

The sixty-eighth (68th) Unified Carrier Registration (UCR) Plan Board of Directors (Board) meeting was called to order by Avelino Gutierrez, Chairman at 12:05 a.m. EDT.

Attendance - Board of Directors:

Present – Avelino Gutierrez, Adam Anderson, Bill Bronrott, Sandy Bowling, Woody Chambers, Gene Eckhardt, Dave Lazarides, Neal Murphy, Angel Oliver, Jay Gingerich, and Robert Pitcher, Robert Voltmann, Rick Schweitzer, Scott Morris

Absent – Bill Leonard.

Avelino Gutierrez conducted a roll call of the States with **self-introductions** of government and industry representatives made by those in attendance.

Gene Eckhardt moved to accept the **meeting agenda**, which was seconded by Neal Murphy. Agenda approved (Exhibit A)

Avelino Gutierrez established the **teleconference ground rules**.

Sandy Bowling moved to accept the **minutes of the December 8, 2011 Board meeting**. Neal Murphy seconded the motion. The minutes were approved with minor changes. (Exhibit B)

**UCR Legislative Update** – Bob Pitcher – There is nothing in the re-authorization bill regarding UCR.

**FMCSA Update** – Bill Bronrott – Some Board members terms will be expiring in May for those that were appointed in 2009. We will be starting the process for those interested in being reappointed.

Jose Rodriguez – Anybody that is interested to stay on the Board can just send him an e-mail stating their desire to be reappointed. Will review the bulletin notice to see which of the Board member's terms will be expiring.

Avelino Gutierrez – Will be happy to act as a conduit for those requests for those that want to extend their term or who may be interested to serve for the first time.

Jose Rodriguez – Still working on the UCR data file to make it available to all the states that are utilizing CVIEW. One question for Sandy Bowling, was wondering how the issue with the Dot number and the brokers was going or if she needed more help from FMCSA.

Sandy Bowling – still got a few problems, did get the download situation resolved there is only a few more. She will get back with FMCSA regarding the duplicates issue.

Jose Rodriguez – would like to make a recommendation since freight forwarders and brokers didn't know that they were being assigned a USDOT number, that states may convey this information to brokers and freight forwarders as to why they now have a USDOT number.

Bob Voltmann – the issuance of the USDOT number was done beyond current rule

making. The current rulemaking provided that only allowed FMCSA to do this to brokers and freight forwarders of household goods. There is a current rulemaking under way to address the issue with brokers and freight forwarders of other commodities.

Avelino Gutierrez – What would you like the states to tell the brokers and freight forwarders?

Jose Rodriguez – A letter that helps them to understand that they have been given a USDOT number and that communicate the need to pay the UCR fees.

Avelino Gutierrez and Sandra Bowling are going to work on a letter to send to the freight forwarders and brokers.

Sandy Bowling – one issue – everyone that has access to MCMIS cannot update the information regarding address, phone number, etc. on freight forwarders and brokers. Is this going to be available to modify their addresses?

Jose Rodriguez will check with their IT people.

**UCR System Subcommittee & Best Practices Best Subcommittee-** Dave Lazarides – was going to update on the proposal by Iteris- cutting to the summary. We should look into an RFP. I would defer any type of motion for another month to make sure we can do an RFP.

Sandy Bowling - is this what the registration system be, is that what you created.

Dave Lazarides – in part – that question will be answered at the 10,000 ft level in the notes.

**Audit Subcommittee** –Gene Eckhardt – no report, regarding the Audit Subcommittee. Nothing really to report to the Board regarding the recommendation to send a letter to CVSA asking that Failure to Pay the UCR fees be an out of service violation. Circulate material to the Board members for discussion during the March 8<sup>th</sup> meeting. This will give time for a proposal to be sent to CVSA by March 15<sup>th</sup> 2012. To be taken up at their April Executive Board meeting.

Avelino Gutierrez – Motion to table the CVSA item until the March 8<sup>th</sup> board meeting. Woody Chambers second. Motion passed.

**Industry Advisory Subcommittee** – Bob Pitcher – No report.

**Revenue and Fees Subcommittee** - Dave Lazarides, Acting Chair – revenue for UCR will go over 80 million.

For the moment we just need to focus on the overall revenue collected from the report that was distributed and get with Barb Hague off line to understand what her request was.

