Federal Register

Thursday,
May 19, 2005

Part II

Department of Transportation

Federal Motor Carrier Safety Administration

49 CFR Parts 360, 365 et al.
Unified Registration System; Proposed Rule

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

49 CFR Parts 360, 365, 366, 368, 387 and 390

[Docket No. FMCSA–97–2349]

RIN 2126–AA22

Unified Registration System

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM); request for comments.

SUMMARY: FMCSA proposes a revised registration system. The Unified Registration System would apply to every motor carrier, freight forwarder and broker required to register with DOT under 49 CFR 390.19 or 49 U.S.C. 13901, except Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. The entities covered by this system would be required to register with FMCSA and periodically update registration information provided on a newly proposed registration form. This proposal applies to entities that are already subject to FMCSA Commercial Regulations, the Federal Motor Carrier Safety Regulations (FMCSRs), or the Hazardous Material Regulations (HMRs).

This action is being taken in response to section 103 of the ICC Termination Act of 1995 (ICCTA), which, among other things, requires the Secretary of Transportation (Secretary) to propose regulations to replace four current identification and registration systems with a single, on-line, Federal system. The purpose of this proposal is to consolidate and simplify current Federal registration processes and to increase public accessibility to data about interstate motor carriers, property brokers, and freight forwarders. FMCSA proposes to charge registration fees that will enable FMCSA to recoup costs associated with processing registration applications and administrative filings and maintaining this system.

DATES: You must submit comments on or before August 17, 2005.

ADDRESSES: You may submit comments, identified by DOT DMS Docket Number FMCSA–97–2349, by any of the following methods:

- Federal eRulemaking Portal: *http://www.regulations.gov*. Follow the instructions for submitting comments.
- Agency Web Site: *http://dms.dot.gov*. Follow the instructions for submitting comments on the DOT electronic docket site.
- Fax: 1–202–493–2251.
- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC 20590–0001.
- Hand Delivery: Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Instructions: All submissions received must include the agency name and docket number or Regulatory Identification Number (RIN) for this rule. All comments received will be posted without change to *http://dms.dot.gov*, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the ''Public Participation'' heading of the **SUPPLEMENTARY INFORMATION** section of this document. For a summary of DOT's Privacy Act Statement or information on how to obtain a complete copy of DOT's Privacy Act Statement please see the ''Privacy Act'' heading under Rulemaking Analyses and Notices.

Docket: For access to the docket to read background documents or comments received, go to *http://dms.dot.gov* at any time or to Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mr. Robert F. Schultz, Jr., Office of Bus and Truck Standards and Operations, (202) 366–4001, Federal Motor Carrier Safety Administration, Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

Public Participation: The DMS is available 24 hours each day, 365 days each year. You can get electronic submission and retrieval help and guidelines under the ''help'' section of the DMS Web site. If you want us to notify you that we received your comments, please include a self-addressed, stamped envelope or postcard or print the acknowledgement page that appears after submitting comments on-line.

Comments received after the comment closing date will be included in the docket, and we will consider late comments to the extent practicable. FMCSA may, however, issue a final rule at any time after the close of the comment period.

Preamble Table of Contents

The following is an outline of the preamble.

I. Legal Basis
II. Introduction
III. Pre-ICCTA Background
IV. Summary of the Advance Notice of Proposed Rulemaking
V. Congressionally Mandated Policy Issues
A. Funding for State Enforcement of Motor Carrier Safety Regulations
B. Single State Registration System
C. Public Safety; Efficient Delivery of Transportation Services
D. Registration of Private Motor Carriers and Exempt For-hire Motor Carriers
VI. The Proposed Replacement System
A. Registration
B. USDOT Numbers
C. Transfer of Operating Authority
D. Biennial Update Requirement
E. Proposed User Fees for the New System
F. Registration Fees
G. General Fee Policy Changes and Revised Fees
H. Financial Responsibility
1. Bodily Injury and Property Damage Insurance (BI&PD) Requirement
2. Cargo Insurance Requirement
3. Insurance Filings by Insurers, Surety Companies and Financial Institutions
4. Self-Insurance
I. Designation of Process Agents
J. Administrative Filings
K. Cancellation and Reinstatement of USDOT Numbers
L. The New Application Form
M. Multi-Phase Application Process
VII. Special Transit Operation Provisions
VIII. Systems Under Consideration for Merger with the New Unified Registration System
A. Registration for Certain Mexico-Domiciled Motor Carriers
B. Hazardous Materials Safety Permit Application Process
C. Hazardous Materials Cargo Tank Registration Process
IX. Performance and Registration Information Systems Management Program (PRISM)
X. Regulatory Evaluation of the Unified Registration System NPRM Summary of Benefits and Costs
A. Background and Summary
B. Costs
1. New Registration Fees for Private and Exempt For-Hire Carriers
2. New Process Agent Filings Required by FMCSA
3. New Requirement and Fee for Insurance Representatives of Exempt For-Hire Carriers and Private Carriers of Hazardous Materials to File Proof of Liability Insurance
4. New Requirement and Fee for Requiring Private Hazmat and Exempt For-Hire Carriers to File Reinstatement Requests
5. Eliminating Transfers of Operating Authority
6. Revising Other FMCSA Fees
7. Total Costs of URS NPRM
C. Benefits
1. Cost Savings from Streamlined New Entrant Registration Process

2. Safety Benefits from Process Agent Designation Filing Requirement
3. Cost Savings from Eliminating Cargo Insurance Filing Requirement
4. Total Benefits
5. Net Benefits from URS NPRM
XI. Appendix to the Preamble—Proposed Form MCSA–1 and Instructions
XII. Rulemaking Analyses and Notices
List of Subjects

I. Legal Basis for the Rule

The ICC Termination Act of 1995 [Pub. L. 104–88, December 29, 1995, 109 Stat. 888] (ICCTA) created a new 49 U.S.C. 13908 directing ''[t]he Secretary, in cooperation with the States, and after notice and opportunity for public comment,'' * * * to ''issue regulations to replace the current Department of Transportation identification number system, the single State registration system under section 14504, the registration system contained in this chapter, and the financial responsibility information system under section 13906 with a single, on-line, Federal system. The new system shall serve as a clearinghouse and depository of information on and identification of all foreign and domestic motor carriers, brokers, and freight forwarders, and others required to register with the Department as well as information on safety fitness and compliance with required levels of financial responsibility. In issuing the regulations, the Secretary shall consider whether or not to integrate the requirements of section 13304 into the new system and may integrate such requirements into the new system.'' Title 49 U.S.C. 13908(c) also authorized the Secretary to ''establish, under section 9701 of title 31, a fee system for registration and filing evidence of financial responsibility under the new system under subsection (a). Fees collected under the fee system shall cover the costs of operating and upgrading the registration, including all personnel costs associated with the system.'' Congress specified the rule must address:

- Funding for State enforcement of motor carrier safety regulations
- A determination of whether the existing Single State Registration System (SSRS) is duplicative and burdensome;
- The justification and need for collecting the statutory SSRS fee under 49 U.S.C. 14504(c)(2)(B)(iv);
- The public safety;
- The efficient delivery of transportation services; and
- How and under what conditions to extend the registration system to private motor carriers and exempt for-hire motor carriers.

This NPRM proposes a unified registration system and as such is well within the authority of the 1996 Act. The policy issues are addressed in the preamble under section V—Congressionally Mandated Policy Issues.

Today's NPRM is concerned with § 13908, the registration of motor carriers, brokers and freight forwarders. FMCSA proposes a new Federal on-line registration system for every motor carrier, freight forwarder and broker required to register with DOT under 49 CFR 390.19 or 49 U.S.C. 13901, except Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. Title 49 CFR 390.19 concerns the safety registration of all for-hire and private motor carriers, while 49 U.S.C. 13901 covers non-exempt for-hire motor carriers, freight forwarders and brokers. The registration systems for Mexico-domiciled carriers requesting to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border, as well as Hazardous Materials Safety Permits and Hazardous Materials Cargo Tanks, are discussed in greater detail under section VIII—Systems under Consideration for Merger with the New Unified Registration System.

FMCSA would integrate three of the four systems stipulated under 49 U.S.C. 13908(a) into a new unified system. Also as directed by that statutory provision, we have considered integration of the fourth system, the Single State Registration System (SSRS) under section 14504. We find that registration and financial responsibility compliance information currently generated by the SSRS is fully duplicated by the information collected under the proposed Unified Registration System and we preliminarily endorse the concept of integrating this fourth system under this rule. We have not proposed elimination of the SSRS at this time, however, because we require additional information to determine whether we can meet the conditions prescribed by Congress for merger and elimination of SSRS under section 13908(d). That provision directs that before we can propose elimination of the SSRS, we must ensure that: (1) Fees collected and distributed to the States under the new Unified Registration System will be sufficient to provide each SSRS-participating State with at least a level of revenue commensurate with what the State received from SSRS fees in fiscal year 1995; and (2) all States would receive a minimum apportionment from the distribution of fees collected under the proposed Unified Registration System. As amplified in the subsequent ''Single State Registration System'' discussion, we specifically seek public comment on fee structures or alternative measures that would permit full integration of the SSRS into the Unified Registration System and, in turn, would allow elimination of the SSRS program, while preserving the reimbursement and apportionment levels mandated by 49 U.S.C. 13908(d). We also seek public comment on the advisability of recommending legislative change in a report to Congress under 49 U.S.C. 13908(e)(3) in order to create greater latitude for incorporating the SSRS program into the Unified Registration System proposed here.

The new system would incorporate the section 13304 requirement for a motor carrier, freight forwarder, or broker to designate an agent(s) for service of process for each State in which it intends to operate. Under the existing system, only non-exempt for-hire carriers must make such filings. The NPRM would extend the requirement to all registrants, including exempt for-hire and private carriers. Title 49 U.S.C. 503 grants authority to extend the process agent filing requirement to private carriers. When FMCSA (then FHWA) solicited comment on whether to compel private carriers to make such filings, the public responded that exempt for-hire and private carriers should be subject to the same process agent filing requirement as non-exempt for-hire motor carriers, brokers, and freight forwarders (see the advance notice of proposed rulemaking (ANPRM) titled *Motor Carrier Replacement Information/Replacement System* published August 26, 1996 at 61 FR 43816). FMCSA believes extending the requirement to exempt for-hire and private carriers would ensure the agency and the public are able to contact a carrier when necessary.

Title 31 U.S.C. 9701 establishes general authority for agencies to ''charge for a service or thing of value provided by the agency.'' Accordingly, FMCSA proposes to charge registration fees that will enable the agency to recoup costs associated with processing registration applications and administrative filings. All applicants, except certain FTA grantees and State sub-grantees, would pay a $200 registration fee and pay for certain administrative filings.

The Motor Carrier Safety Act of 1984 requires the Secretary to prescribe regulations on commercial motor vehicle safety. The regulations shall

prescribe minimum safety standards for commercial motor vehicles (CMVs). At a minimum, the regulations shall ensure that (1) CMVs are maintained, equipped, loaded, and operated safely; (2) the responsibilities imposed on operators of CMVs do not impair their ability to operate the vehicles safely; (3) the physical condition of operators of CMVs is adequate to enable them to operate the vehicles safely; and (4) the operation of CMVs does not have a deleterious effect on the physical condition of the operators (49 U.S.C. 31136(a)).

This NPRM is intended to streamline the registration process and ensure that FMCSA can more efficiently track CMVs and ensure their safe operation. As such, it implements the section 31136(a)(1) mandate that FMCSA's regulations ensure that CMVs are maintained and operated safely. The Unified Registration System imposes no operational responsibilities on drivers. Therefore, this proposed regulation would not impair a driver's ability to operate vehicles safely (section 31136(a)(2)), would not impact the physical condition of drivers (section 31136(a)(3)), and would not have a deleterious effect on the physical condition of drivers (section 31136(a)(4)). Accordingly, FMCSA has addressed the statutory mandate of section 31136(a) and finds that the proposed regulation is fully responsive to this mandate.

II. Introduction

As noted, FMCSA proposes a unified registration system, as required by section 103 of ICCTA. Section 103, codified as 49 U.S.C. 13908, directs the Secretary of Transportation to issue a rule to replace the following four systems with a ''single, on-line, Federal system:''

(1) The current Department of Transportation identification number system (49 CFR part 390);

(2) The Single State Registration System (SSRS) under 49 U.S.C. 14504 (49 CFR part 367);

(3) The registration system under 49 U.S.C. 13901–13905 (49 CFR part 365); and

(4) The financial responsibility information system under 49 U.S.C. 13906 (49 CFR part 387).

A detailed discussion of these systems appears in the 1996 ANPRM. The ANPRM is also available in the docket for this rule; access to the docket is explained above in **ADDRESSES.**

The proposed replacement system would identify and house information about all interstate motor carriers, brokers and freight forwarders, and others that must register with the Department of Transportation. It would also be a depository for information on safety fitness and compliance with financial responsibility requirements.

III. Pre-ICCTA Background

The Motor Carrier Act of 1935 [Pub. L. 74–255, 47 Stat. 543] placed regulatory authority over the motor carrier industry with the Interstate Commerce Commission (ICC). ICC was responsible for issuing operating authority and permits and administering matters related to insurance, safety, and enforcement as they applied to non-exempt for-hire common and contract motor carriers.[1] ICC exercised safety oversight over all for-hire and private motor carriers, but its economic oversight encompassed only non-exempt for-hire motor carriers.

In 1967, the Department of Transportation (DOT) was created and responsibility for motor carrier safety activities was transferred from ICC to the Bureau of Motor Carrier Safety within FHWA. The Bureau of Motor Carrier Safety subsequently became the Office of Motor Carriers. FHWA required all interstate motor carriers engaged in interstate or foreign commerce to obtain a USDOT identification number from the agency for safety oversight purposes (53 FR 18042, May 19, 1988). Affected parties included for-hire motor carriers subject to ICC economic oversight, as well as motor carriers exempt from ICC jurisdiction (such as private carriers and exempt for-hire motor carriers).

ICC continued to regulate non-exempt for-hire interstate and foreign motor carriers of property and passengers, issuing certificates of public convenience and necessity (for common carriers), permits (for contract carriers and freight forwarders[2]), or licenses (for property brokers). These entities were assigned an MC or MX number as evidence of ICC authority/licensure, except freight forwarders who received FF numbers. Motor carriers, property brokers and freight forwarders were subject to financial responsibility filing requirements as a condition for receipt and retention of operating authority. ICC maintained an up-to-date, automated insurance monitoring system to validate compliance with the financial responsibility requirements.

ICCTA eliminated ICC, and transferred certain ICC regulatory responsibilities to the DOT. The savings provision in section 204 of ICCTA preserved all effective ICC regulations, rules and decisions until the Secretary finds modification of these documents is warranted, thereby preserving the status quo. FHWA gave public notice of the effectiveness of these ICC documents in 61 FR 14372, April 1, 1996.

IV. Summary of the Advance Notice of Proposed Rulemaking

On August 26, 1996, FMCSA (then FHWA) published an ANPRM (61 FR 43816) announcing plans to create a single, on-line Federal registration system. The ANPRM provided an historical overview to support why a replacement system is necessary, included a description of the four systems to be replaced, and posed specific questions for comment.

FMCSA received 104 comments to the docket that may be viewed on the Internet by visiting *http://dms.dot.gov/search* and typing the last four digits of the docket number in the heading of this document. FMCSA has analyzed the comments to the ANPRM and taken them into consideration in the formulation of this notice.

Most of the commenters supported the proposal of a single, on-line system with the following features:

1. Fees assessed on all applicants and based solely upon the actual costs to operate the system;
2. A requirement to register with a single governmental entity;
3. Elimination of the SSRS and a reimbursement of lost revenue for fees to impacted States;
4. A requirement that all registrants file proof of financial responsibility; and
5. A requirement that all registrants file a designation of persons upon whom court process may be served (designation of agents for service of process).

Several commenters suggested that FMCSA achieve complete regulatory uniformity for all entities under its jurisdiction by either eliminating requirements or broadening their applicability to all entities. Some responded that all carriers should be required to provide similar information in the new registration system. For example, some recommended that FMCSA should require all motor

[1] The Motor Carrier Act and subsequent legislation created numerous exemptions to ICC jurisdiction based upon the commodity transported (*e.g.,* fresh produce and other agricultural products) or circumstances underlying the transportation (*e.g.,* property or passengers having a prior or subsequent movement by air carrier). These exemptions were retained in chapter 139 of ICCTA. For purposes of this document, the term ''non-exempt'' or ''exempt'' for-hire carrier refers to whether the carrier is subject to the chapter 139 registration requirements.

[2] Following deregulation of the freight forwarding industry in 1986, only freight forwarders of household goods had to be licensed by the ICC. ICCTA subsequently reinstated the registration requirement for all freight forwarders.

carriers to file evidence of insurance while others wanted FMCSA to remove the existing insurance filing requirement.

Although FMCSA has considered these suggestions, we cannot propose or implement them in a rulemaking proceeding without first obtaining legal authority through statutory change. Section 13908(e)(3) directs the Secretary to transmit to Congress a report on any findings of this rule and the changes the DOT decides to implement, together with recommendations for any proposed legislative changes. FMCSA plans in that report to address policies it wishes to adopt in response to the 1996 ANPRM comments which require statutory change.

FMCSA has incorporated several of the ANPRM responses in formulating today's proposal. In response to public comment, the USDOT Number would replace the MC, MX, and FF numbers, and all motor carriers under FMCSA jurisdiction would be required to file a process agent designation with FMCSA.

V. Congressionally Mandated Policy Issues

Congress directed the Secretary to address the following policy issues in this rule:

(1) Funding for State enforcement of motor carrier safety regulations;

(2) A determination of whether the existing SSRS is duplicative and burdensome;

(3) The justification and need for collecting the statutory SSRS fee under 49 U.S.C. 14504(c)(2)(B)(iv);

(4) The public safety;

(5) The efficient delivery of transportation services; and

(6) How and under what conditions to extend the registration system to private motor carriers and exempt for-hire motor carriers.

A. Funding for State Enforcement of Motor Carrier Safety Regulations

FMCSA believes that funds provided by the Motor Carrier Safety Improvement Act of 1999 [Pub. L. 106–159, December 9, 1999, 113 Stat. 1764] (MCSIA) and the Transportation Equity Act for the 21st Century [Pub. L. 105–178, June 9, 1998, 112 Stat. 418] (TEA–21) adequately satisfied congressional concerns regarding funding for State enforcement of motor carrier safety regulations. Total funding for State enforcement activities through the FMCSA Motor Carrier Safety Assistance Program (MCSAP) has increased substantially since 1995 and is summarized below.

Fiscal year	Amount in millions
1995	$74
1996	77
1997	78
1998	79
1999	90
2000	90
2001	155
2002	160
2003	165

Although Congress has not yet passed a new surface transportation reauthorization bill for years beyond 2003, FMCSA anticipates Congress will do so and that the legislation will adequately address funding for the State enforcement of Federal Motor Carrier Safety Regulations.

B. Single State Registration System

Under the Single State Registration System (SSRS), currently conducted by 38 States in accord with the requirements of 49 U.S.C. 14504, interstate, for-hire motor carriers are required to register annually with one State and provide evidence to the State of Federal registration under 49 U.S.C. chapter 139. In addition to filing and maintaining evidence of Federal registration, motor carriers are required annually to: (1) File satisfactory proof of required insurance or qualification as a self-insurer; (2) pay required fees directly to the SSRS base State; and (3) file the name of a local agent for service of process. Congress designated the SSRS among those programs that we should consider for inclusion in the Unified Registration System under 13908(a), but further provided in 49 U.S.C. 13908(d) that before we can propose elimination of the SSRS, we must be able to ensure that: (1) Registration fees collected under the proposed Unified Registration System and distributed to the States each fiscal year would be sufficient to provide each SSRS-participating State with at least as much revenue as it received from SSRS fees in fiscal 1995 [49 U.S.C. 13908(d)(1)]; and (2) all States would receive a minimum apportionment from the distribution of fees collected under the proposed Unified Registration System.

Comments received in response to the ANPRM suggest strongly that the existing SSRS is both duplicative and burdensome when assessed against current Federal registration and licensing requirements and particularly when evaluated under the proposed Unified Registration System. The essential information collected through SSRS (evidence of registration by interstate, for-hire carriers and proof of their compliance with financial responsibility requirements) already is available to all States through the FMCSA Licensing and Insurance database and will remain so under the Unified Registration System proposed here. In fact, SSRS participating States currently tap into the Licensing and Insurance database to download verifications of carriers' financial responsibility.

It appears that the only information collected by the SSRS that is not currently available to FMCSA and would not be collected through Form MCSA–1 filings is the operational distribution of vehicles among States where registered carriers perform their interstate service. Because operational distribution data is collected solely for the purpose of apportioning SSRS registration fees among participating States, it is essentially an informational by-product of the SSRS fee collection system, and clearly provides neither safety nor compliance information to State users.

The proposed Unified Registration System would generate the same registration and financial responsibility information captured by the SSRS and, thus, integrates the operational and compliance features of the SSRS. Continuation of the SSRS in tandem with the Unified Registration System proposed here would therefore appear to be duplicative. In view of the relative ease and universality with which the registration and financial responsibility compliance information can be accessed by the States through the FMCSA databases, the SSRS requirement that carriers maintain copies of their SSRS registration receipts in each vehicle also would appear to be unnecessarily burdensome. Although some participating SSRS States may support safety or transportation efficiency initiatives with revenues generated by the SSRS fee system prescribed under 49 U.S.C. 14504(c)(2)(B)(iv), there is no requirement that they do so. Indeed, comments in response to the ANPRM suggest that SSRS revenues are as likely as not to find their way into States' general funds where they may be applied to any programmatic purpose.

Accordingly, when assessed in light of relevant factors prescribed at 49 U.S.C. 13908(b), the SSRS appears to be a viable candidate for integration with the other three systems proposed for unification. Moreover, the SSRS could for all practical purposes be considered already fully integrated under this proposal, inasmuch as all information critical to the SSRS would be captured under Form MCSA–1 and available to

States through the on-line databases maintained by the FMCSA.

Despite these considerations, we cannot at this time propose elimination of the SSRS. To be consistent with the 49 U.S.C. 13908(d) criteria for eliminating the SSRS program, the FMCSA would need to reimburse from Unified Registration System fees an annual amount totaling approximately $96 million to the 38 States currently participating in the SSRS and would further need to ensure availability of additional funds for distribution as a minimum apportionment among all States. Financing the required levels of State reimbursement would result in fees approximating $2300 per carrier, an expense that we believe would be unreasonably burdensome.

The FMCSA specifically seeks public comment on the implications of this fee-based reimbursement to States as a means of preserving their SSRS-generated revenues and allowing for the required minimum apportionment, were the SSRS program to be eliminated. In addition, we seek public comment on alternative means by which we might ensure the required annual reimbursement and minimum apportionment levels under a fee assessment schedule different from that proposed here. Comments to the ANPRM, for example, mentioned, but did not necessarily endorse, the concept of imposing additional fees on insurers or assessing unified registration fees on other than a flat rate per carrier basis—such as per vehicle fees, a graduated rate based on fleet size, or a total carrier revenue basis. We would welcome comments on the viability of these and other alternatives as a means of fully integrating SSRS into the Unified Registration System, eliminating the SSRS program as presently observed by participating States, and still preserving the reimbursement and apportionment obligations imposed by 49 U.S.C. 13908(d).

Upon evaluation of the comments received in response to this issue, we will consider whether to recommend in a report to Congress under 49 U.S.C. 13908(e)(3) legislative changes to eliminate (1) the SSRS program as prescribed under 49 U.S.C. 14504; and/or (2) the reimbursement and apportionment requirements of 49 U.S.C. 13908(d). It is our preliminary conclusion, based on comments submitted in response to the ANPRM and upon our assessment of a viable fee structure for the Unified Registration System, that all informational benefits of the existing SSRS program are fully captured by the rule proposed here and that reasonable registration fees associated with the proposed system could not sustain the reimbursement and apportionment requirements of the present statute. We encourage commentors to address specifically the policy and legislative implications of this preliminary conclusion.

C. Public Safety; Efficient Delivery of Transportation Services

FMCSA believes the proposals in this rule address public safety and the efficient delivery of transportation services as intended by Congress. FMCSA has established a requirement under 49 CFR 390.19 for interstate carriers operating in the U.S. to update their information biennially and proposes to continue that requirement in this rule. The effectiveness and usefulness of FMCSA safety-related initiatives such as the Motor Carrier Safety Status Measurement System (SafeStat) and the Performance and Registration Information Systems Management Program (PRISM) are directly linked to the accurate and efficient collection and reporting of motor carrier safety data. Timely and accurate safety information has multiple benefits—it enables FMCSA to: (1) Track safety performance trends; (2) develop more effective driver and vehicle safety programs; (3) monitor the safety status of individual carriers; (4) ensure carrier compliance with FMCSRs; and (5) track any changes in the motor carrier industry that may affect carrier safety.

D. Registration of Private Motor Carriers and Exempt For-Hire Motor Carriers

FMCSA has carefully considered the extent to which the registration process should include private motor carriers and exempt for-hire motor carriers. This rule proposes to extend the public liability insurance filing requirements to private carriers of hazardous materials and exempt for-hire motor carriers. FMCSA does not propose to extend the insurance filing requirement to private carriers of non-hazardous commodities because there is currently no statutory authority to do so. Additionally, FMCSA proposes to require all motor carriers to file a process agent designation with FMCSA as a condition for registration. FMCSA believes there is an inherent crash risk in all interstate commercial motor vehicle operations due to the vehicle miles traveled and exposure to other vehicles on the highway. Accordingly, this rule proposes that most carriers, except private carriers of non-hazardous materials, be required to provide proof of financial responsibility and that all carriers be equally accessible for service of legal process. Expanding these filing requirements would result in greater safety benefits to the general public and enhance the ability to easily obtain motor carrier information when necessary.

Motor carriers conducting operations in interstate commerce have been required to file the MCS–150 prior to commencing operations since July 2000, pursuant to ICCTA and 49 CFR 390.19. Shortly after receipt of a completed MCS–150, FMCSA assigns a USDOT Number to the motor carrier and notifies it of the number assigned. All safety performance data on each motor carrier are linked to the USDOT Number. This includes roadside inspection data, crash data, and safety and compliance review information. The USDOT Number is used to link data together to produce summaries or reports on specific motor carriers.

VI. The Proposed Replacement System

A. Registration

FMCSA intends to create a unified registration process consistent with ICCTA requirements. All private or for-hire motor carriers transporting property or passengers in interstate commerce in the U.S. would be required to register with FMCSA except Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. Requiring these entities to register allows FMCSA to have a more complete census of motor carriers under its jurisdiction. This information could then be shared with other Federal and State regulatory agencies, as well as the general public, which would aid in promoting safety. The majority of comments to the ANPRM in this docket support the creation of a more simplified registration system that includes the universe of motor carriers subject to FMCSA jurisdiction.

FMCSA also proposes that property brokers and freight forwarders be included in the unified system because ICCTA requires us to register them and ensure that they maintain the necessary evidence of financial responsibility.

The proposed registration system would simplify the registration process for motor carriers in that motor carriers would only be required to complete one form, proposed Form MCSA–1—FMCSA Registration Form (USDOT Number Application). Under the current system, there are six forms, with most carriers being required to file at least two of the six. Motor carriers will no longer have to decide which form(s) to

complete, hoping to complete the correct form(s) on the initial application.

This proposal encourages continued use of electronic filing because it significantly reduces processing time for registration applications and related documents. Currently, motor carriers and other applicants have the option of using the Safety and Fitness Electronic Records System (SAFER) on-line site to apply for operating authority, obtain a USDOT Number and make safety certifications. Applicants pay registration fees and civil forfeiture fines by credit card using an electronic link from SAFER to the U.S. Department of Treasury's on-line financial management service (Pay.Gov). Electronic filing reduces current paper-based processing time by between 2 to 4 weeks (based on the additional time required for applications to reach FMCSA by mail and to manually process them.)

If this notice is promulgated as a final rule, the new integrated on-line application process would replace the existing electronic options for filing applications for operating authority, a USDOT Number and related documents. FMCSA believes the proposed on-line registration system would significantly reduce application-processing time. An applicant would not need to determine the appropriate application to file, and the on-line replacement system would feature a built-in error-checking feature to alert the applicant when incorrect information has been entered, prompting for valid information. This quality control feature would decrease time spent by agency employees contacting applicants to correct the application. Incomplete applications would automatically be rejected by the system. As a result, application processing would be more efficient for both customers and FMCSA.

