequate to collect UCR fees. Others may already have enacted the UCR Agreement enabling laws.

*5. If a State needs and does not yet have enabling legislation, may it still elect to participate?*

Yes. A State may file with the USDOT its plan to administer the UCR Agreement prior to obtaining legal authority actually to engage in such administration. It is possible, however, that if without additional legislation a State lacks the authority to collect UCR fees, it might also lack the authority to elect to participate.

*6. Can a State that did not participate in SSRS elect to participate in the UCR Agreement?*

Yes.

*7. If a State did not participate in SSRS, can it derive any revenue from the UCR Agreement?*

Any State may elect to participate in the UCR Agreement, and if it does it may derive up to \$500,000 in annual revenues from UCR fees.

*8. Is there a deadline by which a State must elect to participate in the UCR Agreement?*

Yes. The UCR Act specifies that if a State is going to participate in the UCR Agreement, it must file its plan to do so with USDOT by August 10, 2008, three years following the enactment of the UCR Act. If a State misses that deadline, it may never participate in UCR Agreement. As a practical matter, during the first two or three years of the UCR Agreement, the UCR Board may, by virtue of its role in determining the UCR fees, be obliged to set a deadline by which a State must file a plan with the USDOT if it is to participate in the UCR Agreement in the following UCR Agreement registration year.

*9. Once it elects to participate, may a State change its mind and withdraw from the UCR Agreement?*

Yes. The UCR Act specifies that a State may withdraw from UCR Agreement participation by either withdrawing the plan it filed with the USDOT or notifying the USDOT Secretary that it intends to withdraw. If a State does this, either before or after August 10, 2008, it may not thereafter participate in the UCR Agreement.

**The Unified Carrier Registration Act of 2005**  
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**I. UCR Fees**

*1. What are the UCR fees based on?*

For motor carriers and motor private carriers, the UCR fees are based only on the total number of commercial motor vehicles operated. The UCR fees for brokers, freight forwarders (those, that is, that do not operate motor vehicles – the UCR fees of those that do are based on fleet size), and leasing companies are levied at the smallest fee category. UCR fees depend not at all on the extent of a carrier's operations, only on the fact that it is engaged to some extent in interstate commerce. A carrier may, for example, have operations in just a few States, none of which participate in the UCR Agreement. Its UCR fees will be the same as a carrier that operates the same number of commercial motor vehicles but whose operations extend to all participating States. Neither will it matter under the UCR Agreement which State is acting as a carrier's Base State – the level of UCR fees for a fleet of a given size will stay the same.

*2. What vehicles are considered commercial motor vehicles for purposes of the UCR fees?*

The number of commercial motor vehicles for purposes of determining a carrier's UCR fees is the number of commercial motor vehicles (power units and towed vehicles such as trailers) the carrier reported in the most recent Form MCS-150 it filed with FMCSA or the total number of commercial motor vehicles it owned or operated under long-term lease for the twelve-month period ending on June 30 immediately prior to the beginning of the UCR Agreement registration year for which the fees are being determined. A commercial motor vehicle is one that is operated in commerce and has a GVW or GVWR of at least 10,001 pounds or, in the case of a passenger vehicle, is one built to carry more than 10 persons, including the driver. It also includes a vehicle that transports hazardous materials in a quantity that requires placarding. It does not include, for this purpose, a vehicle that operates wholly in intrastate commerce.

*3. May a carrier add other vehicles for UCR fee purposes if the carrier wants to?*

A motor carrier may; a motor private carrier may not. For UCR fee purposes, a motor carrier may include in the number of its commercial motor vehicles those that operate wholly in intrastate commerce. A motor carrier may also choose to include its vehicles, both interstate and intrastate, with a GVW or GVWR of 10,000 pounds or less, or built to transport 10 persons or less, including the driver. A motor carrier might wish to add these vehicles because including them in the calculation of its UCR fees makes these vehicles subject to the vehicle-credential restrictions found in section 4306 of the UCR Act.

*4. Will a motor carrier or motor private carrier subject to the UCR fees be required to file a supplemental report and fees if the size of its fleet increases or decreases during the year?*

No. UCR fees will be set through a graduated structure of rates according to the number of commercial motor vehicles operated by a motor carrier or motor private carrier during the preceding year. Changes during the UCR Agreement registration year in the number of vehicles operated will not be reflected until the following year and the carrier will not need to report them currently.

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*5. How are the UCR fees going to be established?*

The UCR Act requires the UCR Board to recommend every year to the USDOT Secretary the level of UCR fees to be effective the following year, and requires the USDOT Secretary to actually set the UCR fees within 90 days following the UCR Board's recommendation. This process requires formal notice and opportunity for public comment. Implicitly, in order for the UCR Board to make such a recommendation, the UCR Board must determine which States are going to participate in the UCR Agreement in the following year, what the aggregate of these States' UCR Agreement entitlement revenues may be (plus what amount of UCR Agreement administrative costs are to be recouped through the UCR fees), how many entities are subject to the UCR Agreement and how many commercial motor vehicles they operate, and what structure of UCR fees will best serve to collect the revenue calculated to be needed.

*6. Once UCR fees are set, under what circumstances might they be changed?*

Resetting the UCR fees may be necessary if the States participating in the program have changed, if too much or too little revenue is collected under the program in a prior year, if the number of taxable entities or their fleet sizes have changed significantly, or if UCR Agreement administrative costs have risen. When resetting fees is necessary, the UCR Board will recommend the new fees and the USDOT Secretary will set them pursuant to a federal rulemaking.

**J. UCR Depository**

*1. What is the role of the UCR depository?*

The exact role of the UCR depository is still to be determined, but the UCR fees collected by a participating State under the UCR Agreement, at least to the extent they exceed the revenue to which the State is entitled under the program for the year, are to be forwarded by the State to the UCR depository for eventual distribution among other participating States. When more revenue is collected under the UCR Agreement during a year than all of the participating States in the aggregate are entitled to, the UCR depository is to retain the excess, which may go to satisfy State entitlements in the following year.

*2. How will a participating State get its UCR Agreement revenues?*

Each participating State will collect UCR fees from each UCR registrant that has designated the State as its Base State. A State will retain those collections until it has satisfied its UCR Agreement revenue entitlement, after which it will transfer additional collections it makes to the UCR depository. A State that does not collect enough to satisfy its entitlement will be paid the difference by the UCR depository from the funds transmitted to it by the States that have collected an excess.

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**K. Financial Responsibility**

*1. How is enforcement of financial responsibility laws for interstate motor carriers or interstate motor private carriers to be accomplished?*

With regard to the filing of proof of financial responsibility, the UCR Act has taken this area away from the States, and put it with the FMCSA as part of the Unified Registration System. However, a State may enforce its laws requiring liability coverage for any vehicle operating on the State's public ways. In other words, if an interstate motor carrier is found to be operating on a State's highways without liability insurance coverage, the State may take an action against that motor carrier. The State, including its political subdivisions, does not need to turn such enforcement over to the FMCSA.

*2. Is verification of financial responsibility information a part of the registration process under the UCR Agreement?*

No. Verification of financial responsibility is not a prerequisite to registering and paying fees under the UCR Agreement.

*3. May a State require an annual insurance or surety bond filing by an interstate motor carrier that is operating under an intrastate authority from the State?*

No. Under the UCR Act, a State may require the insurance or surety bond filing as part of the initial issuance of the intrastate authority, but not annually thereafter. A State may require the insurance company or surety company providing such coverage to notify the State whenever the coverage is cancelled or not renewed. Additionally, nothing in the UCR Act prohibits a State from verifying the coverage as part of its internal review process of intrastate motor carriers.