**Registration System of the State of Indiana** – Sandy Bowling – the percentages for

2010 and 2011 will be posted online today. On December 12<sup>th</sup> it was put in place that if a carrier tries to go onto the Indiana registration and they have already paid another state it will tell them that. Unfortunately, if they pay Indiana first and then go to another state they won't get that message, so the possibility of a double payment may still happen.

It was brought at the ACCB board meeting that FMCSA is looking at putting that on the safer website also.

States need to go online and check their reports daily – especially the deposit reports to make sure that all the registrations they have processed are correct.

On modification – clerical errors – if a check is entered in wrong, just go in and modify it instead of deleting the whole payment.

Kathy Beadles (NE) – what is the flag on the far right and where the data comes from.

Sandy Bowling – the flag indicates what fee bracket they should have paid in (A-F instead of 1-6). If the carrier has done their registration properly than they would deduct their intrastate vehicles.

Kathy Beadles – we looked at both of the carriers on our list and it is including the trailers in the count.

Sandy Bowling – when FMCSA feeds us the data they are not supposed to be sending the information regarding hazmat cargo tank trailers, will have to check it with MCMIS.

Kathy Beadles – in relation to our discussion on using this data to as a tool to identify the carriers to do audit's, this would need to be cleaned up before we could use it.

Sandy Bowling – the first thing I would do is verifying the data against MCMIS, because what could have happened was the carrier could have updated their mcs-150 after they paid the UCR fees.

If we find out that hazmat trailers have been included, send Sandy the carrier information and the correct info and it will be fixed.

**Depository Subcommittee** - Scott Morris – distributed the UCR totals for 2009 thru 2012 – the final distributions for 2007 and 2008 should be done within the next 2 weeks, after that has been completed, then we can work on the 2009 and 2010, there has been some preliminary work done. There has been an issue – may of the states regularly send the money over their cap to the depository, some wait to be billed and then getting the payment back in a timely manner has been an the issue. (Exhibit C)

A resolution to propose – The UCR Board requests that the Indiana Registration system will with hold payment of funds to a state that is more than 30 days past due. The funds will be withheld until their obligation to the Depository has been met. (Exhibit D)

Motion – The UCR Board adopt the resolution to with hold funds in the Indiana

registration system for a state that is past due on their payment obligation to the Depository. Seconded by Sandra Bowling.

Woody Chambers – don't understand the resolution – if a state can keep the funds up to their cap and if the Indiana system is the depository why would you send them the money that is over their cap?

Scott Morris – because that is what the current process is.

Dave Lazarides – clarification – it could be funds due on past years right?

Scott Morris – correct – they would get no funds forwarded to them from Indiana, until they have become compliant with their obligations to the Depository.

Avelino Gutierrez – call for voice vote – no descending vote – motion passes.

Mike Hoffman – will states receive a bill for the amounts over their cap.

Scott Morris – yes they will, once the distribution has been computed we go through what has been paid by the states and then a billing will be sent to those states that still owe the Depository.

Mike Hoffman – okay, Pennsylvania hasn't received a notice for 2010 or 2011 and they have gone over.

Scott Morris – There has not been an invoice sent since last year for 2010 and 2011.

**Procedures Subcommittee** – Scott Morris – presentation on Q&A L21 – add additional question regarding who pays the UCR fees if a motor carrier is leased to another motor carrier. Present to the Board for adoption. (Exhibit E)

Avelino Gutierrez – motion – to adopt the changes as to Q&A L21, with the addition question as read with the additional question. Seconded by Neal Murphy.

Rick Wood – recommended that the words “under long term lease” be added to the second sentence of the question after “vehicles leased”.

Additional language was accepted by Scott Morris and Neal Murphy.

Woody – asked what if a motor carrier had all his vehicles leased to multiple carriers, would he only be responsible to register as 0-2 trucks?

Scott Morris – yes, he would only be responsible to pay for the number of trucks he operates, as long as he is registered with FMCSA as an interstate motor or private carrier.