FMCSA proposes an on-line application process because: (1) More than 70 percent of motor carriers in the United States now have Internet access, with the trend clearly increasing; (2) there is widespread public access to computers and the Internet in public libraries, Internet cafes, or other commercial establishments; (3) automated error-checking would result in more accurate information about the applicant; (4) on-line filing would allow USDOT Numbers to be issued in a more timely manner, and (5) electronic filing is more cost-effective for FMCSA compared to manually processing applications.

Although FMCSA would not mandate electronic filing of registration applications and related documents at this time, we invite comments and suggestions regarding the following issues:

(1) What would be the impact (benefits or hardships) on applicants of a mandatory on-line filing requirement?

(2) Should FMCSA immediately require on-line filing or should there be a phase-in period for mandatory on-line filing? If so, how long should the phase-in period be?

Current registration procedures in 49 U.S.C. 13902 allow anyone to oppose a request for permanent operating authority by non-exempt for-hire motor carriers, property brokers, and freight forwarders, provided the protest is based upon the applicant's failure to comply with: (1) The registration procedures; (2) applicable DOT regulations, including the FMCSRs and the HMRs; (3) the safety fitness standards; and/or (4) financial responsibility requirements. This proposed Unified Registration System would continue to allow protests for applications covered under section 13902, but would not extend the right of protest to applications for registration filed by private motor carriers or exempt for-hire motor carriers. Information on opposing a registration is under proposed 49 CFR part 360, subpart B of this proposal.

B. USDOT Numbers

The current registration systems administered by FMCSA use four identification numbers: the USDOT Number, which most motor carriers subject to FMCSA jurisdiction are required to obtain, the Motor Carrier (MC) number, which is assigned to non-exempt for-hire motor carriers and brokers registering under chapter 139; the FF number which is assigned to freight forwarders; and the MX number, which is assigned to Mexico-domiciled carriers operating in the U.S. border commercial zones.

FMCSA proposes to discontinue issuance of MC, MX and FF numbers and to phase out the use of current MC, MX and FF numbers within 2 years of the effective date of a final rule. The USDOT Number would become the sole identification number for all entities registered by DOT. This approach is prudent and simple because all registered motor carriers have a USDOT Number and because 16 States have elected to use the USDOT numbering system for registering intrastate motor carriers and their vehicles. Pursuant to 49 CFR 390.21, motor carriers would not need to remove the obsolete numbers from their vehicles.

FMCSA would issue a USDOT Number with a distinctive suffix to any Mexico-domiciled carrier granted registration. This unique USDOT Number would display on the side of the vehicle pursuant to the CMV marking requirement under 49 CFR 390.21, and would meet DOT's obligation under section 350(a)(4) of the 2002 Department of Transportation Appropriations Act [Pub. L. 107–87, Title III, section 350, Dec. 18, 2001, 115 Stat. 864] by allowing FMCSA to distinguish Mexico-domiciled motor carriers authorized to conduct operations beyond the border commercial zones from those authorized for only within-zone operations.

C. Transfer of Operating Authority

As stated above, FMCSA now assigns a unique USDOT Number to each corporation, partnership or individual proprietorship that is responsible for the safety of interstate motor carrier operations. FMCSA also assigns unique USDOT Numbers to subsidiary corporations. Generally speaking, USDOT Numbers are assigned to one carrier and remain assigned to that carrier. Motor carriers that obtain a USDOT Number under 49 CFR 390.19, but are not required to register with FMCSA under 49 U.S.C. Chapter 139, are encouraged but not required to notify the agency when changes in ownership occur. Motor carriers that register under section 13901 are however subject to notification requirements.

Current part 365, subpart D permits for-hire motor carriers, brokers and freight forwarders that register under chapter 139 to merge, transfer or lease their operating authority (identified by MC or FF numbers), and establishes procedures for agency approval of these transactions. These entities are required to file transfer applications with FMCSA and pay a $300 fee.

ICCTA removed the provisions governing transfers of operating authority by repealing former 49 U.S.C. 10926. As a result, FMCSA (then FHWA) proposed removing the transfer regulations in a February 13, 1998, NPRM (63 FR 7362). In response to this proposal, the Distribution & LTL Carriers Association (DLTL), the Transportation Lawyers Association (TLA), Landstar System, Inc., the American Bus Association (ABA), and Federal Express Corporation argued that disallowing transfer of registration would subject motor carriers to a more expensive registration process when ownership changes occur—a cost without a corresponding safety benefit. Most of these additional costs would result from having to change MC numbers on vehicles. DLTL contended

that continuing to allow transfers would ''assist * * * in keeping track of the existing applicant universe and calculating new entrants.'' TLA, Landstar, and ABA commented about the costs and burdens resulting from elimination of transfer approval, but did not provide specific figures.

On May 16, 2001, FMCSA published a notice in the **Federal Register** (66 FR 27059) announcing the withdrawal of the February 1998 NPRM with the intention of addressing the transfer issue in today's rulemaking action.

FMCSA proposes to remove regulations in 49 CFR part 365, subpart D that govern the transfer of operating authority. As a result of this action, MC numbers would no longer be subject to transfer. Although commenters to the February 1998 NPRM were concerned about the cost of re-marking vehicles with new MC numbers if transfers were not allowed, FMCSA has discontinued use of the MC number to identify vehicles and now requires all FMCSA regulated motor carriers to mark their commercial motor vehicles with their USDOT Number and the legal or ''doing business as'' name of the business entity that owns the motor carrier. See the final rule entitled *Federal Motor Carrier Safety Regulations, General; Commercial Motor Vehicle Marking,* published in the June 2, 2000, **Federal Register** at 65 FR 352387. Furthermore, as discussed above, FMCSA proposes to issue only a USDOT Number and discontinue use of MC, MX and FF numbers.

Unlike chapter 139 certificates and permits, which have traditionally been considered transferable motor carrier assets, a USDOT Number is a unique identifier used to monitor a carrier's safety performance. As such, the USDOT Number never has been subject to transfer. In order to preserve the sanctity of the number as an identifier of each entity's operational profile and safety history, the proposed rule preserves the prohibition on transfers.

The proposed rule would continue to permit retention of the existing USDOT Number in instances where there is a change in legal name, form of business, or address, provided that there is no change in the ownership, management, or control of the involved entity. Circumstances in which retention of the USDOT Number would be permissible include: (1) A change in the legal name of a sole proprietorship, corporation, or partnership: (2) a change in the trade name or assumed name of an entity; and (3) a change in the form of a business, such as the incorporation of a partnership or sole proprietorship. We specifically invite commenting parties to identify additional instances in which FMCSA might permit retention of a USDOT Number following structural, practical, or ministerial changes to a registered entity.

To ensure the continuing relevance and viability of the USDOT Number as a unique identifier and repository for safety data associated with a particular entity, the proposed rule would require all entities requesting a change in legal name, form of business, or address to: (1) File a revised From MCSA–1 within 20 days of the precipitating change; and (2) submit a certification accompanying the revised Form MCSA–1 confirming that there has been no change in the ownership, management, or control of the entity holding the involved USDOT Number. This prescribed process would allow FMCSA to monitor more closely and in a timely manner informational changes affecting all entities holding USDOT Numbers. The proposed 20-day notification period would impose a time limit for submitting changes in key information for the first time on most registrants and would abbreviate the 45-day notification period currently applicable to Mexico-domiciled carriers operating in border commercial zones under 49 CFR 368.4. The 20-day notification period would apply to all carriers, including Mexico-domiciled carriers operating in border commercial zones.

D. Biennial Update Requirement

Under current § 390.19, carriers are required to file Form MCS–150, Motor Carrier Identification Report biennially, as provided by section 217 of MCSIA. Carriers now file Form MCS–150 on-line, by mail or by fax without a fee. The registration updates provide valuable information about carriers and their fleets, and provide useful data for assessing safety performance. This rule proposes to replace Form MCS–150 with the MCSA–1, which contains a section specifically developed for the biennial update. The requirement to update identification information would be removed from § 390.19, re-designated as § 360.25 and made applicable to all entities under FMCSA jurisdiction, including passenger and property carriers, freight forwarders, and property brokers, except Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. This rule also proposes at § 360.25 that notice of changes to key identifying information, such as changes in the legal name, form of business, or address be filed with FMCSA within 20 days of the change. This requirement is also a critical component of the goal of obtaining and maintaining accurate, current and timely information, as required by section 217 of MCSIA.

States participating in the joint Federal-State PRISM program check motor carriers' MCS–150 ''date of last update'' in FMCSA information systems as part of their annual International Registration Plan (IRP) license plate renewal processes. If the motor carrier's MCS–150 data will exceed 24 months old before the end of the license plate registration period, the State requires them to update their MCS–150 data as a condition for receiving their IRP license plate. This approach ensures that motor carriers who obtain IRP license plates in PRISM states cannot let their MCS–150 data expire. FMSCA has determined that motor carriers who update their MCS–150 data in this manner already meet the periodic filing requirement of the current 49 CFR 390.19 and would require no additional filing with FMCSA. Such carriers would need to continue to comply with the § 360.25 requirement to file accurate information. The PRISM process is discussed in more detail later in this document.

E. Proposed User Fees for the New System

This rule proposes revised and new fees to maintain the information systems necessary to accurately identify motor carriers, brokers, and freight forwarders operating in interstate commerce. Until this rule, FMCSA had not proposed a fee schedule for recouping costs associated with its increased responsibilities for maintaining complete and accurate information on entities it regulates.

Title 49 U.S.C. 13908 specifically directs the Secretary to create and implement a unified on-line registration system that captures information about the identification, safety fitness, and financial responsibility of registered entities. Section 13908(c) grants the Secretary discretion to establish a fee system that covers the costs of this registration system.

In accordance with section 13908(c), FMCSA proposes separate fees to cover a number of distinct, but related, activities associated with registration. (The full breakout of proposed fees is discussed in the section entitled ''Regulatory Evaluation of the Unified Registration System (URS) NPRM: Summary of Benefits and Costs'' and in the full Regulatory Evaluation that has been placed in the public docket.) The principle underlying the assignment of

the proposed user fees is that the users would pay only for costs that they incur.

F. Registration Fees

Currently, non-exempt for-hire motor carriers, freight forwarders and brokers initially seeking operating authority under 49 U.S.C. chapter 139 pay a $300 filing fee. However, private carriers and exempt for-hire carriers are not subject to a filing fee when requesting a USDOT Number under 49 CFR part 390. As proposed in this NPRM, all entities under FMCSA jurisdiction would pay a $200 registration fee at the time the application is filed.

G. General Fee Policy Changes and Revised Fees

In addition to the $200 initial registration fees, FMCSA is proposing changes to a number of other licensing and insurance fees. The section in this notice entitled ''Regulatory Evaluation of the Unified Registration System (URS) NPRM: Summary of Benefits and Costs'' includes a detailed explanation and complete list of the proposed licensing and insurance filing fee changes.

FMCSA has changed the fee scale in various ways in an effort to administer system costs more equitably among users. Certain fees would be entirely eliminated. Currently, for example, carriers that are subject to chapter 139 registration requirements must pay a $14 fee for name change requests. Yet private and exempt for-hire carriers that are not subject to chapter 139 registration requirements are not charged for making name changes. Under this proposal, the name change fee would be eliminated for all registrants.

Other fees would change and be made applicable to a broader scope of carriers. Currently, only those carriers that are subject to the chapter 139 registration requirements must pay an $80 fee to reinstate operating authority that has been revoked (voluntarily or involuntarily). FMCSA proposes to increase to $100 the reinstatement fee for chapter 139 registrants. Additionally, a reinstatement fee would be made applicable to private and exempt for-hire motor carriers. If a private or exempt for-hire motor carrier failed to comply with financial responsibility or process agent filing requirements, FMCSA would de-activate its USDOT Number and charge a $100 reinstatement fee to reactivate the USDOT Number. The $100 fee would compensate the agency for expenses related to processing reinstatement requests.

Based on our experience in reinstating chapter 139 operating authority, the reinstatement process often involves substantial FMCSA staff time. Usually, the carriers have to be contacted several times before the appropriate information is obtained to conclude the reinstatement process. We believe the same would be true for private and exempt for-hire carriers seeking reinstatement.

H. Financial Responsibility

1. Bodily Injury and Property Damage Insurance (BI&PD) Requirement

The Motor Carrier Act of 1980 [Pub. L. 96–296, 94 Stat. 820] prescribed for safety reasons minimum levels of financial responsibility for certain motor carrier classifications. The motor carrier classifications include: For-hire interstate motor carriers of property in vehicles with a gross vehicle weight rating (GVWR) in excess of 10,000 lbs. (including ICC-exempt); private and for-hire interstate motor carriers of certain hazardous materials; and interstate and intrastate carriers of hazardous materials in bulk. In 1982, the Bus Regulatory Reform Act of 1982 [Pub. L. 97–261, 96 Stat. 1120] granted FMCSA (then FHWA) authority to regulate the levels of financial responsibility covering for-hire motor carriers of passengers operating in interstate commerce. These carriers are not currently required to provide proof of insurance or other financial responsibility as a condition for receiving a USDOT Number. Instead, FMCSA verifies financial responsibility as a part of its compliance review process. The actual review of financial responsibility requires that an enforcement official ensure that there is at the motor carrier's place of business a valid endorsement (Form MCS–90 or Form MCS–82), or valid authorization to self-insure that indicates that the carrier possesses the required financial responsibility coverage meeting the minimum prescribed limits.

For-hire motor carriers, brokers and freight forwarders that are subject to the chapter 139 registration requirements must file evidence of BI&PD insurance with FMCSA on prescribed forms as a precondition to receiving and holding authorities and permits. Their financial responsibility requirements take the form of certificates of insurance, surety bonds, proof of qualifications as a self-insurer, endorsements, or trust agreements.

FMCSA proposes at § 360.9 to continue the filing requirement for these carriers and extend its applicability to exempt for-hire motor carriers, including passenger carriers, and private interstate motor carriers transporting hazardous materials. These carriers are already required by statute (49 U.S.C. 31138 and 31139) and regulations (49 CFR part 387) to obtain and maintain BI&PD insurance. This rule would merely require the filing of evidence of financial responsibility with FMCSA.

Motor carriers transporting hazardous materials in intrastate commerce are similarly required by statute and regulations to obtain and maintain BI&PD insurance. The requirement to file evidence of financial responsibility with FMCSA would not extend to them. They would continue to maintain proof of the required financial responsibility at the motor carrier's principal place of business as required under 49 CFR 387.7(d)(1).

The proposed filing requirement would provide the public with assurances that all for-hire motor carriers, and private carriers transporting hazardous materials in interstate commerce, have the financial means to compensate members of the public for injuries or damages caused by their negligence. These filings would also increase public accessibility to insurance information and would enable FMCSA to more effectively track insurance cancellations. Under the current system, FMCSA receives a notice of cancellation only if the carrier is registered under chapter 139. A carrier not subject to the chapter 139 requirements could lose its insurance coverage, but FMCSA would generally not be made aware unless the fact was discovered during a compliance review of the carrier. The proposed extension of the BI&PD insurance filing to all carriers subject to the Motor Carrier Act of 1980 and Bus Regulatory Reform Act of 1982 insurance requirements would, therefore, better enable FMCSA to identify and bring into compliance uninsured motor carriers or remove them from the public highways.

2. Cargo Insurance Requirement

Title 49 U.S.C. 13906(a)(3) authorizes the Secretary to require motor carriers to file evidence of cargo insurance to cover loss or damage to property transported by them. Under current 49 CFR 387.303(c), non-exempt for-hire common carriers of property and freight forwarders are required to maintain cargo insurance of $5,000 per vehicle, and $10,000 per occurrence, and file evidence of this insurance with FMCSA. Under the proposed revised § 387.303(c), FMCSA would require only motor carriers and freight forwarders engaged in transportation of household goods to maintain and file

evidence of cargo insurance with the agency. Penalties for failure to comply would remain the same.

There does not appear to be a need to require non-exempt for-hire motor carriers of property to maintain cargo insurance since these carriers typically have cargo insurance well above FMCSA limits because their shipper clients generally require it as a condition of doing business. Where motor carriers of property and freight forwarders deal directly with individual members of the public, such as in the transportation of household goods, the agency believes it is in the public interest to continue to require cargo insurance. FMCSA has found that shippers of household goods tend to be less knowledgeable about the regulations than most shippers of other types of property, and therefore need the protection afforded by the current regulatory scheme. Therefore, FMCSA proposes to retain the requirement that household goods carriers and freight forwarders of household goods obtain and file minimum levels of cargo insurance, as provided by part 387. FMCSA requests comments about its proposal to eliminate the cargo insurance requirement for non-exempt for-hire carriers of property and freight forwarders.

3. Insurance Filings by Insurers, Surety Companies and Financial Institutions

FMCSA proposes to require all insurers, surety companies, and financial institutions to file evidence of insurance using the web-based (HTML) format. FMCSA currently accepts insurance filings in three formats: paper filings, electronic (ASCII) filings, and web-based (HTML) filings. The current paper-based insurance system is very labor intensive.

On August 15, 2001, FMCSA began allowing Internet filings. FMCSA also allows the public to access carrier licensing and insurance information through the Internet by selecting keyword ''L&I System'' at *http://www.fmcsa.dot.gov.*

With the implementation of the registration and financial responsibility filing requirements of 49 U.S.C. 13906 and 13908, FMCSA will have the capability and financial resources to improve the accuracy and timeliness of insurance application processing.

Accordingly, FMCSA proposes to require all carriers, property brokers, and freight forwarders subject to 49 CFR part 387 to have their insurers use Internet filings to file the necessary evidence of surety bonds, trust fund agreements, bodily injury and property damage insurance, household goods cargo insurance, and notices of cancellations. We believe web-based filings will promote efficiencies for FMCSA, insurers, sureties, financial institutions, and the public. FMCSA seeks comment on whether the proposed mandatory web-based filing would be a significant burden on small insurers, surety companies, and financial institutions. FMCSA also invites comments, ideas and suggestions regarding a potential phase-in approach as opposed to immediate mandatory on-line filing. FMCSA invites comments on any anticipated hardships that mandatory on-line filing may cause.

4. Self-Insurance

Existing regulations provide a motor carrier with the option to meet its financial responsibility obligations through self-insurance, but only with FMCSA approval following review of the carrier's financial health and safety rating. Risks for which a carrier may self-insure include bodily injury and property damage liability (BI&PD), as well as cargo liability. The self-insurance program is specifically authorized by statute (49 U.S.C. 13906, 31138, and 31139), and is also apparently beneficial to the industry. Comments filed in response to FMCSA's (then FHWA) August 26, 1996 Unified Registration System ANPRM strongly favored retaining the self-insurance program.

On May 5, 1999, FMCSA separately proposed procedural changes to the self-insurance process for for-hire motor carriers (see *Qualifications of Motor Carriers to Self-Insure Their Operations and Fees to Support the Approval and Compliance Process* at 66 FR 24123). Specifically, FMCSA would have reevaluated the security and collateral requirements of any self-insured carrier that fails to generate from operations, after payment of all expenses except annual self-insurance claims expenses, twice the level of cash needed to pay the self-insurance claims. An additional application fee of $2,500 would be assessed to cover carrier requests for any modifications and alterations to self-insurance authorizations that required a reevaluation of the carrier's financial condition. FMCSA had also proposed to reduce the fee for processing the initial application for authority to self-insure from $4,200 to $3,000 for an economic cost savings of $1,200. The NPRM proposed implementing additional procedures necessary for motor carriers to establish billing accounts to pay all insurance-related fees required by the agency. Finally, a carrier would be charged a fee to cover FMCSA's cost for analyzing quarterly and annual reports to monitor the carrier's ongoing financial health and claims history. A carrier would be charged a single annual fee of $2,600 to file four quarterly reports and its annual report.

FMCSA received a total of 12 comments in response to the 1999 NPRM. None of the commenters agreed with the proposed self-insurance fees. They believed the proposed fees were unreasonable and that the agency had not provided adequate information to justify the proposed fees. Some made the point that most participants in the self-insurance program are part of carrier groups and that assessing fees based on individual carriers would be burdensome. Commenters also stated it would be unfair to impose additional reporting requirements for all self-insured carriers. Some recommended that the additional reporting requirements should apply only to those self-insured motor carriers that the agency identified as having specific financial problems.

Because the issue of self-insurance falls within the scope of financial responsibility, and the financial responsibility information system is one of the four systems being merged into the proposed new Unified Registration System, FMCSA believes it is prudent to consider revisions to the self-insurance regulations within the context of the Unified Registration System. Therefore, the agency will withdraw the 1999 self-insurance NPRM in a separate withdrawal notice. The self-insurance issues set forth in the 1999 NPRM and public comments regarding that action are being addressed in today's proposed action.

Today's action would rescind the 1999 proposal that FMCSA use only the criteria that self-insured carriers must generate, after certain expenses, twice the level of cash needed to pay self-insurance claims when determining whether a carrier would become subject to adjustments in collateral or security requirements. The proposal was in response to agency concerns that the public be adequately protected against uncompensated losses.

The process of demonstrating whether a carrier has established and will maintain an insurance program that will protect the public as effectively as commercial coverage is complex. It is based upon a wide range of variables that do not conform to a one-size-fits-all standard. The 1999 proposed standard did not in itself take into account other aspects of a carrier's financial condition that are traditionally used to determine a company's financial strength. FMCSA now believes it should continue its current practice of adjusting collateral

and security requirements on a case-by-case basis.

Likewise, the agency would not impose a fee for a request to modify one's self-insurance authorization if the request resulted in the need to reevaluate the carrier's financial condition. FMCSA now recognizes such requests are rare (less than two requests per year).

FMCSA currently approves individual, and not group (also known as ''self-insurance pools'') self-insurance requests. That policy would remain unchanged under this proposal.

Current procedures require all motor carriers approved to self-insure against BI&PD and cargo liability to file four quarterly reports and one annual report per year. (Under this proposal, only motor carriers and freight forwarders of household goods would retain the cargo insurance filing requirement. FMCSA seeks comment on whether to continue the option of self-insuring for cargo insurance.) FMCSA uses these quarterly and annual reports to monitor the financial health of self-insured carriers and ensure that each motor carrier continues to meet the financial requirements of the program. The quarterly reports are due within 60 days of the end of the quarter and generally must cover the periods defined in Table 1:

TABLE 1

Quarter	Period covered
1	January 1–March 31.
2	April 1–June 30.
3	July 1–September 30.
4	October 1–December 31.

The annual report is a summary of information included in the four preceding quarterly reports, and is due not later than 90 days after the end of each annual reporting year (December 31) or the end of March.

FMCSA proposes changes to self-insurance quarterly and annual report filing fees, as authorized under 49 U.S.C. 13908(c). Self-insured carriers would be assessed $500 for each quarterly report filing. There would be no fee for filing the annual report. The annual cost for these filings would total $2,000, a $600 reduction from the 1999 NPRM proposal of $2,600.

In developing the new fees for quarterly filings, the agency consulted the private contractor that reviews the quarterly reports on behalf of the agency, The Meridian Group. Data submitted by The Meridian Group indicates that the contractor incurs an average of $520 in costs to review each simple quarterly report filing. (Rounding to the nearest $50 in accordance with existing § 360.5, FMCSA adjusted the cost to $500) The proposed $500 fee would assist in recouping labor costs associated with reviewing the quarterly filings. The agency proposes no fees for annual report filings.

Currently, the self-insurance program is not self-supporting but is subsidized by other licensing fees. The proposal to retain the $4,200 initial application fee and to assess a new quarterly filing fee would bring the program closer to the goal of being entirely self-supporting. The Regulatory Evaluation for this rule provides a more detailed explanation to support fees regarding self-insurance. FMCSA seeks comment regarding these proposed self-insurance fees.

Finally, the 1999 proposal to require additional procedures for motor carriers to establish billing accounts to pay all insurance-related fees required by FMCSA would be superceded by procedures under subpart E to 49 CFR part 360 in this proposal.

I. Designation of Process Agents

Today's action proposes to include private and exempt for-hire motor carriers among those that must file process agent information with FMCSA.

Current regulations require only those entities that must register under chapter 139 to designate a process agent by filing Form BOC–3—Designation of Agents—Motor Carriers, Brokers and Freight Forwarders with FMCSA. Chapter 139 registrants generally include non-exempt for-hire motor carriers, property brokers and freight forwarders. A motor carrier (including a private carrier) that operates in the United States in the course of transportation between points in a foreign country must also file the BOC–3. Motor carriers, property brokers and freight forwarders may only change the designation of process agent by filing a new designation with FMCSA. This requirement ensures a valid, up-to-date designation is on file at all times during which an entity is subject to, in whole or in part, the designation requirement under § 360.605.

A carrier may use a commercial or blanket service of process agent company or it may designate an individual employee or relative who resides in the State(s) in which the carrier operates to serve as its process agent. The process agent must be U.S.-domiciled. If a State official is designated, evidence of the official's willingness to serve as process agent must be provided to FMCSA.

Today's action retains the requirement for the fiduciary of a motor carrier, property broker or freight forwarder to designate a process agent as of the moment of succession. Title 49 CFR 387.319(a) defines a fiduciary as ''any person authorized by law to collect and preserve property of incapacitated, financially disabled, bankrupt, or deceased holders of operating rights and assignees of such holders.''

FMCSA provides public access to process agent information on the Internet and by telephone. The public uses the information when seeking compensation for losses resulting from a crash involving a commercial motor vehicle. The information enables them to serve lawsuits on the correct party in any State in which the motor carrier, broker or freight forwarder operates. FMCSA uses the information to serve notices for enforcement actions such as out-of-service orders and other administrative proceedings.

Pursuant to 49 U.S.C. 503, FMCSA is empowered to also require private carriers to designate process agents and to file those designations with the Secretary of Transportation. It was not until the publication of the August 26, 1996 ANPRM that the agency asked whether all private carriers should be compelled to make such filings. Commenters urged that private and exempt for-hire motor carriers be subject to the same process agent filing requirements as non-exempt for-hire motor carriers, brokers and freight forwarders.

Based upon those comments, FMCSA proposes to maintain the current requirements in effect for designation of process agents and to extend them to private and exempt for-hire motor carriers.

J. Administrative Filings

FMCSA further proposes to increase to 90 days the maximum time allowed an applicant to submit proof of insurance and process agents before its application is dismissed. Under existing procedures, an applicant is allotted 20 days from the application date to complete the filings. If the filings are not made within 20 days, the agency may grant one 60-day grace period before taking action. As a result, applicants may be given up to 80 days to satisfy insurance and process agent filing requirements.

FMCSA believes that a 90-day filing period for these administrative filings more realistically reflects the actual time necessary to arrange insurance and process agent coverage. Therefore, this NPRM would require the administrative filings within 90 days after submission

of the Form MCSA–1, with no further grace periods. If either the insurance or process agent filings were not completed within this 90-day period, the agency would dismiss the registration request. FMCSA requests comments on the proposed 90-day time frame for making administrative filings.

In addition, FMCSA proposes that any registered entities that are not presently required to file evidence of insurance or designation of process agent be allowed 180 days from the date the final rule takes effect to make the required filings. For example, exempt for-hire carriers and private interstate motor carriers transporting hazardous materials are already required to maintain minimum levels of financial responsibility, but they have not been required to file evidence of that coverage with FMCSA. Many registered carriers have never been required to file a designation of agent for service of process. This proposal would provide these entities 180 days after the rule becomes final to make the filings. If registered entities failed to make the required filings timely, their registration would be revoked.

The extended insurance filing period for existing motor carriers would have no bearing on revocation procedures for lapses in insurance coverage. Insurance companies only report lapses in coverage for motor carriers for which they have already made insurance filings. Carriers impacted by the 180-day extension would have never had evidence of financial responsibility filed on their behalf.

FMCSA believes this extended grace period would enable the agency to efficiently process the anticipated 300,000+ filings in this category as well as provide registrants with adequate time to comply with the new filing requirements.

K. Cancellation and Reinstatement of USDOT Numbers

Under existing procedures, if a motor carrier whose operations are authorized under chapter 139 wishes to voluntarily cancel its operating authority, it must submit a notarized Form OCE–46—Voluntary Revocation Request or electronically file its request. Although not required, many of these carriers use the Form OCE–46 to notify the agency that they are ceasing operations. FMCSA proposes to replace the voluntary revocation request procedure with the simpler procedure now used by motor carriers requesting to discontinue use of a USDOT Number. Carriers would be required to mail or electronically submit to FMCSA a cancellation request and certification statement under § 360.701. Use of the Form OCE–46 and its associated complex processing requirements would be discontinued.

