



Achieving UCR Compliance A Proposal to the UCR Board

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Unified Carrier
Registration Board
Members

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This document is an unsolicited proposal provided to the Unified Carrier Registration Board of Directors by Iteris, Inc. The objective of the proposed effort is to achieve UCR fee payment compliance in excess of the \$107M threshold set by the US Department of Transportation.

Contents of this proposal are a description of the general concept, approach and detailed plan and Iteris' qualifications.

1 Concept

The general concept is to establish a robust national UCR registration system and use a full spectrum of methods to contact carriers in order to increase rates of compliance. Funding of this effort will be completely derived from convenience fees and through advertisements appropriate for commercial motor carrier operations. Examples of advertisers are onboard computer suppliers and permitting agents. Methods proposed in the detailed plan provided below will show that most of the burden for meeting compliance objectives will be removed from the UCR states. This feature of our plan will enable UCR states to focus their resources more readily on audit and enforcement actions, which should increase overall compliance and fee collection levels.

Iteris will coordinate all activities with the UCR Board.

2 Detailed Plan

This section provides the detailed plan for meeting the above stated objective. The plan provides a self-funded and sustainable model for UCR fee collection that consists of a "full-featured" web portal for registration and fee payment, methods for contacting carriers to encourage compliance and a bonus system for meeting collection goals. The bonus system is designed to incentivize Iteris and to acknowledge the level of risk that will be incurred by Iteris. Our plan also includes free access to UCR-Link for use of the reporting functions for all UCR states.

2.1 The Web Portal

Iteris will expand upon the current UCR-Link portal to provide a national UCR registration site. This site will provide both a public interface allowing motor carriers the ability to self-register and a state specific interface which can be used at no cost by UCR states. A *convenience fee for use of the site that does not exceed \$3.00* per registration¹ will be charged in addition to a pass through of any credit card processing fees incurred. The registration website will support secure payments from major credit cards and electronic checks.

Features of the registration site will include auto-population of motor carrier data and comparison of IRP registered vehicle numbers (for

¹ The purpose for the convenience fee is to cover the cost of maintenance, hosting and feature upgrades to the registration site. It is anticipated that enough motor carriers will use the site that a \$3.00 fee will cover the cost of these activities; however, should the fee not be enough, Iteris will coordinate with the UCR Board to increase the fee appropriately.



the 33 states for which we currently have IRP data) and MCS150 vehicle counts with UCR vehicle numbers claimed by the carrier. Should these numbers not match, the motor carrier will be asked to certify the difference and be informed that the appropriate state may contact them to verify the apparent retreat in vehicle numbers. **Additionally, Iteris will report back to the respective state any carriers that have retreated or deviated from the number of IRP registered vehicles so the state may follow up directly with the carrier.**

The site will also provide for the motor carrier to download PDF versions of registration forms provided by participating states or to redirect to the appropriate state registration website. Prior to deploying the production website security functions will be tested and the UCR Board will be provided with two comment periods to ensure the website meets expectations of the user community. It is anticipated that Iteris will work closely with the UCR Board and states in the long term to update and modify the registration website to meet changing needs, as resources permit.

A critical component for the success of the registration website is that *there can be only one national UCR registration website. This does not mean that states wishing to maintain their own registration system cannot do so.* It does require that states having a registration system limit carriers they register to only those based in their own state.

As mentioned previously, states that wish to use the registration system may do so free of charge. Additionally, if the state chooses to take credit card payments using the registration website, a convenience fee as well as applicable credit card processing fees will be passed on to the motor carrier.

2.2 Carrier Notifications

Iteris has multiple mechanisms to notify motor carriers and encourage compliance. These mechanisms include automated e-mail, automated short message service (SMS), automated calling, fax notification and physical mail campaigns. In the case of physical mail campaigns we propose that the cost of the mailing be covered by including advertisements specific to the motor carrier industry. Iteris will leverage its vast collection of motor carrier data and all communication methods available to solicit active motor carriers to enable the UCR board to meet and exceed registration goals.

While the volume of notifications is significant, the flow-down of notification methods enables the notifications to be generated and managed efficiently. For example, of the approximately 440,000 carriers in the UCR universe 45% have valid, verified e-mail addresses, of the remainder 19% have cell phone numbers available making it possible for the first contact to be via SMS, 25% of carriers have a business telephone but no e-mail or cell phone. Therefore, roughly 89% of motor carriers can potentially be reached for the first contact via fast and efficient methods. We expect that no more than 25% of carriers will require at least one physical mailing. We also acknowledge that some carriers will not register even when multiple contacts are made. If no registration has occurred after the third

Leveraging technology to notify every carrier.

contact the motor carrier's information will be available in a report for follow-up by the appropriate organization.

Iteris also recognizes that not all data available on carriers is entirely accurate. Hence, it may be necessary for motor carriers to have a mechanism for certifying they are not required to register and the reason(s) for this assertion. These data will be captured and provided to the appropriate state/jurisdiction for potential follow-up and the carrier will be informed of the potential for additional contact.

All solicitation and notification messages will be submitted to the UCR Board for approval prior to invoking the notification campaigns.

3 Proposed Schedule

Upon execution of a contract, Iteris will use all means at our disposal to assist the UCR Board in meeting their goals. This means that Iteris is willing to solicit carriers in the current and subsequent registration years to help the UCR Board meet its financial goals.

Iteris will begin notifications of carriers via the methods discussed above within two weeks of the execution of a contract. Simultaneous with this activity, Iteris will begin development of the newly enhanced registration website and will have that website in production mode for the 2013 registration year. Iteris expects to start the notification process immediately and have all aspects of this proposal in full production for the 2013 registration year.

4 Funding Plan

The registration website will be self-funded through convenience fees collected from registrants.

Notifications other than physical mail will also be funded by the registration website. It is expected that the cost of physical mail will be covered at least in part by advertisements included in the mailing.

To incentivize Iteris and recognize the degree of risk and the difficulty of achieving ever increasing fee collection rates associated with this plan, Iteris also requests a bonus for reaching funding thresholds. Provided in the table below is the proposed bonus fee schedule per registration year.

Fees Collected	Percent Bonus	Maximum Value(\$)
\$107M - \$108M	20%	\$200K
\$108M - \$109M	25%	\$500K
\$109M - \$110M	30%	\$900K
\$110M - \$111M	35%	\$1,400K

\$111M - \$112M	40%	\$2,000K
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5 Summary

In summary, Iteris is proposing to perform the following actions:

- Create a public facing national registration system for motor carriers to register. This interface would auto populate data for the motor carrier based on USDOT, MC#, or Freight Forwarder Number and would verify against IRP data and MCS150 data if the carrier retreated from the registration bucket they belonged in.
- Create a state facing national registration system allowing state personnel the ability to register motor carriers via check, credit card, and cash payment.
- Provide current UCR-Link statistic and reporting tools to states for soliciting new carriers, unregistered carriers, monitor retreating carriers, monitoring IRP deviated carriers, and track carrier data.
- Provide upload and download capabilities of UCR transaction sets to and from FMCSA.
- Solicit all motor carriers in all jurisdictions (including all Canadian, Mexican, and non-participating jurisdictions) via fax, SMS, phone, physical mailing, and email to assist the UCR Board in achieving their registration goals.