

Gutierrez, Avelino A., PRC

From: tklingman@ups.com
Sent: Friday, February 27, 2009 9:27 AM
To: Gutierrez, Avelino A., PRC; rpitcher@trucking.org
Subject: 2010 UCR Fees

Importance: High

Gentleman,

By now I'm sure you have read various publications which report the reaction by industry to the 2010 UCR fee schedule adopted by the UCR Board at its last conference call earlier this month. Based on the discussions during the call the overwhelmingly negative industry reaction to the level of fees for the 2010 UCR registration year should not come as a surprise to anyone.

The reaction confirms that it is very likely that if the current fee schedule adopted by the Board is recommended to FMCSA for their consideration it will generate an overwhelmingly negative industry response to the expected rulemaking on the setting of the 2010 UCR fees. This will certainly delay any action by FMCSA on the setting of the fees and may well result in FMCSA recommending its own 2010 UCR fees for adoption by the Secretary.

The UCR program is the result of hard work and sometimes difficult compromises by both the States and Industry. In that spirit of compromise I strongly recommend the following:

1. That the UCR Board reconsider its vote on the fee schedule it adopted and that it adopt an alternative fee schedule. The goal would be for the Board adopt as an alternate fee schedule the schedule from Figure 27, Bracket Equilibrium, Full Universe Fee as found on page 13 of the Report of the Revenue and Fees Subcommittee submitted to the Board at this month's conference call. This chart only takes into account the impact of the change from including trailers to excluding them, as both the states and industry had requested. It is also consistent with previous fee schedules accepted by FMCSA. The fees in this chart would allow for a significant reduction in the level of increase as compared to the fee chart adopted by the Board earlier this month. It continues to provide that the largest registrants will incur the largest total dollar increase in the new fees. These factors, together with a joint recommendation of a fee schedule by both the states and industry, should significantly improve the chances of its acceptance by FMCSA and its implementation on a time schedule to allow for the commencement of registration for the 2010 registration year by late summer.
2. That the UCR Board direct the Best Practices subcommittee to complete and distribute the three worksheets I have previously recommended to the Board. These worksheets would provide specific detail on the UCR registrants and the years for which they have registered; the specific bracket they registered in and in which bracket they appeared in the MCMIS database; and those entities that were identified in the MCMIS database as eligible registrants but have not actually registered in the program. These worksheets would provide the information that many states say the do not now have but need in order to effectively enforce the UCR registration requirement; and to follow up with those registrants that may need clarification as to the program rules and registration requirements.

In preparation for the next UCR Board conference call I respectfully request that you forward this E-mail to the state and industry representatives on the UCR Board for their consideration and possible inclusion on the agenda for that call. Thank you for your consideration of my request. I look forward to discussing these matters further on the next UCR Board conference call.

Sincerely,
Tom Klingman - UPS
Operating Tax Manager