Proposed § 360.705 clarifies that FMCSA would deactivate a carrier's USDOT Number if it fails to comply with the financial responsibility and process agent filing requirements. A carrier may not operate in interstate commerce without an active USDOT Number. Under proposed § 360.707, carriers may reactivate their USDOT Numbers within 2 years of being marked inactive by making the necessary filings, paying a reactivation fee, and re-completing the requirements of the New Entrant Safety Assurance Program (unless they have previously completed the new entrant requirements). FMCSA believes carriers that have been inactive for more than 2 years are functionally equivalent to new entrants and should be required to demonstrate that they have the necessary basic safety management controls in place before being allowed to resume interstate operations. Therefore, we propose requiring such carriers to file Form MCSA–1 to reactivate the previously-issued USDOT Number and complete the new entrant safety assurance program in part 385. We invite comments on whether the 2-year threshold for re-completing the New Entrant Safety Assurance Program is appropriate or if it should be lowered.

L. The New Application Form

FMCSA proposes to combine the data elements now captured on several different licensing, registration and certification forms into a single, new application form called the Form MCSA–1—FMCSA Registration Form (USDOT Number Application). The Form MCSA–1 would replace the forms and certifications listed below:

1. Motor Carrier Identification Report (Application for USDOT Number), Form MCS–150;
2. Application for Motor Property Carrier and Broker Authority, Form OP–1;
3. Application for Motor Passenger Carrier Authority, Form OP–1(P);
4. Application for Freight Forwarder Authority, Form OP–1(FF);
5. Safety Certification for Applications for USDOT Number, Form MCS–150A; and
6. Application for Mexican Certificate of Registration for Foreign Motor Carriers and Foreign Motor Private Carriers Under 49 U.S.C. 13902, Form OP–2.

Proposed Form MCSA–1 is included as an appendix to this preamble for public review and comment. The proposed form would capture all of the information and certifications required under relevant statutes, including ICCTA and MCSIA. The agency believes that use of one comprehensive form would streamline the application process and reduce the paperwork burden for all affected entities. Every motor carrier, freight forwarder or broker required to register with DOT under 49 CFR 390.19 or 49 U.S.C. 13901, except Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border, would use the same proposed form to register with FMCSA.

The proposed form has eliminated fields that captured duplicative information common to the applications for operating authority and the motor carrier identification report. This would reduce the preparation time for those entities that were required to complete both forms. Additionally, FMCSA has attempted to group similar information requests and categories within the same sections on the proposed form. Further, the form is designed to have applicants complete only those areas of the form that are relevant to the type of operation for which they would register. For example, certain applicants are instructed to skip safety-related questions and other sections that do not apply to them.

Comments submitted to the ANPRM suggested that FMCSA, when considering any new registration system, collect only information necessary to ensure public safety. FMCSA believes that it is necessary to include on the proposed Form MCSA–1 fields regarding the identification of carrier and cargo classification type. Capturing this information would continue to benefit Federal and State regulatory agencies, as well as other interested parties, and allow tracking of trends among various transportation categories and cargo classification types. Tracking industry trends and practices would continue to aid in the design of better driver and vehicle safety-related programs. Therefore, this proposal retains motor carrier designation and cargo type categories that are currently included on the OP–1, OP–2, and MCS–150 forms.

The MCSA–1 would solicit certain revenue data about applicants. FMCSA and the Bureau of Transportation Statistics (BTS) have discussed the benefits of collecting revenue data from registrants. Each believes that collecting gross annual operating revenue on the same form as safety and equipment data would allow analyses of safety/financial inter-relationships and improve

compliance rates for requirements of both agencies. For example, MCSA–1 revenue data would provide the first public sector financial data on new carriers that are not yet subject to FMCSA financial reporting regulations (formerly BTS) (49 CFR part 1420). Broad revenue data would help FMCSA gain a better understanding of distribution of the motor carrier industry by revenue size, particularly the number of small entities within the industry. Such information would help the agency to more effectively evaluate the impacts of its regulations on small carriers, and provide the basis for studying the relationship between financial performance and safety performance within the industry.

In view of congressional and agency concerns regarding transportation of household goods, FMCSA has also proposed including on the new MCSA–1 information under the Household Goods Arbitration section of the current OP–1 form. That form requires household goods applicants to provide information regarding their program for arbitrating loss and damage claims and to certify that their tariffs are available for review upon request. The agency believes that this would continue to provide important information for assisting consumers with household goods movement complaints.

Under this proposal, FMCSA plans to design, integrate and implement information systems and technology that would allow real time processing of registration applications. FMCSA and its predecessor agencies have routinely made motor carrier safety-related information available to the general public, as well as other regulatory agencies. FMCSA collects and maintains information on interstate motor carriers, vehicles and drivers. Four basic types of information are collected: Census information that identifies and describes each motor carrier operation; safety inspection records conducted on carrier vehicles and drivers; crash reports; and records of administrative and judicial enforcement actions. These data are maintained by FMCSA on the following systems:

- Motor Carrier Management Information System (MCMIS). MCMIS is FMCSA's central repository for safety data on motor carriers, vehicles, and drivers.
- Licensing and Insurance System (L&I). The L&I system is FMCSA's system for issuing carrier operating authority, recording insurance coverage, and maintaining process agents.
- Motor Carrier Safety Status Measurement System (SafeStat). SafeStat, a FMCSA safety-performance indexing algorithm, uses data from MCMIS records to score and rank motor carriers by their safety performance as a pointer system for enforcement.
- Safety and Fitness Electronic Records System (SAFER). SAFER is FMCSA's safety data exchange system. It provides snapshots of a motor carrier's safety performance, registration, and permit status, and provides a platform for the exchange of these data between Federal and State agencies.

FMCSA plans to continue working closely with its Federal, State and local partners to ensure that all carrier registration and safety information databases and systems are integrated to the greatest extent possible. FMCSA intends to design a system that utilizes one web portal with links to other FMCSA databases, as suggested by many of the comments to the ANPRM. The agency believes this would reduce the aggregate cost of operating these systems, increase their value in saving lives and reducing injuries, and facilitate access by interested parties.

M. Multi-Phase Application Process

Under the proposed new requirements, an applicant would request an application package by accessing the FMCSA website, *http://www.fmcsa.dot.gov,* or by contacting FMCSA headquarters or Division offices located in each State by mail, fax or telephone. FMCSA strongly recommends that applicants use the electronic on-line application procedure since it has built-in edit checks and quick lists for easy, accurate completion. The proposed application package would include the following:

1. Educational and technical assistance material regarding the safety and operational requirements of the FMCSRs and the HMRs, if applicable.
2. Application form MCSA–1, along with instructions.

The educational and technical assistance package would consist of material designed to assist the applicant in complying with the FMCSRs and HMRs, if applicable, and in establishing good safety management practices. It would include information on driver qualifications; controlled substances and alcohol use testing; commercial driver licenses; minimum levels of financial responsibility; crash reports; requirements applicable to the driving of motor vehicles; vehicle inspection, repair and maintenance; hours of service and records of duty status of drivers; and requirements applicable to the transportation of hazardous materials.

After FMCSA receives an MCSA–1 application, it would process the application in multiple phases. Step one would involve initial screening of the application. FMCSA would assign a temporary number to track the application through the registration process. The applicant's insurer, surety company, or financial institution would use the tracking number to file evidence of financial responsibility that must accompany the application. An applicant's process service agent would use the number to make Form BOC–3 (designation of process agent) filings. FMCSA would review the application for completeness and accuracy; ensure that financial responsibility and process agent filings are received in a timely manner; and make necessary non-material corrections. If the application is rejected during this stage, the registration filing fees would not be refunded. The agency would not refund registration fees under any circumstances.

If a motor carrier's application passed the initial screening, it would enter step two—provisional registration. FMCSA would issue provisional registration and assign a USDOT Number. A motor carrier applicant would not be allowed to begin operations until FMCSA had granted provisional registration.

Under the proposed process, registration for non-Mexico-domiciled carriers would only become permanent if the applicant satisfactorily completes the new entrant safety assurance process set forth in 49 CFR part 385. The agency announced the new entrant safety assurance process in an Interim final rule (IFR) on May 13, 2002 (at 67 FR 31978, titled *New Entrant Safety Assurance Process.* The new entrant safety assurance process implements section 210 of MCSIA by requiring new entrants to successfully complete a safety review within 18 months after receiving their USDOT Numbers.

Registrations for Mexico-domiciled motor carriers operating exclusively within the border commercial zones are not subject to the new entrant safety assurance process but must satisfactorily complete the safety monitoring system codified at 49 CFR 385.101 *et seq.*

The special procedures under step two(a) of the multi-phase application process would delay the issuance of a provisional registration to motor carriers that are subject to the protest provisions under U.S.C. 13902. Section 13902 requires FMCSA to allow a time period for persons to oppose an application for registration. FMCSA would publish notification of the registration application in the on-line FMCSA

Register. Anyone may protest the application for registration, provided the protest is based upon the applicant's failure to comply with: (1) The registration procedures; (2) applicable DOT regulations, including the FMCSRs and the HMRs; (3) the safety fitness standards; and/or (4) financial responsibility requirements.

Freight forwarders and brokers are not issued provisional registration. If their registration application is not successfully opposed, their registration is permanent when FMCSA issues it at the conclusion of the publication and protest process.

Section 13902 does not authorize anyone to protest the registration application of a Mexico-domiciled motor carrier seeking to operate only within the border commercial zones, exempt for-hire motor carriers, or private motor carriers. For this reason, step two(a) would not apply to these carrier types. FMCSA would not entertain protests against their registration applications or publish notification of them in the FMCSA Register.

In step three, FMCSA would issue permanent registration if the motor carrier had successfully completed the applicable monitoring program and the registration application was not successfully opposed.

FMCSA seeks comment regarding the proposed form and registration process discussed in this NPRM.

VII. Special Transit Operation Provisions

ICCTA amended the financial responsibility provisions of 49 U.S.C. 31138(e) by adding a new subsection (4). This provision applies to passenger service provided within a transit service area under an agreement with a Federal, State, or local government, funded, in whole or in part, with a grant under 49 U.S.C. 5307, 5310, or 5311. Where the transit service area is located in more than one State, in lieu of the minimum Federal levels of financial responsibility required of motor passenger carrier registrants generally, such transit operators (hereinafter identified as ''Federal Transit Administration (FTA) grantees'' or ''transit service providers'') are permitted to maintain as their minimum financial responsibility obligation the highest level of insurance required by any of the States in which they operate.

FTA grantees operating in interstate transit service areas that exceed commercial zone limits generally provide service of a nature that does not conform with any of the statutory exemptions that might otherwise remove carriers from FMCSA jurisdiction and, thus, relieve them of registration obligations—such as the commercial zone exemption of 49 U.S.C. 13506(b)(1), the ''casual, occasional, or reciprocal'' transportation exemption of 49 U.S.C. 13506(b)(2), or the taxicab exemption of 49 U.S.C. 13506(a)(2). In addition, FTA grantees are advised that there are no exemptions from registration requirements related to vehicle capacity, frequency of interstate operations, or the non-profit status of a transportation operation.

Further, FMCSA believes that no meaningful relief from statutory registration requirements can be made available to FTA grantees under the general exemption authority of 49 U.S.C. 13541. The statute expressly constrains the Secretary from exercising that exemption authority to relieve a person from the application of, and compliance with, any law or regulation pertaining to specified matters including insurance and safety fitness—matters integral to the registration process.

ICCTA amendment to 49 U.S.C. 31138(e) only adjusted the minimum financial responsibility levels FTA grantees are required to observe. It did not relieve FTA grantees with interstate transit service areas of their obligation to register with FMCSA as required of all interstate for-hire carriers under 49 U.S.C. 13902. Similarly, ICCTA amendment did not relieve FTA grantees of their obligation under 49 U.S.C. 13906 to file with FMCSA evidence of insurance under 49 CFR part 387 as a condition of registration. However, this proposal would waive the otherwise applicable $200 registration and $10 financial responsibility filing fees for such applicants. These applicants would also be eligible to apply to self-insure their operations, and the fees for such applications would be waived as well.

Accordingly, FTA grantees that provide interstate service within areas that exceed commercial zone limits are required to register their operations with FMCSA and, as part of that process, to file evidence that they maintain the minimum levels of financial responsibility coverage required under 49 U.S.C. 31138(e). This notice proposes to amend the 49 CFR part 387 regulations governing minimum levels of financial responsibility for motor carriers to reflect the revised compliance option made available by ICCTA to transit service providers.

VIII. Systems Under Consideration for Merger With the New Unified Registration System

A. Registration for Certain Mexico-Domiciled Motor Carriers

Today's notice requests comment on whether the proposed unified registration system should include the registration process for Mexico-domiciled motor carriers seeking to operate between Mexico and points in the United States beyond the border commercial zones along the United States-Mexico international border. The agency announced the registration process for this group of motor carriers in a March 19, 2002, interim final rule (IFR) (see *Application by Certain Mexico-Domiciled Motor Carriers to Operate Beyond United States Municipalities and Commercial Zones on the United States-Mexico Border* at 67 FR 12702). Regulations governing the registration process for this group of motor carriers are published in Subpart E of 49 CFR part 365. The process includes requirements applicable only to Mexico-domiciled carriers seeking authority to operate between Mexico and points in the United States beyond the border commercial zones along the United States-Mexico international border. FMCSA seeks comment on whether the unique conditions related to these carriers warrant retaining a separate registration procedure and application form for them.

The unique registration requirements arise from Section 350 of the 2002 DOT Appropriations Act (the Act), Public Law 107–87. In effect, Section 350 prohibits the Secretary of Transportation from obligating or expending funds for reviewing or processing applications of Mexico-domiciled motor carriers to transport property or passengers in interstate commerce between Mexico and points in the United States beyond the municipalities and commercial zones along the United States-Mexico international border until the DOT satisfies conditions imposed by Section 350. FMCSA satisfied part of Section 350 by incorporating registration requirements prescribed by the section into its regulations published in the 2002 IFR and companion rules published concurrently with the 2002 IFR. Among other things, these carriers:

- Are uniquely required to successfully complete a preauthorization safety audit (PASA) encompassing the nine areas of inquiry required by section 350(a)(1)(B) prior to being granted operating authority;

• Must be assigned a distinctive U.S. DOT Number in accordance with section 350(a)(4); and

• Must provide proof of valid insurance issued by an insurance company licensed in the United States before being granted authority to operate beyond the border commercial zones, in accordance with 350(a)(8)

Additional conditions apply to Mexico-domiciled carriers that have had operating authority for less than three consecutive years. In accordance with section 350(a)(5), each of their commercial motor vehicles that do not display a valid Commercial Vehicle Safety Alliance (CVSA) inspection decal issued by a CVSA-certified inspector must successfully pass a Level 1 inspection. Each vehicle must display a valid CVSA decal as evidence of having met the inspection criteria, and the vehicles must be re-inspected every three months by a CVSA-certified inspector.

The agency is exploring the possibility of bringing this group of Mexico-domiciled motor carriers under the Unified Registration System and requests public comment on whether to proceed.

Several changes would result from merging their registration system under the Unified Registration System. The MCSA–1 would replace the OP–1(MX) as the registration application form. These carriers would provide additional identifying information and certifications. The proposed Form MCSA–1 captures approximately 22 additional new or modified items of information relating to the operation type, form of business, revenue, contact information, and certifications that are not on the Form OP–1(MX): FMCSA estimates these fields would increase the paperwork burden for these carriers. Any changes in the paperwork burden or costs and benefits would be reflected in the final rule's supporting documentation. For a detailed discussion of the information collection burdens associated with the OP–1(MX), see the May 19, 2002 IFR.

Additional impacts to these carriers would include a modified application process. They would be subject to the proposed multi-phase application process which involves the assignment of a temporary tracking number in lieu of a USDOT Number until certain conditions are met. Unlike other applicants, a Mexico-domiciled carrier seeking to operate in the United States beyond the border commercial zones would additionally need to successfully complete a PASA before receiving a USDOT Number. FMCSA would need to incorporate consideration of the PASA results as well as its associated due process procedures into the Unified Registration System.

Under the Unified Registration System the initial registration fee would decrease from $300 to $200. Form OP–1(MX) filers now have multiple options for payment of fees, including checks and money orders. The only approved payment methods for the initial registration and administrative filing fees under the Unified Registration System would be approved credit cards, electronic funds transfers, and charge cards.

FMCSA specifically invites comment on these and other potential impacts, whether FMCSA should incorporate the OP–1(MX) registration with the Unified Registration System and, if so, how the agency can most effectively integrate the two systems.

B. Hazardous Materials Safety Permit Application Process

On June 30, 2004, FMCSA published a final rule requiring any carrier that desires to haul certain high-hazard materials in interstate or intrastate commerce to obtain a hazardous materials safety permit (HM Safety Permit). (See *Federal Motor Carrier Safety Regulations: Hazardous Materials Safety Permits,* published at 69 FR 39350.) Applicants must complete the Form MCS–150B when initially applying for or renewing the HM Safety Permit under the biennial renewal process. For these carriers, the MCS–150B is submitted in lieu of the MCS–150 as the application for the USDOT Number.

Today's NPRM does not merge the HM Permitting Process under the Unified Registration System for two reasons: (1) Congress did not, under sec. 103 of the ICC Termination Act, specify the HM Safety Permitting Process as one of the systems for inclusion in the new on-line unified registration system; and (2) the final rule announcing the HM Safety Permitting Process was published after the URS NPRM was in the final stages of development. The agency is exploring the possibility of integrating the HM Safety Permitting Process with the Unified Registration System, however, and requests public comment on whether we should proceed.

The primary impact of merging the HM Safety Permitting Process under the Unified Registration System would be the modification of Form MCSA–1 to capture the data on the MCS–150B—which is identical to the MCS–150 with an additional six fields related to the permit program requirements. We believe incorporating the MCS–150B into the MCSA–1 would result in a small net efficiency in time and money. FMCSA estimates these fields would increase the paperwork burden for completing the MCSA–1 by six minutes. Any changes in the paperwork burden or costs and benefits would be reflected in the final rule's supporting documentation. For a detailed discussion of the information collection burdens associated with the MCS–150B, see the June 30, 2004 final rule.

Additional HM Safety Permitting Process components being considered for integration with the Unified Registration System include the HM permit suspension and revocation procedures; appeals process; and permit evidence requirements for the vehicle/shipping paper.

One particular challenge presented by integrating the HM Safety Permitting Process would involve the treatment of certain intrastate carriers. Intrastate carriers are not normally required to obtain a USDOT Number, and most of the FMCSRs do not apply to intrastate carriers. However, the HM Safety Permitting Process regulations were promulgated under hazardous materials statutes (49 U.S.C. 5105(e), 5109, and 5113) and apply to both interstate and intrastate haulers of high-hazard materials. The June 30 final rule specifies a carrier must have a ''Satisfactory'' safety rating to qualify for the HM Safety Permit. This means that, in order to procure an HM Safety Permit, intrastate carriers must now obtain a USDOT Number and submit to a compliance review. The USDOT Number ensures that such carriers are targeted for a compliance review. The compliance review is solely for the purpose of obtaining a safety rating to qualify for an HM Safety Permit and is based upon the HMRs and FMCSR-compatible State regulations.

Other than the requirement to obtain a USDOT Number and pass a compliance review, the additional proposed provisions under the URS NPRM that do not already apply to intrastate carriers would continue to not apply if HM Safety Permitting and the Unified Registration System were to be integrated. Examples of URS NPRM provisions that would not apply to intrastate carriers include the requirement to file evidence of financial responsibility with FMCSA or to designate a process agent.

FMCSA specifically invites comments on whether it should incorporate the HM Safety Permitting Process with the Unified Registration System and, if so, how the agency can most effectively integrate the two systems.

C. Hazardous Materials Cargo Tank Registration Process

On April 18, 2003, the Research and Special Programs Administration (RSPA) published a final rule titled, *Hazardous Materials: Requirements for Cargo Tanks* at 68 FR 19258. Among other things, RSPA's rule transferred to FMCSA responsibility for administering the Cargo Tank Registration Program for all persons who are engaged in the manufacture, assembly, inspection and testing, certification, or repair of a cargo tank or a cargo tank motor vehicle manufactured in accordance with a DOT specification under 49 CFR parts 100 to 185 or under terms of an exemption issued under 49 CFR part 107 (see 49 CFR 107.502(d)). Facility applicants applying for a new Cargo Tank (CT) number must complete the registration statement when initially registering with the Department. For facilities currently registered with the Department, this process is used to add facility locations or to update registration statements as required by 49 CFR 107.504(c). Facility applicants submit the MCS–150 to obtain a USDOT Number which is used only for tracking purposes in MCMIS.

Today's NPRM does not merge the Cargo Tank Registration Program with the Unified Registration System for two reasons: (1) Congress did not, under sec. 103 of the ICC Termination Act, specify the Cargo Tank Registration Process as one of the systems for inclusion in the new on-line unified registration system; and (2) the final rule transferring the Cargo Tank Registration program from RSPA to FMCSA was published after the URS NPRM was in the final stages of development. The agency is nonetheless exploring the possibility of integrating the Cargo Tank Registration Process with the Unified Registration System and requests public comment on whether, and if so how, we should proceed.

Except for the requirement to obtain a USDOT Number, the URS NPRM is not expected to increase the regulatory requirements already applicable to cargo tank facilities. Examples of URS NPRM provisions that would not apply to cargo tank facilities include the requirement to file evidence of financial responsibility with FMCSA or (for U.S. residents) to designate a process agent. Persons who are not residents of the United States are still required in accordance with 49 CFR 107.107 to designate a permanent resident of the United States as their agent for service of process.

FMCSA specifically invites comments on incorporating the Cargo Tank Registration Process into the Unified Registration System and on the best method of integrating the two systems.

IX. Performance and Registration Information Systems Management Program (PRISM)

The PRISM program is a priority FMCSA initiative comprised of two major processes: (1) The Motor Carrier Safety Improvement Process (MCSIP) and (2) the Commercial Vehicle Registration Process. These processes work in parallel to identify motor carriers and hold them responsible for the safety of their operation. The performance of unsafe carriers is improved through a comprehensive system of identification, education, awareness, safety monitoring and treatment.

FMCSA provides grants to approved States. As of September 2004, 37 States have entered into grant agreements with FMCSA to implement PRISM. At least 19 of these States are currently collecting MCS–150 Forms and issuing USDOT Numbers to interstate motor carriers.

The PRISM program uses MCSIP to hold motor carriers responsible for the safety of their operations. The MCSIP is designed to improve the safety performance of motor carriers with demonstrated poor safety performance through accurate identification, performance monitoring, and interventions such as on-site compliance reviews at a motor carrier's principal place of business. MCSIP carriers that do not improve their safety performance face progressively more stringent penalties that may result in a Federal Operations Out-of-Service Order and possible concurrent suspension or denial of vehicle registration privileges by the State.

A State's International Registration Plan commercial vehicle registration process provides the framework for the PRISM program and serves two vital functions. First, it establishes a system of accountability by ensuring that no vehicle receives license plates without the identification of the carrier responsible for the safety of the vehicle during the registration year. Second, the use of registration sanctions serves as a powerful incentive for unsafe carriers to improve their safety performance.

The commercial vehicle registration process of PRISM creates a new Federal-State partnership that improves safety and strengthens Congressionally-mandated enforcement policies such as those related to the consequences of unsatisfactory safety ratings (Section 4009 of TEA–21), failure to pay civil penalties (Section 206 of the MCSIA of 1999) and biennial data update requirements (Section 217 of the MCSIA of 1999). One of the fundamental tenets of the PRISM program is that State vehicle registration agencies will:

- Suspend a motor carrier's International Registration Plan (IRP) license plates in conjunction with an FMCSA order to cease interstate operation; and/or
- Deny renewal of IRP license plates to any motor carrier that is prohibited from operating in interstate commerce by FMCSA.

Additionally the commercial vehicle registration process of PRISM allows participating States to check motor carriers' MCS–150 ''date of last update'' in FMCSA information systems as part of their annual IRP license plate renewal processes. If the motor carrier's MCS–150 data (census data) is more than 24 months old before the end of the license plate registration period, the State requires them to update this data as a condition for receiving their IRP license plate. This approach ensures that motor carriers who obtain IRP license plates in PRISM states cannot let their census data expire. The FMSCA has determined that motor carriers who update their census data in this manner already meet the periodic filing requirement of the current 49 CFR 390.19 and would require no additional filing with FMCSA. However, they would be subject to the penalties for filing false or misleading information (see proposed § 360.25(a)(4)). For clarification purposes, the data contained on the MCS–150 would now be incorporated into the new MCSA–1.

States participating in the PRISM program also routinely issue USDOT Numbers to interstate motor carriers who do not have them as part of their commercial vehicle registration processes. This, in essence, has allowed participating States to serve as a one-stop shop where motor carriers could receive a USDOT Number, apply for or renew IRP license plates, and meet the biennial data updating requirements.

Under this proposed rule, carriers are required to file an MCSA–1 prior to receiving a U.S. DOT number. FMCSA cannot delegate to PRISM States its responsibility to ensure that the MCSA–1 Form is correct and complete, and otherwise consistent with our safety fitness policy. States will, however, be able to issue USDOT Numbers to ''registrants'' (such as leasing companies) and intrastate carriers. Therefore, we are particularly interested in comments from States now participating in the PRISM program regarding the impact of the inability to continue issuing USDOT Numbers to

interstate motor carriers concurrently with the commercial vehicle registration process.

FMCSA invites comments and questions on anticipated impacts of this rule.

X. Regulatory Evaluation of the Unified Registration System (URS) NPRM: Summary of Benefits and Costs

A. Background and Summary

FMCSA has determined that this NPRM constitutes a significant regulatory action as defined under section 3(f)(3) of Executive Order 12866 and under Department of Transportation policies and procedures. While the costs of this NPRM do not exceed the $100 million annual threshold as defined in Executive Order 12866, it is expected to generate extensive public interest.

Section 103 of ICCTA, as codified at 49 U.S.C. 13908, directs the Secretary of Transportation to issue a rule to replace four systems with a ''single, on-line, Federal system.'' Title 49 U.S.C. 13908(c) provides the Secretary the option of establishing a fee system for registration and filing of evidence of financial responsibility, and states that, ''Fees collected under the fee system shall cover the costs of operating and upgrading the registration system, including all personnel costs associated with the system.'' Several fee changes are identified in the discussion below and are proposed with the goal of ensuring that the ''single, on-line, Federal (registration) system'' will be self-sustaining. Additionally, since 49 U.S.C. 13908 directs the Secretary to create a single unified system, we propose several changes to the registration requirements for certain segments of the motor carrier population (such as exempt for-hire carriers) in an attempt to harmonize the registration process for all types of motor carriers.

The major proposed URS NPRM provisions for which direct costs have been estimated include:

- Requiring private and exempt for-hire motor carriers to pay the same FMCSA registration fee as that paid by non-exempt for-hire carriers;
- Requiring private and exempt for-hire motor carriers to file proof of process agent designation with FMCSA;
- Requiring insurance representatives of exempt for-hire carriers and insurers of private interstate carriers of hazardous materials to file proof of liability insurance with FMCSA;
- Requiring private and exempt for-hire carriers to file reinstatement requests with FMCSA;
- Eliminating the ability of motor carriers to transfer operating authority; and
- Cost to industry from revising other motor carrier filing fees. Direct benefits of this NPRM include:
- Time savings to industry and FMCSA personnel resulting from streamlining the motor carrier registration process;
- Time savings to FMCSA in locating and serving private and exempt for-hire motor carriers for compliance and other reviews as a result of the process agent designation filing;
- Additional crashes avoided as a result of FMCSA being able to conduct additional compliance reviews annually due to time saved in searching for, locating, and serving private and exempt for-hire motor carriers for reviews; and
- Time savings to the industry's insurance representatives from eliminating cargo insurance filing requirements for common carriers and freight forwarders of non-household goods.

A summary of the costs and benefits associated with this NPRM are presented in Table 2.

TABLE 2.—SUMMARY OF 10-YEAR COSTS AND BENEFITS OF THE URS NPRM

[In millions of discounted dollars]

	Costs	Benefits	Net direct benefit (benefits—costs)
Total	$75.4	$91.4	$16

Total discounted costs of this proposed rule equal $75.4 million over the 10-year analysis period. Total discounted benefits of this proposed rule equal $91.4 million over 10 years, resulting in net discounted benefits of $16 million. The detailed costs and benefits associated with this NPRM are discussed in the next two sections, respectively.