Adam Anderson – We have had carriers that are registered as interstate motor carriers and have leased onto another carrier, but obtains their own IRP plates. He would still

have to pay the UCR fees for his company right?

Scott Morris – yes, as long as he is registered with FMCSA as an interstate motor carrier.

Motion – passed.

Scott Morris – brought before the Board the proposed 2012 Audit requirements (Exhibit F). The states may audit any carrier subject to the UCR registration and the percentages of carries that have to be audited based upon which bracket they had retreated out of.

Scott Morris presented the 2012 Audit Requirements for UCR Registrations and made a motion for the Board to adopt. Seconded by Neal Murphy.

Scott Morris – It was determined that any carrier that was subject t to the UCR was also subject to be audited. This being the first attempt at a system wide audit that we would start by requiring that all the large carriers who have retreated out of fee bracket 5-6, and verify they are doing so legally. Also, in order to make a better recommendation on future fees the data needs to be collected. We could slide the date, but if we do the data will not be useful to make a proposal for the 2014 fees.

Avelino Gutierrez – wanted a clarification if this was going to be a stand alone document or as part of the procedures document.

Scott Morris – at this point it would be a stand alone document for at least the first couple of years.

Sandy Bowling –what happens if a state does not do the audits.

Scott Morris – if a state doesn't do the audits we won't have complete data information to make changes to the fee structure and without the needed data then we may never have a change in the fees.

Rick Wood – clarifying question – in item number 3 it says for carriers who retreat out of fee brackets B1 which is the lowest bracket, is it intended to deal with the carrier who should have registered in B1 but hasn't registered at all?

Gene Eckhardt – with the definition of retreat in section 2 it would make since to have any retreat from B1.

Scott Morris – B1 can be taken out from it.

Angel Oliver – just taking a look at that it would be very hard for Texas to do the number of audits asked by July, because they have over 100 carriers on it now. As with most states Texas does not have the manpower to do that many audits in this time frame.

Scott Morris – the Procedures Subcommittee is willing to entertain suggestions as to the appropriate number.

Angel Oliver – the date was dependant up what the Audit Subcommittee gives us.

Scott Morris - the can be changed to a later date, but by changing the date we won't have the data to recommend the fees for 2014.

Gene Eckhardt – As far as the dates go, for 2015 it would be more reasonable to set the date for August or September.

Scott Morris – If a carrier registers on December 31<sup>st</sup> they would still be subject to the UCR fees. We could push this back to early 2013 and base it on all 2012 registrations. The date was picked by the committee back in October/November. The vast majority will be done here in November.

Gene Eckhardt – Motion to move the date from July 1, 2012 to September 1, 2012.

Scott Morris – accepted as a friendly amendment.

Neil M agreed to the amendment.

Avelino Gutierrez – Gene and Dave, is there a percentage that will give us the useful data?

Gene Eckhardt – 3% is a very large statistical data. To get a valid analysis of the system you would really have to do a random sampling and then distribute that among the states, based on the entire system and not the entire state.

Avelino Gutierrez – would you recommend a different methodology or percentage?

Gene Eckhardt – would not recommend a different percentage, if we want to explore an alternate process based on a system wide process instead of a state only. It's possible that one state might have more audits to do than another state but not likely.

Barbara Hague – does the UCR performance and retreat factor matrix give us the number of carriers that are retreating from one bracket to another and then go 3% of that number.

Dave Lazarides – don't think this report will give what's needed but, it would be possible to pair that and give better data to the Board.

Scott Morris – in working with this if you are working with your retreat factor and you have 10% of your carriers retreating from Bracket 2-4 and then you are only doing 7% of that number than you are really dealing with a small number of carriers.

Avelino Gutierrez – question, is the motion intended to apply to states whose carriers that are assigned to them that are from a non-participating state?

Scott Morris – no, because we don't have any legal authority to go in and audit them.

Avelino Gutierrez – can we put that somewhere that we are only talking about a states

only motor carrier population. Even, if it's in the heading only.

Sandy Bowling – if we put that in there, it sounds like states would not be able to even contact an out of state carrier, informing them that they paid in a lower bracket.

Avelino Gutierrez – it does say that a state may audit anybody, and we can clarify it is not intended to limit states from contacting carriers in non-participating states.