B. Costs

The categories of costs are summarized in Table 3.

TABLE 3.—COSTS OF URS NPRM BY MAJOR PROVISION

[Millions of discounted dollars]

URS provision or proposed change	First-year costs	Total 10-year discounted costs
New Registration Fees	$1.5	$11.6
Filing Proof of Process Agent Designation	20.5	47.1
Filing Proof of Liability Insurance	1.5	4.5
Filing Reinstatement Requests	0.4	4.4
Eliminating Transfers of Operating Authority	0.7	6.9
Revising Other FMCSA Fees	0.08	0.9
Total Discounted Costs	24.7	75.4

Note: Subtotals may not add exactly to totals due to rounding.

The present value of total costs resulting from this NPRM is estimated to be $75.4 million for the 10-year analysis period. All dollar figures were discounted using a discount rate of 7 percent, based on Office of Management and Budget guidelines. The following discussion represents a summary of calculations performed for the benefit-cost analysis. A full discussion of the data used, assumptions made, and calculations performed can be found in the stand-alone regulatory evaluation (Preliminary Regulatory Evaluation: Unified Registration System (URS) Notice of Proposed Rulemaking (NPRM)) contained in the public docket for this rule.

1. New Registration Fees for Private and Exempt For-Hire Carriers

Under the current registration system, a carrier's operating status, such as non-exempt for-hire, exempt for-hire, or private, determines what specific forms that carrier must file with FMCSA and what specific fees, if any, are paid. For example, new entrants registering as non-exempt for-hire motor carriers must now file an OP series form (Application for Motor Carrier and Broker Authority), an MCS–150 form (Motor Carrier Identification Report), and an MCS–150A form (Safety Certification) and pay a $300 registration fee. Conversely, private and exempt for-hire carriers file only the MCS–150 and MCS–150A forms and pay no fee.

Under the new registration system, all new entrants, including all non-exempt for-hire, exempt for-hire, and private motor carriers, as well as brokers and freight forwarders, would be required to file the new MCSA–1 form (which combines most elements of the OP series, MCS–150, and MCS–150A forms), and all would be assessed a $200 registration fee. This revised fee would reduce by $100 the registration costs of non-exempt for-hire motor carriers, brokers and freight forwarders. At the same time, it would increase by $200 the registration costs of private, exempt for-hire, and other new entrant carriers, such as private passenger (non-business) carriers, private carriers of migrant workers by motor vehicle, and various government entities.

Data from FMCSA Office of Information Management indicate that the number of new entrants applying for operating authority or a USDOT Number with FMCSA averaged 47,535 annually between the years 1995 and 2002. Further details on the breakdown of these numbers appear in Table 4.

TABLE 4.—AVERAGE ANNUAL NUMBER OF NEW ENTRANTS BY OPERATION CLASSIFICATION, 1995–2002

Operation classification	Number (average per year)	Percent of total
Non-exempt For-Hire	23,440	49
Exempt For-Hire	3,758	8
Private (Property & Passengers (business))	16,551	35
Other (includes private passenger carriers (non-business) and various government entities)	664	1
Mexico-domiciled (commercial zone & long-haul) [1]	1,200	3
Brokers, Freight Forwarders	1,922	4
Total	47,535	100

Source: Motor Carrier Management Information System (MCMIS) and Licensing and Insurance System (L&I), 1995–2002 data.
[1] Represents projected estimate of number of Mexico-domiciled new entrant applicants based on 2003 data.

Examining the numbers in Table 4, a total of 20,973 new entrants (Exempt For-Hire + Private + Other) would each see their registration fee increase from no fee to $200. Conversely, 26,562 new entrants (non-exempt for-hire carriers, Mexico-domiciled carriers, and brokers/freight forwarders) would each see their registration fee reduced from $300 to $200. Combining these two offsetting effects, the net regulatory cost of revising the new entrant registration fee would be $1.5 million annually. Over the 10-year analysis period, the total discounted cost of this provision would be $11.6 million, using a seven percent annual discount rate and assuming an average annual growth rate of seven percent for the industry.

A special note is required here regarding how we arrived at the proposed $200 registration fee for all new entrants. Projected fiscal year 2005 (FY05) personnel and support costs (including labor, and direct/indirect operations support) to implement and manage the new licensing and registration system proposed here were estimated at $9.7 million. This total represents the projected FMCSA personnel and related costs to handle, review, and process new entrant applications, as well as to initiate follow-up phone calls with new entrants in those cases where additional information is needed to process the application. Dividing this number ($9.7 million) by our estimate of the average annual number of new entrants (47,535) results in an average registration cost per applicant of $204 per filing. Rounding to the nearest $50, in accordance with proposed § 360.5 regulations addressing the rounding of FMCSA fees, we arrive at a registration fee of $200 per new entrant. It should be noted here that these costs were not included in the FY05 FMCSA information systems budget request developed by the FMCSA Information Management and Budget Offices, since the agency intends to cover these personnel costs through the revenues it collects from new entrant registration fees.

As discussed earlier in this evaluation, guidance regarding fee levels for the new registration system is provided by 49 U.S.C. 13908, which indicates that the Secretary may assess a fee to cover all costs associated with upgrading and operating the registration system. Additionally, guidance provided by the Office of Management and Budget Circular A–25, ''User Charges,'' is consistent in this regard, since it states that ''each service, sale or use of Government goods or resources provided by an agency to specific recipients be self-sustaining.''

2. New Process Agent Filings Required by FMCSA

Currently, non-exempt for-hire carriers are required to verify that they have designated a process agent for those States in which they intend to operate. There is currently no charge to file this form (known as a ''BOC–3'' form) with FMCSA. This NPRM proposes to extend this filing requirement to private and exempt for-hire carriers, and proposes to begin charging a fee of $10 per filing. In 2005, this provision would affect approximately 20,000 exempt for-hire and private new entrants and 319,000

existing carriers. Since no existing exempt for-hire or private carrier has been required in the past to file proof of process agent designation with FMCSA, we assume all would file such proof in the first year of the rule's implementation period. Although the process agent designation form is generally a one-time filing, we would expect some existing carriers to re-file this form with FMCSA in any given year because of changes in their operations (*i.e.*, changing process agents, business address, etc.). And current regulations (49 CFR parts 365 and 368) require motor carriers to notify FMCSA within 45 days of a change or correction in their process agent designation filing. As such, in future years we estimate that this provision would affect approximately 20,000 new entrants and 10 percent of the carriers who initially filed in calendar year (CY) 2005. In CY 2006, 10 percent of this motor carrier population would equal 34,100, if we assume an average annual industry growth rate of seven percent (*i.e.*, 31,900 * 1.07 = 34,100).

Compliance costs associated with this provision include: (1) The opportunity (time) cost for a private or exempt for-hire motor carrier to contact and secure the services of a process agent (we assumed that none has yet secured such services and that it would take 30 minutes per carrier to do so, at an average wage rate of $19.32/hour), (2) the $40 service fee charged to these carriers by the process agents, and (3) the $10 fee assessed by FMCSA to file a process agent designation form. If we multiply the above three cost elements by the number of new entrant and existing motor carriers affected by this provision in each year and sum the results, it yields total first-year compliance costs of $20.5 million. Total discounted costs over the 2005–2014 analysis period equal $47.1 million.

3. New Requirement and Fee for Insurance Representatives of Exempt For-Hire Carriers and Private Carriers of Hazardous Materials To File Proof of Liability Insurance

This provision would require insurance representatives of exempt for-hire and private motor carriers of hazardous materials (hazmat) to file proof of liability insurance with FMCSA. These carriers are currently required by statute (49 U.S.C. 31138 and 31139) to hold such insurance, but FMCSA has not required their insurance representatives to file proof of that insurance with the agency. In 2005, this provision would affect almost 5,400 new entrants and 106,000 existing exempt for-hire and private hazmat carriers (and/or their insurance representatives), since we assume all affected existing carriers would comply with the new requirement in the first year. In later years, this provision continues to affect almost 5,400 new entrants. However, it also affects 20 percent of the existing carriers (or 22,700 carriers in CY2006 when we assume an average annual industry growth rate of seven percent), since we anticipate that the new insurance representatives for this percentage of existing carriers would re-file the carriers' liability insurance each year based on changes in insurance coverage such as a change in insurance carriers. Compliance costs include: (1) The cost of the $10 filing fee to insurance representatives for exempt for-hire and private hazmat carriers who would now be required to file proof of liability insurance with FMCSA, (2) the opportunity (time) costs of 10 minutes per filing to each insurance representative of the carrier to file proof of liability insurance with FMCSA (at an average hourly wage rate of $19.32), and (3) the time and filing costs (10 minutes and $10 per filing, respectively) to insurance representatives of those existing motor carriers which change insurance companies in a given year and must re-file.

If we multiply the above three cost elements by the number of new entrant and existing motor carriers affected by this provision in each year and sum the results, it yields a total first-year cost of $1.5 million (after rounding). Total discounted costs over the entire 2005–2014 analysis period amount to $4.5 million.

4. New Requirement and Fee for Private Hazmat and Exempt For-Hire Carriers To File Reinstatement Requests

When a new entrant for-hire motor carrier or other applicant initially registers with FMCSA, the applicant or its insurance company must also file proof of liability insurance with the agency. Upon completion of the initial registration and insurance filing requirements, the carrier obtains an ''active'' status with FMCSA. In order to remain ''active'' in the agency's database, the carrier or its insurance company must file updates with FMCSA when elements of the insurance coverage change, such as when a motor carrier changes insurance companies for cost or other reason. If the carrier or its insurance company does not file these updates with FMCSA within the allowable time period, the carrier's status changes from ''active'' to ''inactive'' and it must apply for reinstatement with FMCSA. The reinstatement fee is currently $80, although FMCSA proposes to increase it to $100 with implementation of this rule. All revenue derived from insurance filing fees would be dedicated to supporting the operations of the system, thereby allowing it to operate in a self-sufficient manner. The projected fiscal year 2005 operating expenses for the Enforcement Compliance Division that would be covered via fee revenues are estimated at $3.5 million (including labor, and direct/indirect operations support).

In 2002, three percent of non-exempt for-hire motor carriers (or almost 6,500 of 215,000) filed reinstatement requests with FMCSA. With implementation of this proposal, the agency expects this number to increase because exempt for-hire and private hazmat carriers would be required to file proof of liability insurance with FMCSA. Assuming the same percentage of exempt for-hire and private hazmat carriers would file for reinstatement in a typical year as non-exempt for-hire carriers currently do (3 percent), FMCSA could expect an additional 2,900 reinstatement requests annually in 2005 (3 percent of 98,000 such carriers expected to be operating in 2005).

Each of these carriers could be expected to spend an average of 10 minutes filing a reinstatement request with FMCSA. At $19.32/hour and 2,900 applicable carriers, the filing time costs would total less than $10,000 in 2005. Additionally, each of these carriers would be required to pay a $100 filing fee, which given 2,900 carriers in 2005, would equal $290,000 in 2005.

Regarding non-exempt for-hire carriers, who are currently required to file reinstatement requests with FMCSA at $80 per filing, the agency projects that there would be more than 7,000 reinstatement requests filed in 2005 (assuming an average annual growth rate of seven percent in the existing non-exempt for-hire carrier population). With a $20 increase in their reinstatement filing fee, costs would total $140,000 in 2005. Totaling the three aforementioned sets of costs (the exempt for-hire, private hazmat, and non-exempt for-hire carriers) yields approximately $440,000 in first-year costs for this provision. Over the entire 10-year analysis period, where FMCSA assumes the carrier population increases at an average of seven percent annually, total discounted costs of this provision would be $4.4 million.

5. Eliminating Transfers of Operating Authority

Under this proposed rule, motor carrier requests for transfers of operating

authority would no longer be permitted. As such, the motor carrier to whom the operating authority is to be transferred would be considered a new entrant from the perspective of FMCSA, requiring that carrier to obtain a new USDOT Number. Also, more importantly, the owner of this new USDOT Number is considered a new entrant, and thereby subject to a new entrant safety audit. The primary costs associated with this proposed change in FMCSA policy include: (1) The time and fee associated with filing an MCSA–1 form with FMCSA; and (2) the costs associated with conducting and participating in an FMCSA new entrant safety audit. These costs are discussed below.

According to the FMCSA Licensing Team, there were 621 requests for transfers of operating authority filed with FMCSA in 2002. Each of the carriers to whom operating authority was transferred paid a $300 fee to FMCSA. Given that such transfers would no longer be permitted under this proposal, these carriers would have to file with FMCSA as new entrants (including filing an MCSA–1 form). Therefore, each carrier would save $100 in filing fees under this proposed rule (or the difference between the current $300 fee to file transfers of operating authority and the proposed $200 new entrant filing fee discussed earlier in this rule). However, as estimated earlier, filing an MCSA–1 form with FMCSA also requires approximately 2 hours of labor time for each carrier (or their staff) to actually fill out the form. Using a fully-loaded wage rate of $19.20 per hour (as used earlier is this evaluation), each carrier would incur $38.40 in filing costs for the new MCSA–1 form. As such, the net savings in fees and filing costs to each carrier as a result of this proposal is $61.60 (or $300 minus $238.40). Multiplying this estimate ($61.60 of cost savings per carrier) by the number of carriers who requested such transfers in 2002 (621 carriers) yields a first-year cost savings of almost $40,000.

However, the above cost savings would be offset (and then some) by the requirements associated with being designated a new entrant, namely the costs of a new entrant safety audit. The regulatory impact analysis prepared for the New Entrant Safety Assurance Process final Rule (*New Entrant Safety Assurance Process Interim Final Rule,* Docket No. FMCSA–2001–11061, May 13, 2002) contained an estimate of the total agency cost to conduct each new entrant safety audit. The average cost was estimated to be $1,100, and represented the costs to the agency (*i.e.*, FMCSA or state) to conduct the audit, including 12 hours of labor time preparing for, conducting, and reviewing the results of the audit as well as average travel costs per audit. Using an average hourly wage of $19.20 (as discussed earlier) and assuming each carrier spends an average of four hours at an audit, total costs for a motor carrier to participate in an audit equal $76.80 (or $19.20 * 4 hours). Adding up these costs yields an average total cost per new entrant safety audit of $1,176.80. Multiplying this estimate by the number of requests for transfers of operating authority (621) yields a total first-year cost of $730,793 to conduct the additional new entrant safety audits resulting from this proposed policy change. Deducting the cost savings associated with the differences in filing fees and other costs discussed earlier (equal to almost $40,000 in the first year), the total first-year cost is equal to $0.7 million (after rounding). Total discounted costs associated with this proposal over the 10-year analysis period are equal to $6.9 million, using a seven-percent discount rate as prescribed by OMB and assuming an average annual growth rate in the industry of seven percent.

6. Revising Other FMCSA Fees

In addition to those fee changes discussed earlier in this analysis, FMCSA proposes to revise three of the fees it currently charges to motor carriers for individual services or filing requirements. These revisions include (1) instituting a fee of $500 to review/approve each quarterly report filed by participants of the FMCSA Liability Self-Insurance Program, and (2) eliminating the $14 fee assessed to non-exempt for-hire motor carriers and others that change their business names. Only the fees that FMCSA currently assesses for these services would change under this proposal. No other changes regarding these services, such as which entities are required to file, are being proposed.

Adding up the new costs for self insurance quarterly report filing and the net cost savings associated with the fee reduction for name changes yields a net cost savings of less than $0.1 million (undiscounted) in the first year of this proposal. Full details regarding the offsetting effects of these fee changes are contained in the stand-alone regulatory evaluation contained in the docket. Total net discounted cost savings associated with these proposed fee changes discussed above would equal $0.9 million over the entire 10-year analysis period.

7. Total Costs of URS NPRM

Adding up all of the costs from the four URS provisions discussed above yields a total discounted cost of $75.4 million over the 10-year analysis period. Sixty-two percent of these costs (or $47.1 million) are due to the proposed provision that requires exempt for-hire and private motor carriers to secure and file a designation of process agent form with FMCSA. The other proposed provisions would raise the total discounted cost only by an additional $28.3 million combined.

As noted earlier in this document, FMCSA considered merging the registration-related elements of the Application Process for Certain Mexico-Domiciled Carriers rule, HM Permitting rule and the HM Cargo Tank Registration rule into this notice (For details on those rules, see *Application by Certain Mexico-Domiciled Motor Carriers to Operate Beyond United States Municipalities and Commercial Zones on the United States-Mexico Border* published at 67 FR 12702; *Federal Motor Carrier Safety Regulations: Hazardous Materials Safety Permits,* published at 69 FR 39350, and *Hazardous Materials: Requirements for Cargo Tanks,* published at 68 FR 19258). As part of that consideration, FMCSA analysts reviewed the regulatory impact analyses developed for each of those final rules. And while the agency is soliciting public comments on this integration, we made the determination that the costs associated with those three rules should not be included in this regulatory evaluation. This decision was based on two factors. First, detailed regulatory impact analyses were developed independently for each of those rules, and the compliance costs associated with each were fully documented and published. To include those costs as part of this regulatory impact analysis would constitute ''double counting'' the costs associated with those rules. Secondly, as noted earlier in this document, FMCSA analysts anticipate that the integration of the registration processes associated with those three rules into the system envisioned under the Unified Registration System would result in costs savings by way of economies of scale. However, the anticipated cost savings were deemed to be relatively modest, based on the relatively small number of entities affected by each of those rules. As such, while we recognize potential cost savings from a full integration, the results are not quantified here, since their anticipated impact to this rule's total costs and benefits was deemed to be relatively

insignificant and the option still remains to be evaluated, based upon public comment to this notice.

The next section discusses the societal benefits expected from implementation of this proposal.

C. Benefits

The major categories of estimated benefits resulting from this NPRM are summarized in Table 5.

TABLE 5.—BENEFITS OF THE URS NPRM

[Millions of discounted dollars]

Provision/proposed change	First-year benefits	Total discounted 10-year benefits
Streamlining the Registration Process [1]	$0.7	$5.2
Filing Proof of Process Agent Designation [2]	8.3	82.6
Eliminating Cargo Insurance Filings [3]	0.4	3.6
Total Discounted Benefits:	9.3	91.4

Note: Subtotals may not add exactly to totals due to rounding.
[1] Time savings incurred by new entrants.
[2] Safety benefits in the form of large truck crashes avoided.
[3] Time savings incurred by new entrants and existing carriers who otherwise may have re-filed these forms periodically.

Total first-year benefits of this proposal would be $9.3 million (discounted), while total discounted benefits are estimated at $91.4 million over the 10-year analysis period. Benefits from this proposed rule include crash-related benefits from avoided crashes as well as time/cost savings, the latter being associated with a reduced filing burden and/or reduced FMCSA fees paid by motor carriers.

1. Cost Savings From Streamlined New Entrant Registration Process

With this NPRM, FMCSA registration process would be streamlined by merging the OP series form with the MCS–150, and MCS–150A forms, yielding the single MCSA–1 application form. With the new, combined form, less information would be required of most applicants, since previously redundant information would be eliminated following the merger of the forms. Additionally, more detailed instructions would be provided to steer applicants through the form more efficiently. FMCSA estimates the average time saved per filer would be 30 minutes.

Using an average hourly wage rate of $19.32 for a motor carrier, an estimate of 47,535 new entrants in 2005, and average time savings of 30 minutes per applicant, the first year cost savings associated with this provision would be a little less than $0.5 million. Additionally, the time saved by FMCSA employees to process the filings would be expected to average 10 minutes per filing. Using a fully-loaded average hourly wage rate of $29.05 for FMCSA staff and an estimated 47,535 new entrants filing annually, the first-year cost savings to FMCSA would be approximately $0.2 million.

Total first-year cost savings would equal $0.7 million, while total discounted cost savings over the 10-year analysis period would equal $5.2 million.

2. Safety Benefits From Process Agent Designation Filing Requirement

Currently, non-exempt for-hire motor carriers are required to verify with FMCSA that they have designated a process agent in each State in which they intend to operate and to identify those process agents via a filing with FMCSA (known as a ''BOC–3'' form). Under this NPRM, private and exempt for-hire carriers would be required to file the same form with FMCSA. Such a filing improves the transparency of these carriers' operations to the driving public, should they seek to obtain redress from the carrier in the event of a crash involving a commercial motor vehicle. (Currently, the public has on-line access to such information for non-exempt for-hire motor carriers.) Additionally, such a filing would allow FMCSA to more efficiently locate motor carriers upon whom they wish to conduct compliance reviews or take other enforcement actions. Specifically, under this proposed rule, FMCSA safety investigators will be able to work through the process agent if necessary to locate or serve the motor carrier in question. FMCSA division administrators have long expressed frustration with their inability to efficiently locate particular small and medium-sized private and exempt for-hire motor carriers for enforcement action. Several FMCSA division administrators have indicated that their staff can spend twenty or more hours on occasion attempting to track down a private or exempt for-hire motor carrier for enforcement action, including repeated telephone calls, Internet searches, and multiple visits to the place of business, only to find out the carrier has moved, or no one is home (these businesses are frequently operated out of private homes). In some cases, FMCSA field staff eventually locates the motor carrier and conducts the review. In others, field staff is forced to move on to other cases, where the probability of a quick and successful resolution is much higher (currently, there are more opportunities to conduct reviews than there are FMCSA staff resources to initiate them).

With the new process agent designation filing requirement for private and exempt motor carriers, FMCSA division administrators expect to save a significant number of hours in staff search costs to locate carriers for compliance and other types of reviews. FMCSA expects this provision to result in efficiency and safety benefits. FMCSA division administrators have indicated that this requirement would reduce the average amount of search time spent on each compliance review, thereby resulting in extra time within each calendar year to conduct additional compliance reviews. As a result, the agency anticipates a direct safety benefit to accrue from implementation of this provision.

In discussions with several FMCSA division administrators, the number of cases where the field staff had trouble locating a motor carrier against whom they wished to take enforcement action ranged from 10 to 100 cases per division in 2003, with the majority indicating less than 25 cases per year. For this analysis, we assumed that each division office would eliminate excessive carrier search costs in 20 enforcement cases per

year, or slightly less than 10 percent of the average 216 reviews conducted by each FMCSA division office in calendar year 2002. Given that private and exempt for-hire carriers represent 43 percent of new entrants to the industry, and 54 percent of the existing motor carrier industry, we felt that this assumption was reasonable.

Also, discussions with FMCSA division administrators indicated that field staff spend an average of 10 to 20 hours per case in search costs trying to track down these ''hard to find'' carriers. For this analysis, we took the midpoint and assumed that FMCSA field staff would save an average of 15 hours in staff search costs per case where the carrier was difficult to locate. Multiplying the average hours per case (15) with the average number of ''hard to find'' cases per division per year (20), yields a total of 300 hours of staff time saved per year per division. With an FMCSA division office located within each of the 50 states, we estimated that total time saved by all FMCSA division staff for these ''hard to find'' carriers at roughly 15,000 hours per year (we did not include the District of Columbia and Puerto Rico due to the relatively limited number of reviews they conduct each year). Given that FMCSA division staff spend an average of 21 hours to prepare for, conduct, and complete each compliance review (according to unpublished FMCSA research on the Federal compliance review process), we anticipate that this proposed rule would generate enough time savings to conduct an additional 714 compliance reviews annually, or roughly 6.5 percent of the total 10,802 reviews conducted by the 50 State-based FMCSA division offices in fiscal year 2002.

To estimate the impact of the Compliance Review (CR) Program on motor carrier safety, FMCSA completed a CR program assessment in 2003 with the John A. Volpe National Transportation Systems Center.[3] In 2002, 1,600 truck-related crashes were avoided as a result of the 8,924 CRs conducted in 2001. In 2001, 2,200 truck-related crashes were avoided as a result of the 11,340 CRs conducted in 2000. Summing the number of CRs conducted between 1998 and 2001, and dividing by the summation of crashes avoided in each year yields an average of 0.1847 truck-related crashes avoided per CR conducted between 1998 and 2001. It should be noted that the above estimate represents just the direct crash-reduction benefit associated with a CR, not the deterrent effect (such as the ''threat'' of receiving a CR). As such, this crash-reduction benefit estimate of a CR can be considered conservative, in the sense that we believe the benefit is higher but were not able to quantify the indirect, or deterrent effect of CRs (even though such an effect has been documented in research studying the effects of increased penalties and public awareness campaigns on the incidence of drunk driving). If we multiply our crash reduction estimate per CR (0.1847) by the number of new compliance reviews we estimate the agency would be able to conduct each year because of the time savings benefits of this provision (714), we find that this proposal has the potential to reduce truck-related crashes by 132 each year. At an average cost per truck-related crash of $62,613 in 2003 dollars[4], this provision yields crash-reduction benefits of $8.3 million annually (undiscounted). Total discounted crash-reduction benefits of this provision equal $82.6 million over the 10-year analysis period, when an average 7-percent industry growth rate is assumed (as was assumed for all other provisions analyzed in this regulatory evaluation).

It must be noted here that the average annual industry growth rate assumed for this analysis (7 percent) is based on the average number of new entrant applications filed with FMCSA over an 8-year period (1995–2002). To estimate the safety benefits of the process agent designation filing requirement discussed above, we assumed a corresponding 7-percent annual increase in the number of carriers deemed high risk (or those targeted for an on-site (*i.e.*, compliance) review of the carrier's operations), and by implication, a comparable increase in the percentage of hard-to-locate carriers. As such, a 7-percent annual increase in industry participants, and particularly high-risk carriers, is assumed to result in a comparable increase in truck-related crashes, absent the beneficial effects of implementing the process agent designation filing requirement.

3. Cost Savings From Eliminating Cargo Insurance Filing Requirement

All non-exempt for-hire common carriers and freight forwarders are currently required to hold cargo insurance up to a limit of $5,000 per vehicle and $10,000 per occurrence. Under this proposed rule, these groups, excluding those associated with household goods transportation, would not be required to hold or file proof of cargo insurance with FMCSA through their insurance representatives. Practically speaking though, all these carriers would continue to hold cargo insurance since virtually all of their clients require such insurance as a prerequisite for doing business with a carrier.

In 2005, this provision affects approximately 9,600 new entrant non-exempt for-hire common carriers and freight forwarders, and 20,000 such existing entities, since the agency would expect that they would direct their insurance representative to re-file their cargo insurance with FMCSA in 2005. In future years, it would affect 9,600 new entrants, and 20 percent of existing carriers (or 21,700 in CY2006 assuming an average annual growth rate of seven percent), for whom FMCSA anticipates the new insurance representative would otherwise have to re-file their cargo insurance in each of the future years of this analysis. Cost savings would include: (1) Elimination of the $10 filing fee paid by the insurance representative for these new entrant carriers when filing proof of cargo insurance with FMCSA, (2) elimination of the filing time (10 minutes per form) that would otherwise have been required of these carriers insurance representatives (at an average hourly wage rate of $19.32), and (3) elimination of re-filings made by insurance representatives of existing for-hire common carriers which change insurance companies in a given year.

Multiplying the above three cost elements by the number of carriers affected and summing the result yields a total first-year cost savings of $0.4 million. Total discounted costs over the entire 10-year analysis period would be $3.6 million.

4. Total Benefits

Total first-year benefits of this proposal would be $9.3 million discounted dollars, while total discounted benefits would equal $91.4 million over the 10-year analysis period. All dollar figures were discounted using a discount rate of 7 percent in accordance with Office of Management and Budget guidelines.

6. Net Benefits From URS NPRM

Total discounted costs of this proposal were estimated to be $75.4 million over the 10-year analysis period. Total discounted benefits were estimated to be $91.4 million over this same period. The net discounted benefits associated with implementation are $16 million over the 10-year analysis

[3] ''FMCSA Safety Program Effectiveness Assessment: Compliance Review Program CR Impact Assessment Model, Results for 2001 and 2002 * * *'', May 2003.

[4] Average large truck crash costs were obtained from, ''Revised Costs of Large Truck- and Bus-involved Crashes'' by Zalonshja, Miller, and Spicer (2004 unpublished research for FMCSA).

period. FMCSA invites comments to the docket regarding these cost and benefit estimates and assumptions associated with them.

BILLING CODE 4910–EX–P

XI. Appendix to the Preamble—Proposed Form MCSA–1 and Instructions

U.S. Department Of Transportation Federal Motor Carrier Safety Administration	FMCSA REGISTRATION / UPDATE INSTRUCTIONS FORM MCSA-1

NOTE: Mexico-domiciled motor carriers that operate beyond United States municipalities and commercial zones on the United States-Mexico border should not complete this form. They should complete the OP-1(MX) and MCS-150.

THE FORM MCSA-1 HAS SEVEN SEPARATE REASONS FOR FILING AS FOLLOWS:

1. NEW REGISTRATION – TO REGISTER FOR THE FIRST TIME
2. REINSTATEMENT – TO RETURN A PRIOR REGISTRATION TO GOOD STANDING
3. NEW ENTRANT REAPPLICATION – TO REAPPLY AFTER YOUR NEW ENTRANT REGISTRATION HAS BEEN REVOKED (REAPPLY AFTER 30 DAYS)
4. BIENNIAL UPDATE – TO FILE THE UPDATE REQUIRED EVERY 24 MONTHS
5. NAME / ADDRESS CHANGE – TO FILE A CHANGE TO YOUR COMPANY'S NAME OR ADDRESS
6. OTHER UPDATE – TO FILE OTHER MISCELLANEOUS CHANGES
7. CANCELLATION – TO CANCEL USDOT REGISTRATION

FOR EACH REASON FOR FILING, COMPLETE THE APPROPRIATE SECTIONS OF THE MCSA-1 AS SHOWN IN THE TABLE ON PAGE 1 OF THE FORM

YOU SHOULD CONSULT THESE INSTRUCTIONS AS YOU COMPLETE THE MCSA-1

SUBMISSION

An applicant may submit its application to FMCSA headquarters by filing online at the FMCSA website (www.fmcsa.dot.gov) or by mail or express mail. FMCSA strongly recommends that applicants use the electronic on-line application procedure.

TELEPHONE ASSISTANCE

For additional assistance, or to obtain the status of an application, consult the FMCSA website, (www.fmcsa.dot.gov), call FMCSA Support Services at (800) 832-5660, or contact FMCSA Headquarters or State Division offices (See "Contacting Us" on the FMCSA website).

OVERVIEW OF THE SEVEN REASONS FOR FILING THE MCSA-1

EACH OF THE 7 REASONS FOR FILING IS DESCRIBED BELOW. *LINE-BY-LINE INSTRUCTIONS* BEGIN ON PAGE 3.

1. NEW REGISTRATION

There is a $200.00 fee for this transaction.
Check the "New Registration" box if you are a registering for the first time. The following entities must register:

- For-hire motor carriers of property, passengers and household goods.
- For-hire Mexico-domiciled motor carriers of property and household goods and private motor carriers that seek to operate within the commercial zones on the United States-Mexico Border. Under NAFTA Annex I, page I-U-20, a Mexico-domiciled carrier may not provide point-to-point transportation services, including express delivery services, within the United States for goods other than international cargo.
- U.S.-based enterprise motor carriers owned or controlled by Mexican nationals transporting passengers and/or international cargo (goods originating or terminating in a foreign country).
- Private motor carriers
- Property brokers of general freight and/or household goods
- Freight forwarders of general freight and/or household goods

Certain new applicants are also required to complete additional requirements described below:

- *Financial Responsibility*: New for-hire motor carriers of property and passengers, property brokers, freight forwarders and private carriers of hazardous materials must also demonstrate minimum financial responsibility for bodily injury and property damage (49 CFR Part 387). **You may not begin to operate until the required documents have been filed with FMCSA and your U.S. DOT Number has been issued.**

- *Household Goods*: New for-hire motor carriers of household goods and freight forwarders of household goods must comply with the minimum cargo insurance requirements as provided 49 CFR Part 387. **Operations may not begin until minimum cargo insurance requirements have been filed with FMCSA and your U.S. DOT Number has been issued.**

- *Designation of Agents for Service of Process*: If you are a new entity, you must submit a signed and dated Designation of Agents for Service of Process (Form BOC-3). It must include the street addresses (**not the post office box number**) of designated agents for service of process and administrative notices in connection with the enforcement of applicable Federal statutes or regulations. A person must be designated in each State in which the applicant expects to operate, even passing through. If you choose to use a Process Agent Service, you must submit a letter with your completed MCSA-1 informing the FMCSA of this decision. You must ensure that the Process Agent Service files the BOC-3 with FMCSA within 90 days of the date you file the MCSA-1. **You may not operate as a motor carrier until the BOC-3 has been filed with the FMCSA and your U.S. DOT Number has been issued.**

Certifications and Oaths. New entities must sign the completed certification statements and oaths, as follows:

ENTITY	PARTY WHO MUST SIGN
Sole proprietorship	Owner
Partnership	One partner
Corporation	An officer (President, Vice President, etc.)

2. REINSTATEMENT

There is a $100.00 fee for this transaction.
Check the "Reinstatement" box if you want to reinstate the registration of a motor carrier, freight forwarder, or broker that has been inactivated. Please be certain that all the requirements for operation have been met, including those pertaining to establishing a process agent and filing insurance.

3. NEW ENTRANT REAPPLICATION

There is no fee for this transaction.
A new entrant whose USDOT registration has been revoked and whose operations have been placed out of service (OOS) by the FMCSA may file **TO RE-APPLY** for USDOT Registration **NO SOONER THAN** 30 days after the date of revocation. If the motor carrier failed to schedule a safety audit, did not appear for a safety audit, or failed a safety audit and did not submit corrective actions, the motor carrier **MUST** start the process from the beginning and **MUST** demonstrate that it has corrected the deficiencies that resulted in revocation of its registration.

4. BIENNIAL UPDATE

There is no fee for this transaction.
Check the "Biennial Update" box if you hold a USDOT number and are making a biennial update in accordance with 49 CFR 390.19. The MCSA-1 is used for biennial updates every 24 months.
Mexico-domiciled motor carriers holding a Certificate of Registration from the former Interstate Commerce Commission, the Federal Highway Administration, the former Office of Motor Carrier Safety or the Federal Motor Carrier Safety Administration, that was issued before April 18, 2002 and which provides a territorial scope of operations between points in specified States or between points in the United States, must also file a biennial update in accordance with 49 CFR 390.19.

5. NAME/ADDRESS CHANGE

There is no fee for this transaction.
Check the "Name/Address Change" box to file changes to the legal name, DBA name, form of business, or address, provided that there is no change in the ownership, management or control. You must file within 20 days of the change.

If there is a change in ownership, management or control, you must file a new registration.

6. OTHER UPDATE

There is no fee for this transaction.
Check the "Other Update" box if you wish to update information on your registration, such as vehicle information, driver information, etc.

7. CANCELLATION
There is no fee for this transaction.
Check the "Cancellation" box if you hold a USDOT number and wish to voluntarily cancel your registration. You should complete Sections A & I only.

LINE-BY-LINE INSTRUCTIONS

- These instructions will assist you in completing the MCSA-1 accurately. An MCSA-1 that does not include required information or contains incorrect information will be rejected and will result in loss of fees.
- The application must be completed in English and typed or printed in ink. Pencil is not acceptable.
- If additional space is needed to respond to an item, please use a separate sheet of paper, identifying yourself and the section and page number of the MCSA-1 to which you are responding.
- You should retain a copy of the completed MCSA-1 and the instructions for your records.

SECTION A. BUSINESS DESCRIPTION *(TO BE COMPLETED BY ALL)*

Beginning on Page 2:

1. LEGAL NAME OF BUSINESS. Provide your full legal business name – the name of the sole proprietor, the name of all partners on the partnership agreement, or the complete name as it appears on the incorporation certificate. It is important to spell, punctuate and space accurately the words forming the name of your entity. For example, FMCSA regards each of the following as a separate entity: John Jones; Harry L. Jones & John Jones; John Jones Trucking, Inc.

2. "DOING BUSINESS AS" (D/B/A) NAME. If the applicant uses a "trade name" that differs from its legal business name as shown in block 1, that name should be entered. Only one trade name is permitted. Example: If the applicant is "John Jones," doing business as "Quick Way Trucking," "John Jones" should be entered as the "Legal Name of Business," and "Quick Way Trucking" should be entered as the "Doing Business As" name. If you do not have a trade name, leave this item blank.

3. PRINCIPAL PLACE OF BUSINESS ADDRESS. Enter the physical address where the principal place of business is located (not the address of a terminal). Use the two-letter postal abbreviation for the State or Canadian Province/Territory. If the applicant is domiciled in Mexico, enter the "Colonia" or "Barrio" where the principal place of business is located. Post office boxes are <u>not</u> acceptable.

4. MAILING ADDRESS. If applicant receives mail at an address other than the principal place of business address given, please provide it. Example: P. O. Box 3721. If your mailing address is the same as your principal place of business address, check the box.

NOTE: You must give the Federal Motor Carrier Safety Administration written notice within 20 days of any change in your business or mailing address. You do this by following the directions for "Name/Address Change" and filing the completed MCSA-1 with FMCSA. This will ensure that you receive notices from FMCSA, and will ensure that documents filed on your behalf are included as part of your file.

MEXICO-DOMICILED MOTOR CARRIERS – If you are a Mexico-domiciled motor carrier and also maintain an office in the United States, that information should also be provided as part of question number 29 of the MCSA-1.

5. COUNTRY OF DOMICILE OF PRINCIPAL PLACE OF BUSINESS. The applicant should indicate the country in which its principal place of business is located. Check the appropriate box and include the RFC number (company in Mexico), NSC number(s) (company in Canada) or country name, as applicable. If you have more than one NSC number, attach a separate sheet with the additional numbers.

6. PRINCIPAL BUSINESS TELEPHONE NUMBER. Enter the principal telephone number, including area code, of the principal place of business. Please include your country code if you are not domiciled in the United States.

7. PRINCIPAL BUSINESS FAX NUMBER (optional). Enter the principal fax number, including area code, of the principal place of business. Please include your country code if you are not domiciled in the United States.

8. PRINCIPAL BUSINESS CELL PHONE NUMBER (optional). Enter the principal cell phone number, including area code, of the principal place of business. Please include your country code if you are not domiciled in the United States.

9. USDOT NUMBER. Motor carriers that have already been issued a USDOT Number must provide it. Applicants that have not obtained a USDOT Number will be issued one after completion of the registration process. **Applicants must obtain a USDOT Number before beginning operations.**

10. MC, MX AND FF NUMBER(S). If the Federal Motor Carrier Safety Administration (FMCSA), the Federal Highway Administration (FHWA) or the Interstate Commerce Commission (ICC) has issued you a Motor Carrier Number (MC-number), a Mexico-Domiciled Motor Carrier Number (MX-number), or a Freight Forwarder Number (FF-number), please enter all numbers

11. IRS TAX ID NUMBER Enter the employer identification number (EIN) assigned to you by the U.S. Internal Revenue Service or the Social Security Number (SSN) used to file your company's tax return with the IRS.

12. DUN AND BRADSTREET NUMBER. Enter the business number issued to you by Dun & Bradstreet, if known.

13. FORM OF BUSINESS. Check the appropriate box indicating your form of business:

Sole Proprietor – Individuals who operate a business in their own name.
Partnership – Two or more individuals operating as co-owners, for profit.
Corporation – A legal "entity" created under the laws of a State, owned by shareholders whose liability for corporate debts is limited. Enter State of incorporation.
Limited Liability Company – A limited liability company (LLC) is an entity created under the laws of a State, with characteristics of both a corporation and a partnership.
Subsidiary or **Wholly-Owned Subsidiary** – A parent corporation owns a majority of a subsidiary corporation's shares; a parent corporation owns all of wholly-owned subsidiary's shares.

14. OWNERSHIP AND CONTROL. Motor carriers must check one of the following:

Owned/controlled by citizen of U.S.– If you are owned or controlled by a U.S. citizen(s), this box must be checked.
Owned/controlled by citizen of Mexico - If you are owned or controlled by a citizen(s) of Mexico, this box must be checked and you must be registered with the Mexican Government's Secretaria de Comunicaciones y Transportes (SCT). You must provide your Mexico Federal Taxpayer Registration (RFC) number in item 5.
Owned/controlled by citizen of Canada – If you are owned or controlled by a citizen(s) of Canada, this box must be checked. You must also provide your National Safety Code (NSC) number(s) in item 5 or on a separate attachment.
Owned/controlled by a citizen of other foreign country – If you are domiciled in a country other than the United States, Mexico or Canada, you must check this box. The name of the country of domicile must be provided.

15. NAME(S) OF SOLE PROPRIETOR(S), PARTNERS, OR OFFICERS AND TITLES. Check the appropriate box and enter the names of your owners. If you are a sole proprietor, please provide your full name. If you are organized as a partnership, please provide the full names of the general and limited partners. If you are organized as a corporation, please provide the full names of the officers and their respective titles. If you are organized as a limited liability company, you must provide the full names of the officers and their respective titles. If you require additional space, please attach separate sheets of paper, with your business name and "Item # 15" at the top of each page.

16. REVENUE. Enter the gross annual operating revenue of the motor carrier for the last calendar year. Applicants for registration with no revenue in the past year must enter zero (0). If you earned revenue for only a part of the calendar year, please provide the number of months you operated, and the amount of revenue earned for that period.

17. OPERATION CLASSIFICATION. Check all the appropriate classifications that apply. If "Other," enter the type of operation in the space provided.

For-Hire Motor Carrier - Transportation by a motor carrier for compensation subject to the provisions of 49 U.S.C. 13902-13904, including:

Property - hazardous materials, household goods, exempt commodities or other non-hazardous materials.

Passengers:
Charter & special operations - generally conducted over irregular routes (i.e., authority that is not restricted to particular roads or highways), between points in the United States. Charter service is the transportation of groups, assembled by someone other than the carrier, who collectively contract with the bus operator for the use of certain equipment for the duration of a particular trip or tour. Generally, a flat rate is charged. The passengers must travel together for the entire trip. Special operations includes almost any type of service which is neither charter nor ordinary regular-route service. It is call-and-demand in nature. The carrier assembles the group through the sale of individual tickets and generally offers some feature in addition to transportation between two points.
International charter & tour bus service - generally operate over irregular routes (i.e., authority that is not restricted to particular roads or highways). This service is the transportation of passengers in charter operations as defined above between points in the United States provided by United States-based enterprises owned or controlled by persons of Mexico.
Scheduled international transportation – transportation of passengers as a carrier over regular routes (specific routes) provided by United States-based enterprises owned or controlled by persons of Mexico.
Regular route – generally performed over regular routes (i.e., authority to perform regularly scheduled service between designated points and operating over named roads or highways).
Limousine/van operations - a passenger vehicle usually built on a lengthened automobile chassis/a small motor vehicle designed or used to transport 15 or fewer passengers, including the driver
FTA grantee – is a passenger motor carrier providing transportation service within a transit service area under an agreement with a Federal, State, or local government funded, in whole or in part, with grant under 49 U.S.C. 5307, 5310, or 5311. Such carriers seek to register to provide for-hire operations between points in a transit service area located in more than one State.

Mexico-owned, U.S.-based enterprise - transporting international cargo and/or household goods.

Private Motor Carrier - transportation by a commercial motor vehicle, not for compensation, as defined by 49 CFR Part 390.
Property (HM) – transports any amount of hazardous materials.
Property (Non-HM) – does not transport any amount of hazardous materials.
Passengers (Business) – a private motor carrier engaged in the interstate transportation of passengers, which is provided in the furtherance of a commercial enterprise and is not available to the public at large.
Passengers (Non-Business) – a private motor carrier engaged in the interstate transportation of passengers that does not otherwise meet the definition of a private motor carrier of passengers (business) (e.g., church buses).
Migrant - interstate transportation by a motor carrier of 3 or more migrant workers to or from their employment by any motor vehicle other than a passenger automobile or station wagon.

Property Broker - arranges for the transportation of cargo belonging to others using for-hire carriers to provide the actual truck transportation. Brokers do not own trucks.

Freight Forwarder - holds out to provide the truck transportation of cargo belonging to others, using for-hire carriers to provide the actual transportation. In the ordinary course of business, freight forwarders (1) assemble and consolidate shipments, (2) conduct break bulk and distribution operations, and (3) assume responsibility for transportation of property from place of receipt to the place of destination. Freight Forwarders may or may not have trucks.

Hazardous Materials Shipper – transportation of hazardous property wholly within the boundaries of a single state.

"Other" - transports property or passengers by a classification of operation not described above. Please enter other classification description.

18. COMPANY CONTACT PERSON. The person at the applicant's place of business that prepares the MCSA-1 or otherwise assists in the completing the application. Provide the contact person's name, title, position, address, telephone number, fax number and email address (optional). This individual will be contacted by FMCSA if there are questions concerning this application.

19. APPLICANT'S REPRESENTATIVE. If someone other than the applicant prepares the MCSA-1 or otherwise assists the applicant in completing the application, provide the representative's name, title, position, and relationship to the applicant, address, telephone number, fax number and email address (optional). This individual will be contacted by FMCSA if there are questions concerning this application.

20. CERTIFICATION STATEMENT. This certification is applicable to the representations made by you on the MCSA-1. You are certifying to the truthfulness of your statements in this form under penalty of perjury.

SECTION B. MOTOR CARRIER *(TO BE COMPLETED BY MOTOR CARRIERS AND FREIGHT FORWARDERS WITH VEHICLES)*

Beginning on page 5:

21. TYPE OF OPERATION. Check the appropriate type(s) of operation.

Interstate (Non-HM) – transportation of persons or non-hazardous property across State lines, including international boundaries, or wholly within one State as part of a through movement that originates or terminates in another State or country.

Interstate (HM) – transportation of any amount of hazardous property across State lines, including international boundaries, or wholly within one State as part of a through movement that originates or terminates in another State or country.

Intrastate (Non-HM) – transportation of persons or property (non-hazardous) wholly within one State.

Intrastate (HM) – transportation of any amount of hazardous property wholly within the boundaries of a single State.

22. CARGO. Check each type of cargo that you will transport or handle. If "Other" is checked, enter the name of the commodity in the space provided.

23. MILEAGE. Estimate the miles traveled by your commercial motor vehicles (CMVs) during the last calendar year. It makes no difference if the CMVs were leased by you or owned by you. Please round the miles to the nearest 10,000 miles. If you are a new applicant, please enter zero (0).

24. NUMBER OF VEHICLES CURRENTLY OPERATING IN THE U.S. Enter the total number of CMVs owned, term-leased and trip-leased that are, or are expected to be, operational on the date the MCSA-1 is submitted.

Passenger vehicles are defined as:

Motor coach—a vehicle designed for long distance transportation of passengers, usually equipped with storage racks above the seats and a baggage hold beneath the passenger compartment.

School Bus—a vehicle designed and/or equipped mainly to carry primary and secondary students to and from school, usually built on a medium or large truck chassis.

Mini-bus—a motor vehicle designed or used to transport 16 or more passengers, including the driver, and typically built on a small truck chassis. A mini-bus has a smaller seating capacity than a motor coach.

Van—a small motor vehicle designed or used to transport 15 or fewer passengers, including the driver.

Limousine—a passenger vehicle usually built on a lengthened automobile chassis.

25. NUMBER OF DRIVERS OPERATING IN THE U.S. Enter the number of interstate and intrastate drivers used on an average workday in the United States. Part-time, casual, term leased, trip leased and company drivers should be included. Also enter the total number of drivers who have a Commercial Drivers License (CDL).

Enter the number of drivers operating within 100 air miles in each category and the number of drivers operating beyond 100 air miles in each category.

Interstate – driver transports people or property across State lines, including international boundaries, or wholly within one State as part of a through movement that originates or terminates in another State or country.
Intrastate – driver transports people or property wholly within one State.

SECTION C. HAZARDOUS MATERIALS (HM)
(TO BE COMPLETED BY HM MOTOR CARRIERS)

Beginning on Page 6:

26. HAZARDOUS MATERIALS CARRIED OR SHIPPED. If you are a motor carrier and/or a shipper of hazardous materials, complete the appropriate section for each type of hazardous materials (HM) you transport and/or ship. In the columns to the left of the category, circle "C" for motor carrier and/or "S" for a shipper. In the columns to the right of the category, circle "B" if the HM is transported in bulk (over 119 gallons) and "NB" if the HM is transported non-bulk (119 gallons or less).

SECTION D. TRANSPORTATION OF HOUSEHOLD GOODS *(TO BE COMPLETED BY HOUSEHOLD GOODS MOTOR CARRIERS, HOUSEHOLD GOODS BROKERS, AND HOUSEHOLD GOODS FREIGHT FORWARDERS)*

Beginning on Page 7:

27. CERTIFICATION: ARBITRATION AND TARIFF. If you are a for-hire motor carrier of property intending to transport household goods (as defined in 49 U.S.C. 13102(10)), you must certify your agreement to offer arbitration as a means of settling loss and damage claims. This is a condition of registration. Also, if you are a broker intending to be involved with household goods, you must certify your worthiness and agree to comply with the statutory and regulatory requirements.

SECTION E. COMMERCIAL ZONE OPERATIONS *(TO BE COMPLETED BY MEXICO- DOMICILED COMMERCIAL ZONE MOTOR CARRIERS)*

Beginning on Page 8:

28. SCOPE OF REGISTRATION. If you are domiciled in Mexico, please check the appropriate box.

29. UNITED STATES ADDRESS. If you maintain an office within the continental United States, please provide the complete address.

SECTION F. ADDITIONAL INFORMATION *(TO BE COMPLETED BY ALL MOTOR CARRIERS (EXCEPT PRIVATE NON-HAZARDOUS MATERIALS CARRIERS), INCLUDING THOSE DOMICILED IN MEXICO, AND BY BROKERS AND FREIGHT FORWARDERS)*

Beginning on Page 9:

30. FINANCIAL RESPONSIBILITY. For-hire motor carriers of property and passengers, property brokers, freight forwarders and private carriers of hazardous materials must comply

with requirements for demonstrating minimum financial responsibility for bodily injury and property damage (49 CFR Part 387) and submit evidence of insurance with FMCSA. Check each box that describes the type of business you will be conducting. If you choose not to submit evidence of insurance with the Form MCSA-1, you must contact your insurance company and ensure that it submits the required information in a timely manner.

FINANCIAL RESPONSIBILITY: MINIMUM COVERAGE

PASSENGER CARRIERS	
Seating Capacity	Amount
Any vehicle with a seating capacity of 16 or more passengers, including the driver	$5,000,000
Any vehicle with a seating capacity of 15 or fewer passengers, including the driver	$1,500,000

MOTOR PROPERTY CARRIER		
Bodily Injury and Property Damage Liability Requirements		
KIND OF EQUIPMENT	COMMODITY	AMOUNT OF COVERAGE REQUIRED
Freight vehicles under 10,000 pounds (4536 kilograms) or GVWR	Property (non-hazardous).	$300,000
Freight vehicles of 10,000 pounds (4536 kilograms) or more GVWR	Property (non-hazardous).	$750,000
Freight vehicles of 10,000 (4536 kilograms) pounds or more GVWR	Hazardous substances, as defined in § 171.8 of this title, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons, or in bulk Class A or B explosives, poison gas, (Poison A), liquefied compressed gas or compressed gas, or highway route controlled quantity or radioactive materials as defined in § 173.455.	$5,000,000
Freight vehicles of 10,000 pounds (4536 kilograms) or more GVWR	Oil listed in § 172.101; hazardous waste, hazardous materials and hazardous substances defined in § 171.8 and listed in § 172.101, but not mentioned in (b) above or (d) below.	$1,000,000
Freight vehicles under 10,000 (4536 kilograms) pounds GVWR	Any quantity of class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in § 173.455.	$5,000,000
Cargo Insurance Requirements		
Motor carriers and freight forwarders of household goods	$5,000 for loss of or damage to property carried on any one vehicle and $10,000 for the aggregate losses or damages occurring at any one time or place	

PROPERTY BROKERS
A property broker must have a surety bond or trust fund in effect for $10,000
SELF INSURED
The self-insurance program is authorized by statue 49 U.S.C. 13906, 31138 and 31139
FREIGHT FORWARDERS
(Please refer to Form MCSA-1.)
MOTOR CARRIERS DOMICILED IN MEXICO ONLY
These carriers must carry the same amount of insurance coverage as U.S. based carriers motor carriers of property, however, they do not need to file the insurance forms with FMCSA. These carriers must carry in each of their vehicles when crossing into the U.S. a Form MCS-90 and acceptable evidence of required bodily injury and property damage insurance to cover the carrier's operation during the time it is in the U.S.

If you are issued a Certificate of Registration, the following must be carried on each of your commercial motor vehicles when they cross the border:

- A current MCS-90 indicating insurance coverage, or
- Evidence of insurance. The evidence of insurance must show either trip insurance coverage (24 hours or more coverage) or evidence of continuing insurance.

31. AFFILIATIONS. You must disclose certain information concerning relationships and affiliations with other entities registered with FMCSA (or its predecessor agencies). You must indicate whether these entities have ever been disqualified from operating commercial motor vehicles in the United States pursuant to Section 219 of the Motor Carrier Safety Improvement Act of 1999 (P.L. 106-159, December 9, 1999).

32. DESIGNATION OF AGENTS FOR SERVICE OF PROCESS. All motor carrier applicants must designate a process agent in each State where operations are conducted. For example, if applicant will operate only in commercial zones along the U.S./Mexico border that are located in California and Arizona, you must designate an agent in each of those States; if you will operate only in one State, an agent must be designated in that State. **You may not begin operations until the Form BOC-3 has been filed with the FMCSA.**

SECTION G. SAFETY CERTIFICATIONS *(TO BE COMPLETED BY MOTOR CARRIERS, INCLUDING THOSE DOMICILED IN MEXICO, AND BY FREIGHT FORWARDERS WITH VEHICLES)*

Beginning on page 11:

33. COMPLETE ALL SAFETY CERTIFICATIONS. You are exempt from the U.S. DOT safety fitness regulations if you operate vehicles with a gross vehicle weight rating under 10,001 pounds exclusively and you will not transport hazardous materials. You must certify that you are familiar with and will observe general operational safety fitness guidelines and applicable State, local and tribal laws relating to the safe operations of commercial vehicles.

If you are not exempt from the U.S. DOT safety fitness regulations, you must complete all Questions in Item 33 (pages 11-13) that pertain to you to demonstrate your willingness and ability to comply with general operational safety fitness guidelines and applicable State, local and tribal laws.

Mexico-domiciled motor carriers
You must also complete all applicable attachments (pages 17-19). If necessary to complete the responses, please attach additional pages, and place your business name and the number of the Section to which you are responding.

SECTION H. CERTIFICATIONS *(TO BE COMPLETED BY MOTOR CARRIERS, BROKERS, AND FREIGHT FORWARDERS)*

Beginning on page 14:

Check the applicable box in response to each question 1 through 7. Read the certification statements carefully.

SECTION I. CANCELLATION *(TO BE COMPLETED BY AN AUTHORIZED OFFICIAL)*

Beginning on Page 15:

Complete this section if you are canceling your USDOT Registration, e.g., you are ceasing interstate operations.

SECTION J. FILING FEE INFORMATION

Beginning on Page 16:

For each new registration, the fee is $200. If you apply to register as more than one of the following classifications (motor carrier, freight forwarder, or broker), you must tender $200 for each.

Indicate how you intend to pay. Not all transactions require a fee.

FMCSA DOES NOT REFUND FILING FEES.

ATTACHMENTS TO SECTION G

Beginning on Page 17:

If you are a motor carrier domiciled in Mexico, you are required to complete Attachments A–D and F. If you are a Mexico-domiciled motor carrier and you also transport hazardous materials, you are also required to complete Attachment E.

OTHER CONSIDERATIONS – Before beginning operation, you may have the responsibility of complying with other laws, such as registration with the States and payment of fuel taxes.

MAILING – If you prefer to file your completed MCSA-1 by mail or express mail, please submit to the address below. Be certain to enclose the appropriate filing fee. Please retain a copy of the completed MCSA-1 (and all attachments) and the instructions for your records.