Scott Morris – we certainly don't intend to limit that, but that we have no legal authority to compel a carrier to provide us with that data.

Gene Eckhardt – for the purpose of parts 2 & 3 that it applies to each states carriers only.

Scott Morris – correct.

Rick Jacobsen (Fleet Legal) – Is there an audit procedure manual in place or a process in which the contact will take place. Will there be an actual audit that will have a report that will the grounds for which a carrier is excluding vehicles because he has a mixed fleet of vehicles and on the MCS-150 form he has to report them all. Concern is that they won't be any uniformity in how the audits are being done and what documents is being asked for.

Frank LaQua – agree with Frank, we haven't defined what an audit is and don't know if we can get at the data showing the data on carriers retreating and some states may have to go through some legislation to be able to do the audits.

Rick Jacobsen – part of the issue is that there are only 6 tiers so it creates some of that retreat problem. If you put in more fee brackets it will help solve some of the problem.

Gene Eckhardt – the fee brackets are set by law and there can be no more than 6 brackets. Changing the brackets requires a change in the fees and FMCSA says that participating states have to reach 90% registration levels before a change in fees can be considered. Through conducting audits it may produce additional registrations so we can meet the standards and possibly increase the amount of the funds and possibly not have to change the fee structure. Regarding developing audit committees and manuals in a perfect world it could happen, but in the UCR world there has not been much interest in it. If the Board wants to develop the procedures along the same lines as IRP and IFTA than the recommendation would be to change the audit date from 2012 to 2020.

Rick Jacobsen – there is nothing that keeps anybody from going to FMCSA that the methodology needs to be changed and that the number of brackets needs to be increased. The program isn't perfect and there is always change as it progresses.

Gene Eckhardt – agreed that that is a good suggestion but only as a second track, encourage having people such as Rick with the enthusiasm to take a leadership role and discuss and research those issues that have been identified. States will be glad to work with everybody, but as a separate track. There is nothing preventing states from going

out and auditing carriers based upon their regulations and guidelines within their state. The Best Practices and the Procedures Subcommittee's have been discussing these issues and as it is developed and states talk to each other they will get to a more uniform process. But everybody cannot do everything the same way at the same time.

Kathy Beadle (NE) – like North Dakota we don't know if we can clearly identify who has not been filing appropriately.

Avelino Gutierrez – question for Scott Morris, do you have an idea of how the format the data will come back in.

Scott Morris – have not gotten that far. The initial concern is whether the carrier registered in the appropriate back or not.

Gene Eckhardt – statically speaking that is the main question. Did the carrier register correctly, yes or no?

Rick Jacobsen – If you don't have a procedure manual, you are only interested in the money you are just putting the company in the middle.

Avelino Gutierrez – in Gene's behalf since he has taken over as the chair of the Audit Subcommittee he has asked that the Board establish standards before the Audit Subcommittee can begins their work. This is a concrete proposal by the Procedures Subcommittee to establish a standard that the Audit Subcommittee can flush out procedures that may even get so specific that all the states will use.

Scott Morris – understandably it is February 2012, if the date needs to be January 1, 2013 or February 2013 then so be it. This is the first step of many, but we need to start somewhere.

Rick Jacobsen – some states may have to go through legislation before they can do audits, lets do it right.

Gene Eckhardt – not quite getting the connecting between states requiring legislation before we establish an audit program. Surely the suggestion isn't that all the states have to wait until all the states have the proper legislation in place.

Dave Lazarides – for clarification – auditing carriers does affect the 90% at all. The carriers that are being audited have already registered.

Avelino Gutierrez – Scott - regarding auditing the non-participating states carriers – is it possible to insert in the title – Proposed 2012 Audit requirements for participating states on carriers located within their state. Also, addressing the issue in number 1 insert “even if those carriers are located in a non-participating state” at the end.

Scott Morris – that's acceptable.

Sandra Bowling – Yes



Neal Chambers – Yes.

Avelino Gutierrez – the chair is very sympathetic on the concern that 3% may be too much. If another methodology or percentage should present itself between now and September and would like to present that to the Board.

Woody Chambers – so the dates will be amended to September 1<sup>st</sup> and the percentages will remain at 100% and 5%.