ALL APPLICANTS	Federal Motor Carrier Safety Administration 400 Seventh St., SW, Room 8214 Washington, DC 20590

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

FMCSA REGISTRATION / UPDATE

(USDOT NUMBER APPLICATION)

FORM MCSA-1

PLEASE READ THE INSTRUCTIONS FOR THIS FORM CAREFULLY BEFORE PROCEEDING

This form contains seven Reasons for Filing: New Registration, Reinstatement, New Entrant Reapplication, Biennial Update, Name / Address Change, Other Update and Cancellation. For each reason please complete the appropriate sections of this form as indicated below:

PLEASE COMPLETE ALL APPLICABLE SECTIONS **TYPE OF OPERATION**	REASONS FOR FILING			
	1	2 - 5	6	7
	NEW REGISTRATION	NEW ENTRANT REAPPLICATION(2), BIENNIAL UPDATE (3), NAME / ADDRESS CHANGE (4), OTHER UPDATE (5)	REINSTATEMENT	CANCELLATION
MOTOR CARRIER (NOT DOMICILED IN MEXICO) OF:				
HOUSEHOLD GOODS	A B D F G H J	A B	A B F	A I
HAZARDOUS MATERIALS	A B C F G H J	A B C	A B C F	A I
OTHER PROPERTY	A B F G H J	A B	A B F	A I
MOTOR CARRIER (DOMICILED IN MEXICO) OF:				
HOUSEHOLD GOODS	A B D E F G H J & ATT. B-F	A B	A B F	A I
HAZARDOUS MATERIALS	A B C E F G H J & ATT. B-F	A B C	A B C F	A I
OTHER PROPERTY	A B E F G H J & ATT. B-F	A B	A B F	A I
BROKER OF:				
HOUSEHOLD GOODS	A D F H J	A	A F	A I
OTHER PROPERTY	A F H J	A	A F	A I
FREIGHT FORWARDER (WITH VEHICLES) OF:				
HOUSEHOLD GOODS	A B D F G H J	A B	A B F	A I
OTHER PROPERTY	A B F G H J	A B	A B F	A I
FREIGHT FORWARDER, (NO VEHICLES) OF:				
HOUSEHOLD GOODS	A D F H J	A	A F	A I
OTHER PROPERTY	A F H J	A	A F	A I

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

FEES

New Registration	**$200**
Reinstatement	**$100**
All Others	**No Fee**

REASON FOR FILING *(Check Only One)*

☐ NEW REGISTRATION ☐ REINSTATEMENT ☐ NEW ENTRANT REAPPLICATION

☐ BIENNIAL UPDATE ☐ NAME / ADDRESS CHANGE ☐ OTHER UPDATE ☐ CANCELLATION

SECTION A. BUSINESS DESCRIPTION *(TO BE COMPLETED BY ALL)*

1. LEGAL NAME OF BUSINESS

2. "DOING BUSINESS AS" (D/B/A) NAME

3. PRINCIPAL PLACE OF BUSINESS

STREET ADDRESS | CITY | STATE/PROVINCE | ZIP CODE+4 | COLONIA *(Mexico Only)*

4. MAILING ADDRESS ☐ **CHECK HERE IF MAILING ADDRESS IS THE SAME AS PRINCIPAL PLACE OF BUSINESS**

STREET ADDRESS OR PO BOX | CITY | STATE/PROVINCE | ZIP CODE+4 | COLONIA *(Mexico Only)*

5. COUNTRY OF DOMICILE OF PRINCIPAL PLACE OF BUSINESS

☐ United States ☐ Mexico ☐ Canada ☐ Other Foreign Country

Mexico RFC Number (Federal Taxpayer Registry) | Canadian NSC Number (National Safety Code) | Country Name

6. PRINCIPAL BUSINESS TELEPHONE NUMBER

7. PRINCIPAL BUSINESS FAX NUMBER (optional)

8. PRINCIPAL BUSINESS CELL PHONE NUMBER (optional)

9. USDOT NUMBER

10. MC, MX AND FF NUMBER(S)

MOTOR CARRIER (MC)	MEXICO DOMICILED CARRIER (MX)	FREIGHT FORWARDER (FF)

11. IRS TAX ID NUMBER

EIN NUMBER ☐☐☐☐☐☐☐☐☐☐

SSN NUMBER ☐☐☐☐☐☐☐☐☐☐

12. DUN & BRADSTREET NUMBER

13. FORM OF BUSINESS *(Select only one)*

☐ Sole Proprietor ☐ Partnership ☐ Limited Liability Company ☐ Corporation State of Incorporation _____

☐ Subsidiary ☐ Wholly Owned Subsidiary

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

14. OWNERSHIP and CONTROL

☐ Owned/controlled by resident of U.S.
☐ Owned/controlled by resident of Mexico
☐ Owned/controlled by resident of Canada
☐ Owned/controlled by resident of other foreign country _____ Name of Country

15. NAME(S) OF SOLE PROPRIETOR(S), PARTNERS, OR OFFICERS AND TITLES (e.g. PRESIDENT, TREASURER, GENERAL PARTNER, LIMITED PARTNER)

☐ CORPORATION NAME _____ TITLE _____

☐ SOLE PRORIETOR NAME _____ TITLE _____

☐ PARTNERSHIP NAME _____ TITLE _____

16. REVENUE: Enter your gross annual operating revenue for the last calendar year

Year: ☐☐☐☐ Revenue (*U.S. Dollars*): $ _____ Number of months if partial year _____

17. OPERATION CLASSIFICATION *(Check all items that apply)*

a. For-Hire Motor Carrier

☐ Property
- ☐ Hazardous Materials
- ☐ Household Goods
- ☐ Exempt Commodities
- ☐ Other Non-Hazardous Materials

☐ Passengers
- ☐ Charter & Special Operations
- ☐ International Charter & Tour Bus Service
- ☐ Scheduled International Transportation
- ☐ Regular Route
- ☐ Limousine/Van Operations
- ☐ FTA Grantee

☐ Mexico-owned, U.S.-based Enterprise
- ☐ United States based Enterprise Owned or Controlled by Persons of Mexico Providing Truck Services for the Transportation of International Cargo (except Household Goods)
- ☐ United States based Enterprise Owned or Controlled by Persons of Mexico Providing Truck Services for the Transportation of International Household Goods Shipments

b. Private Motor Carrier

☐ Property – Hazardous Materials
☐ Property – Non-Hazardous Materials
☐ Passengers - Business
☐ Passengers - Non-business
☐ Migrant Workers

c. Property Broker

☐ General Freight (except Household Goods)
☐ Household Goods

d. Freight Forwarder

☐ General Freight (except Household Goods)
☐ Household Goods

e. Hazardous Materials Shipper

☐ Interstate
☐ Intrastate

f. Other

☐ _____

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

18. COMPANY CONTACT PERSON (Please designate an individual within your company to respond to inquiries)

_____
Name, title, and position

_____
Street Address

City	State	Country	Zip Code/Postal Code	Colonia – Mexico only

(____) _____ (Telephone Number) (____) _____ (Fax Number) (optional) _____ (Internet E-mail Address) (optional)

19. APPLICANT'S REPRESENTATIVE (Please designate an individual to respond to inquiries, if applicable)

_____
Name and title, position, and relationship to applicant

_____
Street Address

City	State	Country	Zip Code/Postal Code	Colonia – Mexico only

(____) _____ (Telephone Number) (____) _____ (Fax Number) _____ (Internet E-mail Address) (optional)

20. CERTIFICATION STATEMENT (to be completed by an authorized official)

I, _____, certify that I am familiar with the Federal Motor Carrier Safety Regulations and, if applicable, the Federal Hazardous Materials Regulations. Under penalties of perjury, I declare that the information entered on this report is, to the best of my knowledge and belief, true, correct, and complete.
(Please Print Name)

Signature _____ Date_____ Title_____

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION B. MOTOR CARRIER *(TO BE COMPLETED BY ALL MOTOR CARRIERS AND FREIGHT FORWARDERS WITH VEHICLES)*

21. TYPE OF OPERATION *Please check all that apply*: ("HM= Hazardous Materials")

☐ INTERSTATE (NON-HM) ☐ INTERSTATE (HM) ☐ INTRASTATE (Non-HM) ☐ INTRASTATE (HM)

22. CARGO *Please check all classifications of cargo that you transport or handle*:

a. ☐ General Freight
b. ☐ Household Goods
c. ☐ Metal: Sheets, Coils, Rolls
d. ☐ Motor Vehicles
e. ☐ Driveaway-Towaway
f. ☐ Logs, Poles, Beams, Lumber
g. ☐ Building Materials
h. ☐ Mobile Homes
i. ☐ Machinery, Large Objects
j. ☐ Fresh Produce
k. ☐ Liquid/Gases
l. ☐ Intermodal Container
m. ☐ Passengers
n. ☐ Oil Field Equipment
o. ☐ Livestock
p. ☐ Grain, Feed, Hay
q. ☐ Coal/Coke
r. ☐ Meat
s. ☐ Garbage, Refuse, Trash
t. ☐ U.S. Mail
u. ☐ Chemicals
v. ☐ Commodities Dry Bulk
w. ☐ Refrigerated Food
x. ☐ Beverages
y. ☐ Paper Products
z. ☐ Utility Service
aa. ☐ Farm Supplies
bb. ☐ Construction
cc. ☐ Water Well
dd. ☐ Other *(Please specify)*: _____

23. MILEAGE

Please estimate the total number of miles your commercial motor vehicle(s) (leased or owned) traveled in the U.S. during the last calendar year.

Calendar Year: ☐☐☐☐ Mileage: _____

24. NUMBER OF VEHICLES CURRENTLY OPERATING IN THE U.S.

	Straight Trucks	Truck Tractors	Trailers	Hazmat Cargo Tank Trucks	Hazmat Cargo Tank Trailers	Motor Coach	School Bus			Mini-bus	Van.		Limousine		
							Number of vehicles carrying number of passengers (including the driver) below								
							1-8	9-15	16+	16+	1-8	9-15	1-8	9-15	16+
Owned															
Term Leased															
Trip Leased															

25. NUMBER OF DRIVERS OPERATING IN THE U.S.

	INTERSTATE	INTRASTATE	TOTAL DRIVERS	TOTAL CDL DRIVERS
Within 100-Mile Radius				
Beyond 100-Mile Radius				

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION C. HAZARDOUS MATERIALS (HM)

(TO BE COMPLETED BY HM MOTOR CARRIERS)

26. HAZARDOUS MATERIALS CARRIED OR SHIPPED ***(Please circle all that apply)***

C (Carried) S (Shipped) B (Bulk) – in Cargo Tanks NB (Non-Bulk) – in Packages

C	S	A.	Div 1.1 Explosives (with mass explosion hazard)	B	NB	C	S	V.	Div 4.3 Dangerous when wet material	B	NB
C	S	B.	Div 1.2 Explosives (with projection hazard)	B	NB	C	S	W.	Div 5.1 Oxidizer	B	NB
C	S	C.	Div 1.3 Explosives (with predominantly fire hazard)	B	NB	C	S	X.	Div 5.2 Organic Peroxide	B	NB
C	S	D.	Div 1.4 Explosives (with no significant blast hazard)	B	NB	C	S	Y.	Div 6.2 Infectious substance (Etiologic agent)	B	NB
C	S	E.	Div 1.5 Very insensitive explosives; blasting agents	B	NB	C	S	Z.	Div 6.1 A (Poison Liquid which is a PIH Zone A)	B	NB
C	S	F.	Div 1.6 Extremely insensitive detonating substances	B	NB	C	S	AA.	Div 6.1 B (Poison Liquid which is a PIH Zone B)	B	NB
C	S	G.	Div 2.1 Flammable gas	B	NB	C	S	BB.	Div 6.1 Poison (Poisonous liquid with no inhalation hazard)	B	NB
C	S	H.	Div 2.1 LPG (Liquefied Petroleum Gas)	B	NB	C	S	CC.	Div 6.1 Solid (Meets the definition of a poisonous solid)	B	NB
C	S	I.	Div 2.1 Methane Gas	B	NB	C	S	DD.	Class 7 Radioactive materials.	B	NB
C	S	J.	Div 2.2 Non-flammable compressed gas	B	NB	C	S	EE.	HRCQ (Highway Route Controlled Quantity of Radioactive Material)	B	NB
C	S	K.	Div 2.2 A (Anhydrous Ammonia)	B	NB	C	S	FF.	Class 8 Corrosive material	B	NB
C	S	L.	Div 2.3 A (Poison Gas which is Poison Inhalation Hazard (PIH) Zone A	B	NB	C	S	GG	Class 8 A (Corrosive liquid which is a PIH Zone A)	B	NB
C	S	M.	Div 2.3 B (Poison Gas which in PIH Zone B)	B	NB	C	S	HH.	Class 8 B (Corrosive liquid which is a PIH Zone B)	B	NB
C	S	N.	DIV 2.3 C (Poison Gas which is PIH Zone C)	B	NB	C	S	II.	Class 9 Miscellaneous hazardous material	B	NB
C	S	O.	DIV 2.3 D (Poison Gas which is PIH Zone D)	B	NB	C	S	JJ.	Elevated Temperature Material (Meets definition in 49 CFR 171.8 for an elevated temperature material)	B	NB
C	S	P.	Class 3 Flammable and combustible liquid	B	NB	C	S	KK.	Infectious Waste (Meets definition in 49 CFR 171.8 for an infectious waste)	B	NB
C	S	Q.	Class 3 A (Flammable liquid which is a PIH Zone A)	B	NB	C	S	LL.	Marine Pollutants (Meets Definition in 49 CFR 171.8 for a marine pollutant)	B	NB
C	S	R.	Class 3 B (Flammable liquid which is a PIH Zone B)	B	NB	C	S	MM.	Hazardous Sub (RQ) (Meets definition in 49 CFR 171.8 of a reportable quantity of a hazardous substance)	B	NB
C	S	S.	Combustible Liquid (Refer to 49 CFR 173.20 (b))	B	NB	C	S	NN.	Hazardous Waste (Meets definition in 49 CFR 171.8 of a hazardous waste)	B	NB
C	S	T.	Div 4.1 Flammable Solid	B	NB	C	S	OO.	ORM (Meets definition in 49 CFR 171.8 of Other Regulated Material)	B	NB
C	S	U.	Div 4.2 Spontaneously combustible material	B	NB						

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION D. TRANSPORTATION OF HOUSEHOLD GOODS *(TO BE COMPLETED BY HOUSEHOLD GOODS MOTOR CARRIERS, HOUSEHOLD GOODS BROKERS, AND HOUSEHOLD GOODS FREIGHT FORWARDERS)*

27. CERTIFICATION: ARBITRATION AND TARIFF

MOTOR CARRIER OR FREIGHT FORWARDER OF HOUSEHOLD GOODS (including United States-based enterprises transporting international household goods shipments)

I, _____, certify that I am fit, willing, and able to provide the specialized
Print First and Last Name and Title

services necessary to transport household goods. I am familiar with FMCSA regulations for household goods movements, have acquired or am willing to acquire the protective equipment and trained operators necessary to perform household goods movements, and the following information can be used to contact a representative of the arbitration program in which I will participate. I certify that my tariff is available for inspection by shippers upon reasonable request. I will offer arbitration as a means of settling loss and damage disputes.

Contact information for the arbitration program in which I will participate:

Name	Address	Telephone Number

_____
Signature of Motor Carrier or Freight Forwarder Representative

BROKER OF HOUSEHOLD GOODS

I, _____, certify that I am fit, willing, and able to provide household goods
Print Name and Title

brokerage operations and to comply with all pertinent statutory and regulatory requirements.

_____ Signature of Company Official
_____ Date
_____ Title

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION E. COMMERCIAL ZONE OPERATIONS *(TO BE COMPLETED BY MEXICO-DOMICILED COMMERCIAL ZONE MOTOR CARRIERS)*

"Within the Commercial Zone" refers to service (1) between Mexico and points entirely in a municipality that is adjacent to Mexico, (2) in contiguous municipalities in the U.S., any one of which is adjacent to Mexico, or (3) in a zone that is adjacent to, and commercially a part of the municipality(ies). A Mexico-domiciled motor carrier may not provide point-to-point transportation services, including express delivery services, within the United States for goods other than international cargo.

28. SCOPE OF REGISTRATION

- ☐ Service as a for-hire motor carrier of property (except household goods) within the commercial zone
- ☐ Service as a for-hire motor carrier of household goods within the commercial zone
- ☐ Service as a private motor carrier of property (handling applicant's own goods) within the commercial zone
- ☐ Service as a passenger motor carrier within the commercial zone

29. UNITED STATES ADDRESS: Do you currently maintain an office in the United States? If so, please provide the full street address, telephone number, and fax number.

_____
Street Address

_____ City | _____ State | _____ Country | _____ Zip Code

(____) _____ (Telephone Number)

(____) _____ (Fax Number)

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION F. ADDITIONAL INFORMATION *(TO BE COMPLETED BY MOTOR CARRIERS, EXCEPT PRIVATE NON-HAZARDOUS MATERIALS CARRIERS, INCLUDING THOSE DOMICILED IN MEXICO AND BY BROKERS AND FREIGHT FORWARDERS)*

30. FINANCIAL RESPONSIBILITY *(Check all boxes that apply)*

If you are a private motor carrier and you do not transport hazardous materials, or you are a Mexico-domiciled motor carrier of property only and you operate exclusively in the commercial zone, please skip to item 31, page 10.

a. MOTOR PASSENGER CARRIER

For-Hire motor passenger carriers operating in the United States, including Mexico-domiciled motor passenger carriers, must maintain public liability insurance. The minimum amount of coverage is shown in parentheses.

(Please check only one): I

☐ have one or more vehicles with a seating capacity of 16 passengers or more including the driver ($5,000,000 U.S.)

☐ have only motor vehicles with a seating capacity of 15 passengers or fewer including the driver ($1,500,000 U.S.)

☐ am a grantee of the Federal Transit Administration. I understand that I am not required to comply with FMCSA minimum levels of public liability insurance, and that I am required to maintain financial responsibility at the highest level required by any State within the transit service area (49 U.S.C. 31138(e) (4)).

My transit area lies within the borders of the following States: _____

I will maintain financial responsibility in the amount of $ _____

My insurance company ☐ has filed ☐ will file proof of liability insurance coverage.

Note: Grantees under 49 U.S.C. 5307, 5310, or 5311 that file evidence of State-prescribed financial responsibility limits that are lower than the Federal limits will be registered to provide interstate service within their designated transit service area only.

b. MOTOR PROPERTY CARRIER

☐ I will operate motor vehicles having a gross vehicle weight rating (GVWR) of 10,000 pounds (4,536 kg.) or more to transport:

- ☐ Non-hazardous commodities ($750,000 U.S)
- ☐ Hazardous materials referenced in the FMCSA regulations at 49 CFR § 387.303(b)(2)(c) ($1,000,000 U.S)
- ☐ Hazardous materials referenced in the FMCSA regulations at 49 CFR § 387.303(b)(2)(b) ($5,000,000 U.S)

☐ I will only operate motor vehicles having a gross vehicle weight under 10,000 pounds (4,536 kg). I will transport:

- ☐ Any quantity of: (1) Division 1.1, 1.2 or 1.3 explosives, (2) and quantity of poison gas (Division 2.3, Hazard Zone A or Division 6.1, Packing Group 1, Hazard Zone A materials), (3) or highway route-controlled radioactive materials ($5,000,000 U.S.)
- ☐ Commodities other than those listed above ($300,000 U.S)

c. PROPERTY BROKER

(Please select one): My insurance or surety company/financial institution

☐ has filed a property broker's surety bond or trust fund agreement in the amount of $10,000

☐ will file a property broker's surety bond or trust fund agreement in the amount of $10,000

d. SELF-INSURED BUSINESSES

I have an FMCSA-approved self-insurance plan for:

☐ BI&PD liability ☐ Cargo liability ☐ both BI&PD and Cargo liability

and I am in full compliance with the conditions of the decision authorizing me to self-insure.

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

e. FREIGHT FORWARDER

☐ I will operate as a freight forwarder only and I seek a waiver of BI&PD liability requirements; I certify that in my forwarding operations I (1) will not own or operate any motor vehicles upon highways in the transportation of property; (2) will not perform transfer, collection, or delivery services; and (3) will not have motor vehicles operated under my direction and control in the performance of transfer, collection, or delivery services.

☐ Will operate vehicles having Gross Vehicle Weight Ratings (GVWR) of 10,000 pounds or more to transport:

- ☐ Non-hazardous commodities ($750,000).
- ☐ Hazardous materials referenced in the FMCSA's insurance regulations at 49 CFR 1043.2(b)(2)(c)($1,000,000).
- ☐ Hazardous materials referenced in the FMCSA's insurance regulations at 49 CFR 1043.2(b)(2)(b)($5,000,000).

☐ Will operate only vehicles having Gross Vehicle Weight Ratings (GVWR) under 10,000 pounds to transport:

- ☐ Any quantity of Class A or B explosives, any quantity of poison gas (Poison A), or highway route controlled quantity of radioactive materials ($5,000,000).
- ☐ Commodities other than those listed above ($300,000).

☐ I will maintain Cargo Insurance ($5,000 U.S. / $10,000 U.S.) – See 387.303(b)(5)

f. MOTOR CARRIERS DOMICILED IN MEXICO ONLY

Have you operated, or do you currently operate, under trip insurance issued for movements in the U.S. border commercial zones?

☐ Yes ☐ No See 49 CFR 387.303(b)(4)

g. INSURANCE INFORMATION

Do you currently maintain insurance coverage for bodily injury & property damage? ☐ Yes ☐ No

If "Yes", please provide the following information:

Insurance Company _____

Address _____

_____

Maximum Insurance Amount _____

Policy Number _____

Date Issued _____

Insurance Effective Date _____ Expiration Date _____

31. AFFILIATION WITH OTHER FORMER ICC, FHWA, OMCS, OR FMCSA LICENSED ENTITIES

Disclose all relationships you now have, or have had in the past 3 years, with other FMCSA-regulated entities. This could be in the form of a percentage of stock ownership, a loan, or a management position. If this requirement applies to you, provide the name of the company, MC/MX-Number, USDOT Number, and the company's latest U.S. DOT safety rating. (If you require more space, attach the information to this application form.)

You must indicate whether these entities are currently disqualified from operating commercial motor vehicles anywhere in the United States pursuant to Section 219 of the Motor Carrier Safety Improvement Act of 1999.

USDOT #	MC/MX No.	Legal Name	DBA Name	Current Safety Rating	Revoked

32. DESIGNATION OF AGENTS FOR SERVICE OF PROCESS

Form No. BOC-3 ☐ attached. ☐ on file with FMCSA. ☐ will be filed electronically.

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION G. SAFETY CERTIFICATIONS *(TO BE COMPLETED BY MOTOR CARRIERS INCLUDING THOSE DOMICILED IN MEXICO, AND BY FREIGHT FORWARDERS WITH VEHICLES)*

33. If you are exempt, mark the box "EXEMPT" certifying to this fact and go to section SECTION H. You are also certifying that you are familiar with and will observe general operational safety guidelines, as well as any applicable state and local laws and requirements relating to the safe operation of commercial motor vehicles and the safe transportation of hazardous materials. If you are not exempt, mark the box "NOT EXEMPT" and answer the questions below, where applicable. You must attach all requested attachments.	EXEMPT ☐	NOT EXEMPT ☐
a. I maintain current copies of all U.S. DOT Federal Motor Carrier Safety Regulations, Federal Motor Vehicle Safety Standards, and in the case of property carrier transporting hazardous materials, the Hazardous Materials Regulations. I understand and will comply with these regulations, and I will ensure that all company personnel are aware of the requirements of these regulations.	YES ☐	NO ☐

b. Individual responsible for compliance with applicable regulatory and safety requirements.

Full Name	Complete Address	Position Title

c. I certify that the following tasks and measures will be fully accomplished and procedures fully implemented before I commence operations in the United States:

I. DRIVER QUALIFICATIONS		
1. I have in place a system and procedures for ensuring the continued qualification of drivers to operate safely, including a safety record for each driver, procedures for verification of proper age and licensing of each driver, procedures for identifying drivers who are not complying with the safety regulations and a description of a retraining and educational program for poorly performing drivers.	YES ☐	NO ☐
2. I have procedures in place to review employment and driving histories of my drivers for at least the last 3 years, to determine the qualifications and the competency to drive safely of each.	YES ☐	NO ☐
3. I have established a program to review the records of each driver at least every twelve (12) months and to maintain a record of the review.	YES ☐	NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 4. I will ensure that all of my drivers operating in the United States are at least 21 years of age and possess a valid Licencia Federal de Conductor (LFC) and that the driver's LFC is registered in Mexico's SCT database.	YES ☐	NO ☐
II. HOURS OF SERVICE		
1. I have in place a record keeping system and procedures to monitor the hours of service performed by drivers including procedures for continuing review of driver log books and for ensuring compliance with all operations requirements.	YES ☐	NO ☐
2. I have ensured that all drivers to be used in the United States are knowledgeable of the U.S. hours of service requirements, and I have clearly and specifically instructed drivers concerning the application of the 10 hour, 11 hour, 14 hour and 60 and 70 hour rules, as well as the requirement for preparing daily log entries in their own handwriting for each 24 hour period.	YES ☐	NO ☐
3. I will ensure, once operations in the United States have begun, that my drivers operate within the hours of service rules and are not fatigued while on duty.	YES ☐	NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 4. I have attached to this application statements describing the monitoring procedures designed to ensure that my drivers complete logbooks correctly, and also describing my procedures for record keeping and review of drivers. If I have drivers operating under the "100 Air-Mile" exception I have described the maintenance of these records by means of an attachment to this document. (Attachment F page 20)	YES ☐	NO ☐

UNITED STATES.DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

III. DRUG AND ALCOHOL *(To be completed by motor carriers subject to drug and alcohol testing only)*	
1. I am familiar with the alcohol and controlled substance testing requirements of 49 CFR 382 and 49 CFR 40 and have in place a program for systematic testing of drivers.	YES ☐ NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 2. I have attached to this application the name, address, and telephone number of the person(s) responsible for implementing and overseeing alcohol and drug programs and also of the drug testing laboratory and alcohol testing services that are used by me. (Attachment A, page 17)	YES ☐ NO ☐
IV. VEHICLES	
1. I have established a system and procedures for inspection, repair and maintenance of my vehicles, and for preparation and maintenance of records of inspection, repair, and maintenance in accordance with the Federal Motor Carrier Safety Regulations and the Hazardous Materials Regulations.	YES ☐ NO ☐
2. I will ensure that all violations and defects noted on inspection reports are corrected before vehicles and drivers are permitted to continue operation.	YES ☐ NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 3. My vehicles were manufactured or have been retrofitted in compliance with the applicable U.S. DOT Federal Motor Vehicle Safety Standards.	YES ☐ NO ☐
4. I have inspected all commercial motor vehicles that I will use in the United States prior to beginning such operations and I have proof of the inspection on-board each vehicle as required by 49 CFR 396.17.	YES ☐ NO ☐
5. I will ensure, once operations in the United States have begun, that all violations and defects noted on inspection reports are corrected before vehicles and drivers are permitted to enter the United States.	YES ☐ NO ☐
V. ACCIDENT MONITORING	
1. I have in place a program for monitoring vehicle accidents and I maintain an accident register in accordance with 49 CFR 390.15.	YES ☐ NO ☐
2. I have established an accident countermeasures program and driver training program to reduce accidents.	YES ☐ NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 3. I have **attached to this application** a copy of my accident register for the previous 12 months, or a description of how I will maintain this register once I begin operations in the United States. (Attachment B, page 17)	YES ☐ NO ☐
4. I have **attached to this application** a description and explanation of the accident monitoring program I have implemented for my operations in the United States. (Attachment C, page 18)	YES ☐ NO ☐

UNITED STATES DEPARTMENT OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

VI. PRODUCTION OF RECORDS	
1. I can and will produce records demonstrating compliance with the safety requirements within 48 hours of receipt of a request from a representative of the USDOT/FMCSA or other authorized Federal or State official.	YES ☐ NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 2. I have **attached to this application** the name, address, and telephone number of the employee to be contacted for requesting records. (Attachment D, page 18)	YES ☐ NO ☐
VII. HAZARDOUS MATERIALS (to be completed by motor carriers of hazardous materials only)	
1. I have full knowledge of the U.S. DOT Hazardous Materials Regulations, and have established programs for the thorough training of my personnel as required under 49 CFR part 172, Subpart H and 49 CFR 177.816.	YES ☐ NO ☐
2. I have established a system and procedures for inspection, repair and maintenance of its reusable hazardous materials packages (cargo tanks, portable tanks, cylinders, intermediate bulk containers, etc.,) in a safe condition, and for preparation and maintenance of records of inspection, repair and maintenance in accordance with the U.S. DOT Hazardous Materials Regulations.	YES ☐ NO ☐
3. I have established a system and procedures for filing and maintaining HM shipping documents.	YES ☐ NO ☐
4. I have a system in place to ensure that all HM trucks are marked and placarded as required by 49 CFR part 172, Subparts D and F.	YES ☐ NO ☐
5. I will register under 49 CFR part 107, Subpart G, if I transport any quantity of hazardous materials requiring the vehicle to be placarded.	YES ☐ NO ☐
TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY 6. I have **attached to this MCSA-1** a statement providing: a. The names of employees responsible for ensuring compliance with HM regulations, b. A description of their HM safety functions, and c. A copy of the training materials employed to provide HM training. (Attachment E, page 19)	YES ☐ NO ☐
TO BE COMPLETED BY CARGO TANK (CT) MOTOR CARRIERS OF HAZARDOUS MATERIALS (HM) DOMICILED IN MEXICO ONLY 7. I have attached certficates of compliance for each cargo tank the company utilizes in the U.S., together with the name, qualifications, CT number, and CT number registration statement of the facility I will utilize to conduct the test and inspect such tanks as required by 49 CFR 180. (Attachment F, page 20)	YES ☐ NO ☐

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION H. CERTIFICATIONS *(TO BE COMPLETED BY MOTOR CARRIERS, BROKERS, AND FREIGHT FORWARDERS)*

34. By signing the certification statement in Section A (page 4, item 20) and completing 1-7 below, I am on notice that the representations made herein are subject to verification through inspections in the United States and through the request for examination of records and documents. I understand that failure to support the representations contained in this application could form the basis of a proceeding to assess civil penalties and may lead to the revocation of the authority granted.

1.	I am willing and able to provide the proposed operations or service and to comply with all pertinent statutory and regulatory requirements and regulations issued or administered by the U.S. Department of Transportation, including operational regulations, safety fitness requirements, motor vehicle safety standards and minimum financial responsibility requirements.	YES ☐ NO ☐
2a.	I am willing and able to produce for review or inspection documents which are requested for the purpose of determining compliance with applicable statutes and regulations administered by the Department of Transportation, including the Federal Motor Carrier Safety Regulations, Federal Motor Vehicle Safety Standards, and Hazardous Materials Regulations, within 48 hours of any written request.	YES ☐ NO ☐
2b.	I understand that the written request may be served on the contact person identified on Page 4 (Section A, Item No. 18), or the designated process agent.	YES ☐ NO ☐
3.	I am qualified to conduct commercial motor vehicle operations in the United States in accordance with the Motor Carrier Safety Improvement Act of 1999.	YES ☐ NO ☐
4.	I understand that the agent(s) for service of process designated on FMCSA Form BOC-3 will be deemed my official representative(s) for receipt of filings and notices in administrative proceedings under 49 U.S.C.13303, for receipt of filings and notices issued in connection with the enforcement of any Federal statutes or regulations, and for receipt of legal process pertinent to any other legal processing.	YES ☐ NO ☐
5.	I am not a party to an FMCSA registration that is currently under suspension, and was not a party to an FMCSA registration that was revoked within the past 30 days.	YES ☐ NO ☐
6.	If my registration has been revoked, the deficiencies cited in the revocation have been corrected. I attach an explanation of how I will otherwise ensure that basic safety management controls are maintained.	YES ☐ NO ☐
7.	I have paid all taxes owed under Section 4481 of the U.S. Internal Revenue Service (26 U.S.C. § 4481) for the most recent taxable period as defined under Section 4482 (c) of the Internal Revenue Code.	YES ☐ NO ☐

NOTE:
All motor carriers operating within the United States, including foreign-domiciled motor carriers applying for USDOT registration by this form, must comply with all applicable Federal, State, local, and tribal statutory and regulatory requirements when operating within the United States. Such Compliance with these regulatory requirements may require motor carriers and/or individual operators to produce documents for review and inspection.

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION I. CANCELLATION

35. AN AUTHORIZED OFFICIAL MUST COMPLETE THIS CERTIFICATION AND SECTION A ABOVE TO CANCEL REGISTRATION.

ONCE OPERATING AUTHORITY IS CANCELLED, OPERATION MAY BE RESUMED ONLY WITH APPROVAL BY FMCSA OF AN APPLICATION FOR REINSTATEMENT. REINSTATEMENT IS INITIATED BY SUBMISSION OF A NEW MCSA-1.

I, _____ (Please Print First and Last Name) certify, under penalty of perjury under the laws of the United States of America, that I have the authority to seek cancellation of the registration of _____ (Name of Entity),

USDOT Number _____.

Executed on this _____ (Day) day of _____ (Month), _____ (Year).

Signature _____ Title _____

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

SECTION J. FILING FEE INFORMATION (*FMCSA does NOT refund filing fees)*

36. I submit filing fees as indicated

☐ **New Registration**

☐ **Motor Carrier**
☐ **Freight Forwarder**
☐ **Broker**

Total Number of Boxes Checked ____ **x $200 = $** _____
Total

☐ **Reinstatement $100**
☐ **All Others No Fee**

METHOD OF PAYMENT (Check one):

☐ ELECTRONIC FUNDS TRANSFER (EFT)

BANK NAME: _____

BANK ROUTING NUMBER: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

CHECKING ACCOUNT NUMBER: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

☐ VISA ☐ MASTERCARD ☐ DISCOVER ☐ AMERICAN EXPRESS

Credit Card Number: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Credit Card Expiration Date: ___/___/_____
Month Day Year

Print Name of the person who the credit card is issued to: _____

Signature of the person authorizing use of the credit card: _____

Date the form was completed: _____

FEE POLICY

- **FMCSA does not refund filing fees.**
- Your filing fees must be payable to the **Federal Motor Carrier Safety Administration**, by Electronic Funding Transfer, or by approved credit card.
- Electronic Funding Transfer must be from an account in a bank in the United States.
- Fees are required for each type of registration requested (e.g. motor carrier, broker). You may select more than one type of registration on a single MCSA-1, and submit a single payment for the total fees due. For example, if you wish to be registered as both a motor carrier and a broker, you may file a single MCSA-1 and make a single payment of $400.
- FMCSA will not process your MCSA-1 until your payment has been deducted from your banking or credit card account.

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

ATTACHMENTS TO SECTION G

TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT A
FOR SECTION G, 33
DRUG AND ALCOHOL TESTING
(BOX III 2)

Below I have listed:
(1) The name, address and position of the person or persons designated by me to be responsible for implementing and overseeing my alcohol and drug programs.
(2) The name, address, and telephone number of both my drug testing laboratory and my alcohol testing service. If the alcohol testing service information is identical to the information for the drug testing laboratory, I have written "Same" in the space for the alcohol testing service.

NAME	ADDRESS	POSITION

NAME OF DRUG TESTING LABORATORY	ADDRESS	TELEPHONE NUMBER

NAME OF ALCOHOL TESTING SERVICE	ADDRESS	TELEPHONE NUMBER

TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT B
FOR SECTION G, 33
ACCIDENT REGISTER
(BOX V 3)

☐ I am attaching a copy of my accident register for the last 12 months.
☐ I am beginning operations and the following explains how I will maintain my accident register once I begin operations in the U.S.:

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT C
FOR SECTION G, 33
ACCIDENT MONITORING PROGRAM
(BOX V 4)

The following fully describes my accident monitoring program for operations in the U.S.:

TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT D
FOR SECTION G, 33
PRODUCTION OF RECORDS
(BOX VI 2)

The following individual(s) is directed by me to respond to inquiries for records:

NAME	ADDRESS	TELEPHONE NUMBER

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

TO BE COMPLETED BY HAZARDOUS MATERIALS MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT E
FOR SECTION G, 33
HAZARDOUS MATERIALS (HM)
(BOX VII 6)

I am attaching a copy of the materials we employ to provide HM training. Below I have listed my employees (other than drivers) who are responsible for ensuring compliance with HM regulations and a description of the HM safety functions of each employee. I have also attached a copy of my training materials.

EMPLOYEE	DESCRIPTION OF HM SAFETY FUNCTION

UNITED STATES DEPARTMENT
OF TRANSPORTATION
Federal Motor Carrier Safety Administration

For FMCSA Use Only
Date Received: _____
Tracking Number: _____

TO BE COMPLETED BY MOTOR CARRIERS DOMICILED IN MEXICO ONLY

ATTACHMENT F
FOR SECTION G, 33
HOURS OF SERVICE MONITORING PROGRAM
(BOX VII 7)

I have attached to this application statements describing the monitoring procedures designed to ensure that my drivers complete logbooks correctly, and also describing my procedures for record keeping and review of drivers. If I have drivers operating under the "100 Air-Mile" exception, I have described the maintenance of these records by means of an attachment to this document.

The collection of this information is authorized under the provisions of 49 CFR 390-399.

Public reporting for this collection of information is estimated to be 20 minutes per response, including the time for reviewing instructions and completing and reviewing the collection of information. All responses to this collection of information are mandatory, and will be provided confidentiality to the extent allowed by law. Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The valid OMB Control Number for this information collection is 2126-0006. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-MBI, U.S. Department of Transportation, Washington, D.C. 20590.

BILLING CODE 4910–EX–C

XII. Rulemaking Analyses and Notices

Executive Order 12866 (Regulatory Planning and Review) and DOT Regulatory Policies and Procedures

FMCSA has determined that this action is a significant regulatory action within the meaning of Executive Order 12866, and is significant within the meaning of Department of Transportation regulatory policies and procedures (DOT Order 2100.5 dated May 22, 1980; 44 FR 11034, February 26, 1979) because it is expected to generate significant public interest. However, it is anticipated that the economic impact of the revisions in this rule would not exceed the annual $100 million threshold for economic significance. The Office of Management and Budget has reviewed this proposed rule.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), requires Federal agencies to analyze the impact of rulemakings on small entities, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The agency believes these proposals meet the threshold values for requiring an initial regulatory flexibility analysis (IRFA), since the proposed fees may have a significant impact on a substantial number of small entities. Therefore, FMCSA has prepared this IRFA.

The following sections contain FMCSA's IRFA analysis.

(1) *A description of the reasons why action by the agency is being considered.* This rule is required by the ICC Termination Act of 1995. ICCTA created a new 49 U.S.C. 13908, which directs the Secretary of Transportation to create a single, on-line Federal system to replace the multiple systems currently used by FMCSA to register interstate motor carriers.

One goal of the proposed rule is to streamline the current registration system, and thereby improve the efficiency of the process by which new entrant motor carriers receive USDOT Numbers and operating authority. Another goal is to enhance the fairness of the FMCSA registration process and equalize the filing burden among various groups of motor carriers (authorized for hire, exempt for hire, and private carriers, for instance).

Given these goals, FMCSA has proposed changes in the process by which new entrants register with FMCSA, including the forms that new entrant motor carriers and other applicants file, and the fees assessed for such filings.

(2) *A succinct statement of the objectives of, and the legal basis for, the proposed rule.* The primary objective of this proposal is to streamline the current motor carrier licensing, registration, and insurance filing processes by creating a single, on-line filing system managed by FMCSA. Under this proposal, motor carriers interested in operating in interstate commerce could file all licensing, registration, and insurance compliance documents with FMCSA on-line via the Internet or by mail. Another primary objective is to create uniformity in FMCSA filing requirements for motor carriers. Specifically, the goal is to treat all motor carriers the same, where possible, by eliminating filing distinctions among several types of motor carriers such as for-hire vs. private, and for-hire common vs. for-hire contract, so that where possible each motor carrier essentially files the same forms with FMCSA. As such, the agency proposes that some current FMCSA filing requirements be eliminated, while others be expanded to cover a broader pool of new and existing motor carriers.

As previously noted, this proposed action is responsive to the 49 U.S.C. 13908 directive to develop a single, on-line Federal system for identifying and registering entities within our jurisdiction. The Motor Carrier Safety Act of 1984 requires the Secretary to prescribe regulations on commercial motor vehicle safety. The regulations shall prescribe minimum safety standards for commercial motor vehicles (CMVs). At a minimum, the regulations shall ensure that: (1) CMVs are maintained, equipped, loaded, and operated safely; (2) the responsibilities imposed on operators of CMVs do not impair their ability to operate the vehicles safely; (3) the physical condition of operators of CMVs is adequate to enable them to operate the vehicles safely; and (4) the operation of CMVs does not have a deleterious effect on the physical condition of the operators (49 U.S.C. 31136(a)).

This NPRM is intended to streamline the registration process and ensure that FMCSA can more efficiently track CMVs and ensure their safe operation. As such, it imposes no operational responsibilities on drivers, and, consequently, implements the § 31136(a)(1) mandate that our regulations ensure that CMVs are maintained and operated safely.

(3) *A description of, and where feasible, an estimate of the number of small entities to which the proposed rule would apply.* The URS NPRM is fairly comprehensive in its scope. The majority of the individual proposals in URS apply to both new entrant and existing motor carriers. Regarding new entrants, FMCSA estimated in the regulatory evaluation accompanying this proposal that 47,535 motor carriers entered the industry each year between 1995–2002 seeking interstate authority. Roughly 23,400 of these new entrants are estimated to be non-exempt for-hire carriers, 20,300 are estimated to be exempt for-hire and private carriers, and the remaining 3,800 are other types of new registrants (including 1,922 brokers/freight forwarders, 1,200 Mexico-domiciled carriers, and 664 Other carriers). These estimates were derived from data contained in the MCMIS. The Regulatory Flexibility Act requires Federal agencies to analyze the impact of proposed and final rules on small entities. Small Business Administration (SBA) regulations (13 CFR part 121) define a ''small entity'' in the motor carrier industry by average annual receipts, which is currently set at $21.5 million per firm. FMCSA has developed a model that uses data from the 1997 Economic Census (U.S. Census Bureau), North American Industrial Classification System (NAICS) Code 484 ''Truck Transportation'' segments, to assist us in determining the number of small trucking entities potentially affected by our proposed rules. Examining all property carriers within NAICS Code 484, there are 100,048 for-hire trucking firms. Of these, 75,491, or roughly 75 percent, had annual receipts of less than $21.5 million. Because FMCSA does not have annual sales data on private carriers, the agency assumed the revenue and operations characteristics of the private new entrant firms would be similar to those of new entrant for-hire carriers. Using these assumptions, the agency estimates that almost 35,651 of the total 47,535 new entrants (or 75 percent) are considered small entities. This assumption is generally consistent with an alternative, industry-based approach used to estimate the number of small trucking firms, where size is defined by the number of power units (*i.e.*, tractors or single-unit trucks) owned or leased by motor carriers. MCMIS data indicate that 80 percent of new entrant motor carriers within the industry owned or leased six or fewer power units.

Regarding existing motor carriers (to which some of the URS insurance compliance filings apply), there were 674,771 motor carriers registered with FMCSA as of July 2004, according to the agency's Motor Carrier Management

Information System (MCMIS). However, only 494,126 of these are identified by a specific operations classification (*i.e.*, authorized for hire, private, exempt for hire, etc.), which is one approach FMCSA uses to identify those motor carriers currently operating in interstate commerce. The 180,645 motor carriers omitted here (or the difference between 674,771 and 494,126) are considered ''inactive'' for the purposes of this analysis. Most of these carriers are classified in MCMIS as authorized for hire, but the agency could not match their MCMIS records with those maintained in FMCSA's Licensing and Insurance (L&I) database, where all interstate, for hire carriers are required to maintain various licensing and insurance information in order to be considered ''active'' by the agency. This issue requires further study, but for this analysis, we assume the total, active population of existing motor carriers is currently 494,126. For this analysis, the agency will also assume that 75 percent of existing motor carriers are defined as small entities, since the 1997 Economic Census data indicates as much. Therefore, of the 494,126 current, active motor carriers, almost 371,000 are considered small entities.

As discussed in the regulatory evaluation accompanying this proposal, FMCSA estimated the economic impacts of the proposal separately for each major provision and estimated the impacts to new entrants and existing carriers separately. Since the costs associated with this proposed rule are generally one-time costs, we examined the first-year costs for this analysis. Looking at the first-year costs (and cost savings) of each provision to new entrants, the agency arrived at the following in Table 6:

TABLE 6

	In millions of dollars
Cost, Revising New Entrant Registration Fees	1.5
Cost Savings, Streamlining the Registration Process	−0.7
Cost, Requiring Process Agent Designation	1.5
Cost Savings, Eliminating Proof of Cargo Insurance	−0.1
Cost, Requiring Proof of Liability Insurance	0.07
Cost, Revising Other FMCSA Fees	[1] N/A

[1] The category ''Revising Other FMCSA Fees'' involves fees assessed to existing motor carriers, and therefore not applicable to new entrants.

The net costs of these provisions for new entrant motor carriers in a single year, 2004, would be $2.3 million (after rounding). Note that some of the figures in Table 6 represent cost savings from reduced filing burdens, which partially offset new compliance costs associated with this rule. As stated earlier, it is appropriate to examine only 1 year of costs (the first year in this instance), since these costs are, for the most part, one-time costs to new entrants during their first year of operation. Dividing the $2.3 million figure by 47,535 new entrants in 2004 yields an average compliance cost of $48 per new entrant carrier.

Data from the 1997 Economic Census, NAICS 484, the ''Truck Transportation'' segments, divides trucking firms into 11 revenue categories, beginning with those firms generating less than $100,000 in annual gross revenues and ending with those generating $100 million or more. The term *small trucking firms* is defined here as those that generate less than $21.5 million in annual revenues, of which there are eight specific revenue categories according to the 1997 Economic Census data. The annual revenue categories, the number of firms in each, and the average annual revenues of firms in each category are listed below in Table 7.

TABLE 7.—AVERAGE ANNUAL REVENUES OF SMALL TRUCKING FIRMS (NAICS 484, TRUCK TRANSPORTATION) BY REVENUE CATEGORY

Revenue category ($1,000s)	Number of firms	Average revenues per firm ($1,000s)	Average pre-tax profits per firm ($1,000s)	Compliance costs per firms ($48) as % of profits
< $100	11,865	53	3	1.6
100–249.9	20,959	162	8	0.6
250–499.9	14,492	356	17	0.3
500–999.9	11,193	705	35	0.1
1,000–2,499.9	9,730	1,558	48	0.1
2,500–4,999.9	4,218	3,461	105	0.05
5,000–9,999.9	2,190	6,869	165	<0.05
10,000–21,500	844	15,667	455	<0.05
Total	(100%) 75,491			

Source: 1997 Economic Census (Sales Size of Firms) published by the U.S. Census Bureau.

As seen in the above table, the average cost of the URS provisions per new entrant ($48) represents 1.6 percent of average pre-tax profits of the smallest firms (those with annual gross revenues less than $100,000). Note that this cost applies only during the first year of operation, since these costs are generally not annual or recurring. For the second smallest revenue group (those with annual gross revenues between $100,000 and $249,999), compliance costs represent 0.6 percent of average pre-tax profits in the first year.

Thus, for the two smallest revenue groups, which represent 43 percent of small carriers (for instance, (11,865+20,959)/75,491), pre-tax profits are reduced by far less than 1 percent on average in any given year within the analysis period. Extrapolating these results to the 35,651 small new entrants anticipated each year, there could be 15,330 carriers which have first-year pre-tax profits reduced by less than 1 percent as a result of this proposal. As stated earlier, this monetary impact would be a single-year reduction in profits generally speaking, since for the majority of new entrant carriers, the URS costs are not recurring. The remaining 57 percent of small new entrants could expect a reduction in pre-tax profits of less than 0.1 percent (or less than 1/10 of 1 percent) on average.

Regarding the impact on existing carriers, the costs of this proposed rule

would be lower. First-year costs are as follows in Table 8:

TABLE 8

	In millions of dollars
Cost, Process Agent Designation	19
Cost savings, Eliminating Cargo Insurance Filing	−0.3
Cost, Proof of Liability Insurance	1.4
Cost, Reinstatement Fee Increase	0.4
Cost, Revising Other FMCSA Fees	0.08

The net cost of the URS proposal to existing motor carriers in a single year, 2004, would be $20.6 million. Dividing this figure by the 494,126 existing carriers we estimated earlier are active in 2004 yields an average total of $42 in compliance costs per existing motor carrier.

(4) *A description of the proposed reporting, recordkeeping and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which would be subject to the requirement and the type of professional skills necessary for preparation of the report or record.* Under the URS proposal, all new entrant motor carriers, regardless of size, that are interested in operating in interstate commerce would file a single registration form with FMCSA known as the MCSA–1. Currently, roughly 55 percent of new entrant motor carriers (predominantly, non-exempt for-hire carriers) file three registration forms with FMCSA, the MCS–150, the MCS–150A, and the OP series form. FMCSA has estimated that combining the three forms into a single form would reduce the filing time of new entrant motor carriers by an average of 30 minutes per registration application. Most of the savings accrue to those currently required to fill out three forms. In addition, FMCSA is proposing to provide an on-line filing option for all of its registration and insurance compliance filings. The exact time savings is not yet known, because the newly-envisioned system has not yet been implemented. However, the agency is confident that additional time savings would accrue to those applicants that file their FMCSA registration and insurance compliance forms on-line. No special skills or training are required to file a new entrant registration form or the accompanying documents with FMCSA, at least relative to those currently required. Specifically, new entrant motor carriers are expected to have some basic level of industry knowledge prior to filing their FMCSA registration form, namely the commodities they anticipate they will be hauling, the equipment they will be using, and the number and types of drivers they will employ. However, new entrants will still have the option of filing paper forms with FMCSA, so no knowledge of personal computers or the Internet is required to register with FMCSA under this proposal.

(5) *An identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rule.* The agency is not aware of any Federal rules that duplicate, overlap, or conflict with the proposed rule.

With regard to the agency's current authority to assess user fees for the services it provides, guidance regarding fee levels for the new registration system is provided by 49 U.S.C. 13908, which indicates that the Secretary may assess a fee to cover all costs associated with upgrading and operating the registration system. Additionally, guidance provided by the Office of Management and Budget in Circular A–25, ''User Charges,'' is consistent, since it states that ''each service, sale or use of Government goods or resources provided by an agency to specific recipients be self-sustaining.''

(6) *Description of significant alternatives that accomplish the stated objectives and minimize the impact on small entities.* In proposing the changes discussed in this NPRM, FMCSA attempted to comply with the Title 49 U.S.C. 13908 mandate that the agency implement a single, on-line Federal registration system, while also achieving its own goals: namely to streamline the overall motor carrier registration process, to enhance its fairness in terms of equalizing the filing burden among various groups of motor carriers, and most importantly, to improve industry safety.

With these (sometimes competing) objectives in mind, FMCSA considered several alternatives to the proposal discussed here, in an effort to minimize the potential new filing burden on small entities. For instance, FMCSA did consider exempting existing carriers from certain new filing requirements (via a grandfather clause), with the idea that it would minimize the compliance costs of this proposal. However, while reducing compliance costs (and thereby improving filing efficiency), it would also have reduced, not enhanced, the fairness of the motor carrier registration process relative to the status quo by placing higher burdens on new entrants than existing carriers. As such, it would have acted as a barrier to entry to small new entrants to the benefit of existing carriers. Conversely, the agency also considered a proposal to exempt new entrants from these requirements, but dismissed this on the grounds that it too would have reduced the fairness of the registration process. Additionally, either option would have reduced safety relative to the proposal discussed here. And exempting new entrants from various requirements would not have assisted small entities over larger ones, given that the composition of the new entrant carriers is similar to that of the overall existing population (namely, 80 percent have six or fewer power units).

The agency also considered removing the process agent designation filing requirement on the grounds that it was the most costly of the initiatives in this proposal. However, the agency dismissed this option because FMCSA division administrators felt that this particular filing requirement had the best potential to increase industry safety by improving the productivity of the agency's safety investigators (thereby allowing them to initiate additional compliance reviews). Additionally, the process agent designation filing requirement also enhances the fairness of the agency's registration process.

Lastly, in examining the overall burden of this proposal to small entities, the agency has countered some of its new (cost inducing) proposals with several actions that would reduce the filing burden of new entrant and existing motor carriers. The cost savings associated with these provisions would partially offset the compliance costs of this proposal, resulting in average total compliance costs of $48 per new entrant and $42 per existing carrier in any single year of the 10-year analysis period. Since such costs are expected to reduce pre-tax profits of small entities by less than 1 percent in a given year, the agency believes the impact on small entities has effectively been minimized with the current proposal, while trying to meet its stated goals and Congress' mandate.

Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 [Pub. L. 104–4; 2 U.S.C. 1532) requires each agency to assess the effects of its regulatory actions on State, local, and tribal governments and the private sector. Any agency promulgating a rule likely to result in a Federal mandate requiring expenditures by a State, local, or tribal government or by the private sector of $120.7 million or more in any one year must prepare a written statement incorporating various assessments, estimates, and descriptions

that are delineated in the Act. FMCSA has determined that the changes proposed in this rule would not have an impact of $120.7 million or more in any one year.

National Environmental Policy Act

The agency analyzed this final rule for the purpose of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*) and determined under our environmental procedures Order 5610.1, issued March 1, 2004 (69 FR 9680), that this action is categorically excluded (CE) under Appendix 2, paragraphs 6.e and 6.h of the Order from further environmental documentation. The CE under Appendix 2, paragraph 6.e. relates to establishing regulations and actions taken pursuant to the regulations concerning applications for operating authority and certificates of registration. The CE under Appendix 2, paragraph 6h relates to establishing regulations and actions taken pursuant to the regulations implementing procedures to collect fees that will be charged for motor carrier registrations and insurance for the following activities: (1) Application filings; (2) Records searches; (3) Reviewing, copying, certifying, and related services. In addition, the agency believes that this action includes no extraordinary circumstances that would have any effect on the quality of the environment. Thus, the action does not require an environmental assessment or an environmental impact statement.

We have also analyzed this rule under the Clean Air Act, as amended (CAA), section 176(c) (42 U.S.C. 7401 *et seq.*), and implementing regulations promulgated by the Environmental Protection Agency. Approval of this action is exempt from the CAA's General conformity requirement since it involves policy development and civil enforcement activities, such as, investigations, inspections, examinations, and the training of law enforcement personnel. See 40 CFR 93.153(c)(2). It will not result in any emissions increase nor will it have any potential to result in emissions that are above the general conformity rule's *de minimis* emission threshold levels. Moreover, it is reasonably foreseeable that the rule change will not increase total CMV mileage, change the routing of CMVs, how CMVs operate or the CMV fleet-mix of motor carriers. This notice of proposed rulemaking was mandated under section 103 of ICCTA. It would consolidate and simplify the Federal registration processes and increase public accessibility to data about interstate and foreign motor carriers, property brokers, and freight forwarders.

Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3520), a Federal agency must obtain approval from the Office of Management and Budget (OMB) for each collection of information it conducts, sponsors, or requires through regulations. FMCSA analyzed this proposal and determined its implementation would streamline the information collection burden on motor carriers, relative to the baseline, or current paperwork collection process. This includes making the FMCSA registration and insurance filing processes more efficient, implementing on-line filing of FMCSA requirements, where practical, as well as eliminating some outdated filing requirements. These benefits would be partially offset by the proposal to extend certain existing filing requirements to additional groups of carriers within the industry.

Streamlined registration process. FMCSA exercises both economic and safety oversight of for-hire non-exempt carriers. Currently, they must apply for operating authority (economic registration) and obtain a USDOT Number (safety registration) using separate paper forms. Under URS, the process would be streamlined so that a single application form would accomplish both economic and safety registration. Questions from various economic registration forms would be transferred to the MCSA–1, redundant questions removed, and most economic registration forms eliminated. For hire, non-exempt carriers no longer would need to determine which form to use.

Private and for-hire exempt carriers, because they are subject only to FMCSA safety oversight, would use the MCSA–1 form and disregard questions concerning economic registration. Elimination of economic registration forms would have no impact on this group of carriers.

Increases due to extending filing requirements to private and for-hire exempt carriers. Because private and exempt for-hire carriers are not currently required to designate a process agent, the agency assumes all of them would file proof of process agent designation in the first year after the NPRM becomes a final rule. Extending process agent filing requirements to existing private and for-hire exempt carriers would account for 319,000 of the proposed 339,305 hour burden increase. In subsequent years, the burden would substantially decrease.

Similarly, most existing private and for-hire exempt carriers would need to file proof of financial responsibility with the agency in the first year the rule becomes final. Current regulations require them to maintain this proof at their principal place of business for inspection during a compliance review, but there is no requirement to file with the agency. The requirement to file with the agency would increase the proposed burden hours by 18,560 hours in the first year. This increase is offset by a 4,927 burden hour reduction attributed to eliminating the cargo insurance filing requirement for a net increase of 13,633 hours.