Avelino Gutierrez – Yes.

Sandra Bowling – for clarification the date has been changed from July to September that states can begin audits. That would be a bad time, because states will begin renewals for 2013.

Scott Morris – clarification this is not the start date, this is the completion date.

Sandra Bowling – thought it was the starting date.

Scott Morris – the percentage could be lower if it is done randomly and the population base is broad enough.

Gene Eckhardt – if the audits are done on a system base instead of state by state then yes it would be lower, However, it is statistically unlikely, but a larger jurisdiction could end up with the majority to do, however unlikely.

Avelino Gutierrez – but on the other hand we would probably see a decrease in the percentage numbers.

Scott Morris – for example the IRS audits on average around 1% for individuals and does stray from that on a total basis, now the higher your income the higher the percentage, but overall it is on average 1%. There are primarily two reasons to audit – you audit to see if they filed properly. The audit for UCR is for compliance to ensure they are proper.

Avelino Gutierrez – is it possible for the Audit Subcommittee or some other subcommittee to construct a random sample generator and pass the data out state by state.

Gene Eckhardt – sure.

Comment: is this to determine how many trucks your going to audit such as 1 or 5 trucks out of 20.

Avelino Gutierrez – at this point all I'm looking for is way to change number 3. The 3% can be very difficult for states to meet and would like to get the percentage number down.

Scott Morris – if that's the road you want to go down and do a random sampling of the

USDOT numbers that have retreated, realistically we could not give this information until 2013 because the registration year does not end till December 31<sup>st</sup>.

Avelino Gutierrez – it's harder to analyze the data when a number of states don't participate in the audit process.

Gene Eckhardt – if Texas is saying they would have 100 carriers and that was going to be difficult. If even large states don't think they can't pick up the phone and talk to anyone than we shouldn't be talking about any percentage of anything.

Rick Jacobsen – the first thing I would do is look at a carriers IRP list and see what he has registered and then look at their MCS-150. That could give you an indication of how many vehicles he is not using in interstate.

Avelino Gutierrez – Motion to table the discussion on the 2012 Audit standard.  
Seconded by Scott Morris. Motion Passed.

Avelino Gutierrez – in discussion with Bob Pitcher the Board would like to express its gratitude to Scott Morris for chairing the Procedure Subcommittee as long as he has. Scot has announced his resignation as chair of the Procedure Subcommittee and Adam Anderson will take as chair beginning with the next Board meeting. Again congratulations and thank you to Scott and welcome Adam.

Sandy Bowling – we really need an updated UCR FAQ.

**Old/New Matters:**

Avelino Gutierrez – circulated the penalties by states and requests that states review and if there is any updates to send an e-mail to him.

Just received an e-mail from Bill Leonard tendering his resignation from the Board and will follow-up with a formal letter.

Woody Chambers – the state penalties does not list anything from the non-participating states, they are doing some enforcement.

Avelino Gutierrez – if anybody knows of a contact for the non-participating states to e-mail him.

Adam Anderson – Oregon does issue citations for not paying the UCR fees.

Scott Morris – CVSA might have that contact information.

Frank LaQua – IFTA and IRP also has contact information for those states as well.

**Future Board Meetings:**

March 8, 2012 12:00 pm – 3:00 pm EST  
May 3, 2012 12:00 pm – 3:00 pm EDT

Minutes of the Sixty-Eighth Unified Carrier Registration Plan Board of Directors Meeting  
- Tele-Conference  
February 2, 2012  
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Combined NCSTS in June 9<sup>th</sup> – 13<sup>th</sup>, 2012 in Chicago, IL

- June 12<sup>th</sup> 1:30 pm – 4:45 pm for subcommittees
- June 13<sup>th</sup> 8:00 am – 12:00 Board meeting

The Board adjourned at 1:32 pm EDT.

Minutes approved by the UCR Board on March 8, 2012.

Adam Anderson, UCR Board acting Secretary

Exhibit A - Meeting Agenda  
Exhibit B – October 27, 2011 Board Meeting  
Exhibit C – State System Report  
Exhibit D – Resolution on fee payments (Indiana)  
Exhibit E – Q & A L21  
Exhibit F - Proposed Audit Procedure