Nonetheless, the agency believes the overall net result would be a more streamlined process for FMCSA registration for all motor carrier applicants.

This proposal would create a new information collection to cover the requirements in proposed FMCSA Form MCSA–1. There are also six currently-approved information collections that would be affected by this NPRM: OMB Control No. 2126–0013, titled ''Motor Carrier Identification Report,'' OMB Control No. 2126–0015, titled ''Designation of Agents, Motor Carriers, Brokers and Freight Forwarders,'' OMB Control No. 2126–0016, titled ''Revision of Licensing Application Forms, Application Procedures, and Corresponding Regulations,'' OMB Control No. 2126–0017, titled ''Financial Responsibility, Trucking, and Freight Forwarding,'' OMB Control No. 2126–0018, titled ''Request for Revocation of Authority Granted,'' and OMB Control No. 2126–0019, titled ''Application for Certificate of Registration for Foreign Motor Carriers and Foreign Motor Private Carriers.'' The total burden hours for the six currently approved information collections noted above are 208,190. Table 9 captures the current and proposed burden hours associated with the six currently approved information collections.

TABLE 9.—CURRENT AND PROPOSED INFORMATION COLLECTION BURDENS

OMB approval No.	Burden hours currently approved	Burden hours proposed [1]	Change
2126–NEW	0	176,743	176,743
2126–0013	74,896	2,457	(72,439)
2126–0015	5,000	344,305	339,305
2126–0016	59,001	2,043	(56,958)
2126–0017	45,225	58,858	13,633
2126–0018	250	0	(250)
2126–0019	23,818	0	(23,818)
Total	208,190	584,406	376,216

[1] The estimates in this column reflect first year burdens. Many of these information collections would significantly decrease in later years.

Following is an explanation of how each of the seven information collections shown above would be impacted by this proposal.

OMB Control No. 2126–NEW. The estimated paperwork burden for the proposed MCSA–1 would be 176,743 burden hours [102,993 hours for new entrants (47,535 new entrants × 2 hours, 10 minutes per form, divided by 60 minutes) + 73,750 hours for biennial updates (295,000 carriers required to file in year 1 × 15 minutes per form, divided by 60 minutes)].

OMB Control No. 2126–0013. In this proposal, all requirements under this information collection, except those related to Form MCS–150B and applications by certain Mexico-domiciled carriers, would be folded into OMB Control No. 2126–NEW (see above). The Form MCS–150B is used to apply for a Hazardous Materials Safety Permit and is not being incorporated under the Unified Registration System in this proposal. Of the 74,896 hours, 646 are attributed to the Form MCS–150B and 1,811 hours are attributed to the Form MCS–150 filed by Mexico-domiciled motor carriers registering to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. As a result, this information collection would result in a net decrease of 72,439 burden hours.

OMB Control No. 2126–0015. This information collection would increase by 339,309 burden hours (20,309 new entrant carriers × 1 hour) + (319,000 existing carriers × 1 hour). This is due to FMCSA's proposal to extend the service of process agent filing requirement to include private carriers and exempt for-hire carriers. Although process agents are not currently required for these carriers, it is common practice for them to designate a process agent. This estimate includes 20,309 new entrant carriers expected to file annually, and 319,000 existing carriers who must file process agent designations within year one of the rule. FMCSA conservatively assumes that no existing private and exempt for-hire motor carriers currently has a process agent and that all will file proof with FMCSA as a result of this NPRM.

Later year burdens would decrease to include approximately 20,309 new entrant carriers and 10% of existing carriers who make changes to the BOC–3 form annually.

OMB Control No. 2126–0016. Under this proposal, all requirements included in this information collection, except those relating to form OP–1(MX), would be folded into OMB Control No. 2126–NEW (see above). This information collection is currently approved at 59,001 burden hours. The 59,001 hours includes 2,043 burden hours associated with Mexico-domiciled carriers completing the form OP–1(MX) to operate between Mexico and points in the United States beyond border commercial zones along the U.S.-Mexico international border. Although currently approved by OMB, this portion of the burden is not currently being performed at this time and is not proposed to be incorporated under the Unified Registration System at this time. Thus, the information collection would result in a net decrease of 56,958.

OMB Control No. 2126–0017. Changes would be required to this information collection due to FMCSA's proposal to (1) require exempt for-hire motor carriers and private interstate motor carriers of hazardous materials to file proof of liability insurance with FMCSA, and to (2) eliminate ''cargo insurance filings'' and ''cancellation of cargo insurance filings.'' The proposal to require exempt for-hire motor carriers and private interstate motor carriers of hazardous materials to file proof of liability insurance with FMCSA would increase the annual burden hours by 18,560 [893 for new entrants (5,356 new entrant carriers × 10 minutes per carrier, divided by 60 minutes) + 17,667 for existing carriers filing in year one (106,000 existing carriers × 10 minutes per carrier filing, divided by 60 minutes)]. In later years, the burden estimate would decrease to include 5,356 new entrant carriers annually and 20% of existing carriers who annually change their insurance information.

The proposal to eliminate ''cargo insurance filings'' would decrease the annual burden hours by 4,927 [1,594 for new entrants (the elimination of 9,566 new entrant carriers × 10 minutes per form, divided by 60 minutes) + 3,333 for existing carriers making cargo insurance re-filings in year one (the elimination of 20,000 existing carriers × 10 minutes per form, divided by 60 minutes). This results in a net increase of 13,633 burden hours for this information collection (+18,560 − 4,927 = 13,633).

OMB Control No. 2126–0018. Under this proposal, the requirements included in this information collection would be folded into OMB Control No. 2126–NEW (see above), resulting in a net decrease of 250 burden hours.

OMB Control No. 2126–0019. Under this proposal, the requirements included in this information collection would be folded into OMB Control No. 2126–NEW (see above), resulting in a net decrease of 23,818 burden hours.

The proposals contained in this NPRM, affecting six currently-approved information collections and one new information collection, would result in a net increase of 376,216 burden hours in the agency's information collection budget.

FMCSA requests comments on whether the collection of information is necessary for the agency to meet its goal of reducing truck crashes, including: (1) Whether the information is useful to this goal; (2) the accuracy of the estimated information collection burden; (3) ways to enhance the quality, utility, and clarity of the information

collected; and (4) ways to minimize the information collection burden on respondents, including the use of automated collection techniques or other forms of information technology.

You may submit to the Office of Management and Budget (OMB) comments on the information collection burden addressed by this NPRM. The OMB must receive your comments by August 17, 2005. You must mail or hand deliver your comments to: Attention: Desk Officer for the Department of Transportation, Docket Library, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, 725 17th Street, NW., Washington, DC 20503.

Executive Order 12630 (Taking of Private Property)

This proposed rule would not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

Executive Order 12988 (Civil Justice Reform)

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

Executive Order 13045 (Protection of Children)

Executive Order 13045, ''Protection of Children from Environmental Health Risks and Safety Risks'' (April 23, 1997, 62 FR 19885), requires that agencies issuing economically significant rules, which also concern an environmental health or safety risk that an agency has reason to believe may disproportionately affect children, must include an evaluation of the environmental health and safety effects of the regulation on children. Section 5 of Executive Order 13045 directs an agency to submit for a covered regulatory action an evaluation of its environmental health or safety effects on children.

The agency has determined that this proposed rule is not a covered regulatory action as defined under Executive Order 13045. This determination is based upon the fact that this proposed rule is not economically significant under Executive Order 12866, because the changes proposed in this rule would not have an impact of $100 million or more in any one year. This proposal would not concern an environmental health risk or safety risk that would disproportionately affect children.

Executive Order 13132 (Federalism)

This proposed rule has been analyzed in accordance with the principles and criteria in Executive Order 13132, dated August 4, 1999 (64 FR 43255, August 10, 1999). FMCSA has determined that this proposal would not have significant Federalism implications or limit the policymaking discretion of the States.

Executive Order 12372 (Intergovernmental Review)

The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this program.

Executive Order 13211 (Energy Supply, Distribution, or Use)

FMCSA has analyzed this proposed rule under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. This proposal is not a significant energy action within the meaning of section 4(b) of the Executive Order. This proposal is a procedural action, is not economically significant, and will not have a significant adverse effect on the supply, distribution, or use of energy.

Privacy Act

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477–78) or you may visit *http://dms.dot.gov*.

List of Subjects

49 CFR Parts 360

Administrative practice and procedure, Brokers, Buses, Freight forwarders, Hazardous materials transportation, Highway safety, Insurance, Motor carriers, Motor vehicle safety, Moving of household goods, Penalties, Reporting and recordkeeping requirements, Surety bonds.

49 CFR Part 365

Administrative practice and procedure, Brokers, Buses, Freight forwarders, Motor carriers, Moving of household goods.

49 CFR Part 366

Brokers, Motor carriers.

49 CFR Part 368

Administrative practice and procedure, Insurance, Motor carriers.

49 CFR Part 387

Buses, Freight, Freight forwarders, Hazardous materials transportation, Highway safety, Insurance, Intergovernmental relations, Motor carriers, Motor vehicle safety, Moving of household goods, Penalties, Reporting and recordkeeping requirements, Surety bonds.

For the reasons stated in the preamble, the Federal Motor Carrier Safety Administration proposes to amend title 49, Code of Federal Regulations, chapter III, subchapter B as set forth below:

1. Amend Chapter III by revising part 360 to read as follows:

PART 360—REGISTRATION

Subpart A—Registration Procedures

Sec.

360.1 What are the definitions of terms used in this part?
360.3 Who must register?
360.5 When must I register?
360.7 Where must I register?
360.9 What is involved in registering for a USDOT Number?
360.11 What general certifications must I make in my registration application?
360.13 How will FMCSA process my application?
360.15 For what reasons may FMCSA deny my application?
360.17 Can I appeal the denial of my application?
360.19 May I withdraw my application before processing has been completed?
360.21 If FMCSA rejects, denies or dismisses my application or revokes my registration for any reason, how do I start the process again?
360.23 When does my registration become permanent?
360.25 When must I update my registration?
360.27 What penalties may FMCSA impose if I fail to register or update my information or if I furnish misleading information?
360.29 What happens to my Motor Carrier (MC), Mexico-Domiciled Carrier (MX), or Freight Forwarder (FF) number after [24 months after the effective date of the final rule]?

Subpart B—How To Oppose a Request For Permanent USDOT Registration by a Motor Carrier, Broker or Freight Forwarder That Is Subject to 49 U.S.C. Chapter 139

360.101 Who may oppose a request for permanent USDOT registration by a motor carrier, broker or freight forwarder that is subject to 49 U.S.C. chapter 139?
360.103 When must a protest be filed?
360.105 What must be included in the protest?
360.107 How will FMCSA process the protest?

360.109 How do I withdraw my protest?

Subpart C—[Reserved]

Subpart D—Operations by Mexico-domiciled Motor Carriers in the Border Commercial Zones

360.301 Must I register?
360.302 What is involved in registering for a USDOT Number under subpart D of this part?
360.303 [Reserved]
360.305 How will FMCSA process my application?
360.307 What registration-related documents must I carry in my vehicle?

Subpart E—Fees for Registration and Related Services

360.401 What fees must I pay for registration and registration-related services?
360.403 What methods of payment will FMCSA accept for registration and registration-related services?
360.405 What is FMCSA policy regarding a dishonored charge card or credit card or electronic funds transfer (EFT)?
360.407 How do I request a reduced or waived fee?
360.409 What information must be included in my waiver request?
360.411 How will FMCSA process my waiver request?
360.413 May I obtain a refund of the filing fee or other related fees?
360.415 How do I make my insurance filing and what are the fees associated with the filing?
360.417 Must my insurer, surety company, or financial institution establish an account that will allow it to make insurance filings with FMCSA?
360.419 What are the fees for record searching, reviewing, copying, certifying, and related services?
360.421 How will FMCSA update user fees?

Subpart F—Special Requirements for Transportation of Household Goods

360.501 Must I offer arbitration to individual shippers if I register to provide household goods transportation services?
360.503 If I transport household goods, must I certify that I have a tariff in effect?

Subpart G—How To Designate Agents for Service of Process

360.601 Who must designate service of process agents?
360.603 How do I designate agents for service of process with FMCSA?
360.605 For which jurisdictions must I designate service of process agents?
360.607 What are the requirements for my designees?
360.609 May I make blanket designations?
360.611 How must I change or cancel a designation?

Subpart H—Cancellation, Reinstatement and Deactivation of USDOT Registration

360.701 What procedures must I follow to cancel my USDOT registration?
360.703 How will FMCSA process a request to cancel a USDOT registration?
360.705 For what other reasons will FMCSA deactivate my USDOT registration?
360.707 040 Can I reinstate an inactive USDOT registration?

Authority: 5 U.S.C. 553 and 559; 31 U.S.C. 9701; 49 U.S.C. 502, 503, 504, 13101, 13301, 13303, 13304, 13901–13908, 14504, 14708, 31136, 31138, 31139, 31142, 31144, 31145, 31301 *et seq.*, and 31501 *et seq.*, and 49 CFR 1.73.

Subpart A—Registration Procedures

§ 360.1 What are the definitions of terms used in this part?

The definitions for many terms used in this part are found in § 390.5 of this subchapter. Other terms used in this part are defined as follows:

(a) *Border commercial zones* means municipalities in the United States on the U.S.-Mexico international border or the commercial zones of such municipalities, as defined in 49 CFR part 372, and Dona Ana and Luna Counties in New Mexico.

(b)(1) *Freight forwarder* means an individual or entity engaged in interstate commerce that holds itself out to the general public (other than as a pipeline, rail, motor or water carrier) to provide transportation of property for compensation and in the ordinary course of its business:

(i) Assembles and consolidates, or provides for assembling and consolidating, shipments and performs or provides for break-bulk and distribution operations of the shipments;

(ii) Assumes responsibility for the transportation from the place of receipt to the place of destination; and

(iii) Uses for any part of the transportation a carrier subject to jurisdiction under 49 U.S.C. 10101 *et seq.*

(2) The term does not include a person using transportation of an air carrier subject to part A of 49 U.S.C. 40101 *et seq.*

(c) *FTA grantee* means a motor carrier of passengers that receives grants from the Federal Transit Administration either directly or through a third-party contract to provide passenger transportation in a transit service area under an agreement with a State or local government.

(d) *Interstate transportation* means transportation described at 49 U.S.C. 13501, and transportation in the United States otherwise exempt from the Secretary's jurisdiction under 49 U.S.C. 13506(b)(1).

(e) *Mexico-domiciled motor carrier* means a motor carrier of property or passengers whose principal place of business is located in Mexico.

(f) *Process agent* means a person who will accept legal and administrative filings and notices on behalf of the applicant.

(g) *Property broker* means an individual or entity engaged in interstate commerce that, for compensation, arranges or offers to arrange the transportation of property by a for-hire motor carrier that must register under 49 U.S.C. chapter 139. Motor carriers, or persons that are employees or bona fide agents of carriers, are not brokers within the meaning of this section when they arrange or offer to arrange the transportation of shipments which they are authorized to transport and which they have accepted and legally bound themselves to transport.

(h) *Protest* means a filing by a person wishing to oppose an application for registration filed under the provisions of 49 U.S.C. chapter 139.

(i) *Protestant* means a person filing a valid protest pursuant to subpart B of this part.

§ 360.3 Who must register?

(a) You must register with the Federal Motor Carrier Safety Administration and obtain a USDOT Number if you are:

(1) An interstate for-hire motor carrier of property or passengers;

(2) A private carrier of property or passengers operating in interstate commerce;

(3) A Mexico-domiciled motor carrier of property or passengers that wants to operate within the border commercial zones;

(4) A property broker engaged in interstate commerce; or

(5) A freight forwarder engaged in interstate commerce.

(b) If you perform operations as more than one type of entity, such as a carrier and a broker, you must register each entity with FMCSA and pay a filing fee for each registration.

(c) A motor carrier that is required to obtain a USDOT Number under 49 U.S.C. 13901 but fails to register its operations as required, or operates beyond the scope of its registration, is subject to applicable civil and/or criminal penalties and out-of-service orders.

§ 360.5 When must I register?

You must register and obtain your assigned USDOT registration number before you begin operations in interstate commerce.

§ 360.7 Where must I register?

(a) You must register either on the FMCSA Web site or by mail.

(b) You may file on-line, obtain the registration form and instructions from

any FMCSA field office, download them from the FMCSA Web site, or you may request the registration form by calling 1–800–832–5660 (or 001–800–832–5660 from Mexico).

(c) Assistance in completing the application is available from all FMCSA Service Centers and Division offices nationwide, or by calling 1–800–832–5660 (or 001–800–832–5660 from Mexico).

§ 360.9 What is involved in registering for a USDOT Number?

In order to be issued a USDOT Number, you must:

(a) Submit a complete and accurate Form MCSA–1—FMCSA Registration Form (USDOT Number Application) that is prepared in English and accompanied by fees. If you file a hard-copy application, it must have all required signatures.

(b) Ensure that your insurance company or other financial responsibility provider files with FMCSA the appropriate form(s) as prescribed under part 387 of this subchapter, if you are:

(1) An interstate for-hire motor carrier;

(2) A private carrier transporting hazardous materials in interstate commerce;

(3) A property broker; or

(4) A freight forwarder.

(c) File, or have a process service agent file on your behalf, a Form BOC–3—Designation of Agents—Motor Carriers, Brokers, and Freight Forwarders with FMCSA. You must either submit Form BOC–3 with your application or indicate on the Form MCSA–1 that you will use a process agent service that will submit the form electronically.

(d) Make the certification required under § 360.11.

(e) Meet applicable household goods requirements described under subpart F of this part.

(f) Have tariffs in effect to the extent applicable before beginning operations.

(g) Comply with subpart D of this part if you are a Mexico-domiciled motor carrier seeking authority to operate within the border commercial zones.

§ 360.11 What general certifications must I make in my registration application?

(a) If you operate a commercial motor vehicle, as defined in § 390.5 of this title, you must certify that you:

(1) Have a system in place to ensure compliance with all applicable requirements of the Federal Motor Carrier Safety Regulations and the Hazardous Materials Regulations, including driver qualifications, hours of service, alcohol and controlled substances testing, vehicle condition and maintenance, crash monitoring, and hazardous materials transportation;

(2) Are willing and able to provide the proposed service; and

(3) Will comply with all pertinent statutory and regulatory requirements; and

(4) Are not currently disqualified from operating a commercial motor vehicle in any State or the United States under the provisions of the Motor Carrier Safety Improvement Act of 1999.

(b) If you fail to make the necessary certifications, FMCSA will reject your application.

§ 360.13 How will FMCSA process my application?

The application process for motor carriers that are required to register under § 360.3 is comprised of three steps.

(a) *Step One—Initial Screening.* During the initial screening, FMCSA will:

(1) Issue a tracking number. This is a temporary number used only to track the application until a USDOT Number has been assigned. The tracking number must be used to make initial financial responsibility filings under part 387 of this title. The tracking number is also used when filing the Form BOC–3—Designation of Agents—Motor Carriers, Brokers and Freight Forwarders to designate an agent for service of process as required under subpart G of this part.

(2) Review your application for correctness, completeness, and adequacy of evidence;

(3) Correct minor errors without notifying you;

(4) Review your application for consistency with the agency safety fitness policy set forth in part 385 of this title;

(5) Validate the accuracy of information and certifications provided in the application.

(6) Reject your application for any of the following reasons:

(i) The application is not completed in English;

(ii) The application does not include the appropriate fees, as set forth in § 360.401;

(iii) The application is not complete as described under § 360.9;

(iv) You have an ''Unsatisfactory'' safety fitness rating when the application is filed;

(v) You own or control a company that is currently subject to an out-of-service order or has a current Unsatisfactory safety rating;

(vi) You previously owned or controlled a company that is currently subject to an out-of-service order or has a current Unsatisfactory rating that was imposed during your ownership or control.

(6) If you have not filed Form BOC–3 with your application because you will be using a process agent service, that service must file a list of agents for service of legal process in each State in which you intend to operate. The service must file this information with FMCSA within 90 days of the date that the application is submitted. If the required filing is not made within the 90-day period, FMCSA will dismiss your application, and the registration fee will not be refunded.

(7) If you are a for-hire motor carrier, a private carrier of hazardous materials, a broker or a freight forwarder, you must obtain the appropriate insurance, surety bond or trust fund as required in part 387 of this title. Your insurer, surety company or financial institution must electronically file evidence of coverage with FMCSA pursuant to § 360.415 within 90 days of the date that the application is submitted. If the required filing is not made within the 90-day period, FMCSA will dismiss your application, and the registration fee will not be refunded.

(8) If you are a Mexico-domiciled motor carrier that operates exclusively within the border commercial zones, you are not required to file evidence of financial responsibility with FMCSA. However, you must carry appropriate evidence of insurance in all vehicles operated in the United States as required under § 387.7(b)(3) of this title.

(b) *Step Two—Issuance of provisional registration.* (1) If your application meets all applicable requirements under step one of the application process described in paragraph (a) of this section, the agency will issue you a USDOT Number and provisional registration. You may begin operations under provisional registration if you are not subject to registration under 49 U.S.C. chapter 139. Provisional registration will be revoked if you do not successfully complete the other registration requirements.

(2) Freight forwarders and brokers are not issued provisional registration. If your registration application is not successfully opposed, registration is permanent when FMCSA issues it at the conclusion of the protest process prescribed under subpart B of this part.

(3) Registrations under 49 U.S.C. chapter 139, except Mexico-domiciled motor carriers operating exclusively within the border commercial zones, are subject to additional procedures under paragraph (c) of this section before provisional registration may be granted.

(4) After you are issued a provisional registration, you must successfully complete the New Entrant Safety Assurance Program under subpart D of part 385 of this title, which includes an 18-month monitoring program and a safety audit. Mexico-domiciled carriers operating exclusively within the border commercial zones are required to successfully complete a safety monitoring system under subpart B of part 385 of this title, instead of the New Entrant Safety Assurance Program.

(c) *Step Two(a)—Special procedure for certain 49 U.S.C. chapter 139 registrations.* (1) If you are subject to registration under 49 U.S.C. chapter 139 and your application passes the initial screening, FMCSA will publish a notice of your request for registration in the FMCSA Register to provide the public an opportunity to oppose pursuant to subpart B of this part. After publication, interested persons may request a copy of the application by contacting FMCSA.

(2) Applications by Mexico-domiciled motor carriers seeking to operate only within the border commercial zones may not be opposed, and notice of such applications for registration will not be published in the FMCSA Register. Private and exempt for-hire carriers are not subject to 49 U.S.C. chapter 139 and their applications for registration likewise may not be opposed, and notice of such applications for registration will not be published in the FMCSA Register.

(3) Once the application is filed, you may supplement evidence only with FMCSA approval. Amendments to the application generally are not permitted, but in appropriate instances may be entertained at the discretion of FMCSA.

(4) *Serving copies of pleadings.* An applicant must serve all pleadings and letters on FMCSA and all known participants in the proceeding, except that a reply to a motion need only be served on the moving party. A protestant need serve only FMCSA and applicant with pleadings or letters.

(5) *Replies to motions.* Replies to motions filed under this part are due within 5 days of the date the motion is filed at FMCSA.

(6) *Modified proceedings.* FMCSA will handle applications under paragraph (b)(2)(i) of this section using the modified procedures, if possible. The applicant and protestants send statements made under oath (verified statements) to each other and to FMCSA. There are no personal appearances or formal hearings.

(d) *Step Three—Issuance of permanent registration.* A motor carrier will be issued permanent registration only after complying with paragraph (b)(4) of this section.

§ 360.15 For what reasons may FMCSA deny my application?

After your application passes the initial screening described under § 360.13(a), FMCSA may deny the application if it determines, based on a valid protest filed under subpart B of this part or other evidence, that:

(a) You do not have a system in place to ensure compliance with all applicable requirements of the Federal Motor Carrier Safety Regulations and the Hazardous Materials Regulations, as applicable; or

(b) You are not willing and able to provide the proposed service and comply with all pertinent statutory and regulatory requirements.

§ 360.17 Can I appeal the denial of my application?

You have the right to appeal denial of your application. The appeal must specify in detail why FMCSA's decision to deny the application was wrong. The appeal must be a written request to the Director, Office of Information Management, and sent by mail, fax or electronically within 20 days of the date of the letter denying the application. The decision of the Director will be the final agency order.

§ 360.19 May I withdraw my application before processing has been completed?

You may withdraw your application before processing has been completed by notifying FMCSA in writing. Your registration fee will not be refunded.

§ 360.21 If FMCSA rejects, denies or dismisses my application or revokes my registration for any reason, how do I start the process again?

(a) To restart the registration process after rejection, denial or dismissal of your application or revocation of your registration, follow the application procedures in § 360.9 and pay the applicable registration fee under § 360.401.

(b) To restart the registration process after your registration has been revoked, you must wait until 30 days after the effective date of the revocation before reapplying for registration.

(c) If your registration has been cancelled or made inactive, see § 360.707 for the process to reinstate or reactivate your registration.

§ 360.23 When does my registration become permanent?

(a) Your motor carrier registration becomes permanent after you satisfactorily complete the new entrant safety assurance process in part 385, subpart D of this title, if you are subject to those requirements.

(b) Brokers and freight forwarders are not issued provisional registration. Their registration is permanent when FMCSA issues it at the conclusion of the publication and protest process described in subpart B of this part.

§ 360.25 When must I update my registration?

(a)(1) *Biennial update.* You must update your registration every 24 months as prescribed in this section by filing an updated Form MCSA–1 and completing only the data indicated in the form instructions.

(2) You must file the biennial registration update in the month indicated in the table to this section based upon the last digit of your USDOT Number.

TABLE TO § 360.25

USDOT number with the last digit of	Must file by last day of
1	January.
2	February.
3	March.
4	April.
5	May.
6	June.
7	July.
8	August.
9	September.
0	October.

(3) You must file the biennial registration update in the year based upon the next-to-last digit of the USDOT Number. If the next-to-last digit of your USDOT Number is odd-numbered (1, 3, 5, 7, or 9), you must file your update in every odd-numbered calendar year. If the next-to-last digit of the USDOT Number is even-numbered (0, 2, 4, 6, or 8), you must file your update in every even-numbered calendar year.

(4) If you fail to file the biennial registration update, furnish misleading information, or make a false statement on your biennial registration update, you are subject to the civil penalties prescribed in 49 U.S.C. 521(b)(2)(B) and 49 U.S.C. 14901(a).

(5) If you register in a State that participates in the PRISM program, you are not required to file biennial updates with FMCSA provided you file all the required information with the appropriate State office. You are also subject to the penalties under paragraph (a)(4) of this section for filing false or misleading information and are required to make the filings under paragraph (b) of this section.

(b) Change in legal name, form of business, or address of registered

entities. Changes are permitted in the legal name, form of business, or address of a registered entity, provided that there is no change in the ownership, management, or control. Within 20 days of any change in legal name, form of business, or address, you must file:

(1) A revised Form MCSA–1 reflecting the change(s); and

(2) A certification confirming that there has been no change in the ownership, management, or control of the registered entity.

(c) Failure to make the certification required in paragraph (b)(2) of this section, or making a false certification, will result in revocation of the USDOT Number 30 days after FMCSA notifies you that the certification is either missing or false, unless acceptable correction follows.

(d) If you receive notification as provided under paragraph (c) of this section that your USDOT Number will be revoked, you have the right to appeal. The appeal must specify in detail why FMCSA's decision to revoke your USDOT Number was in error. The appeal must be submitted in writing to the Director, Office of Information Management, and sent by mail, or FAX, or electronically, within 30 days of the date of the letter advising that your USDOT Number will be revoked. The decision of the Director will be the final agency order.

§ 360.27 What penalties may FMCSA impose if I fail to register or update my information or if I furnish misleading information?

You may be subject to civil and/or criminal penalties under 49 U.S.C. 521 and 49 U.S.C. chapter 149 for:

(a) Operating in interstate commerce before you have registered with FMCSA and have obtained a USDOT Number;

(b) Failing to update your registration biennially or every time you change your form of business; legal name, or address, as set forth in § 360.25 of this part;

(c) Continuing to operate in interstate commerce after cancellation or revocation of your registration; or

(d) Furnishing false or misleading information.

§ 360.29 What happens to my Motor Carrier (MC), Mexico-Domiciled Carrier (MX), or Freight Forwarder (FF) number after [24 months after the effective date of the final rule]?

(a) The Motor Carrier (MC), Mexico-domiciled Carrier (MX) and Freight Forwarder (FF) numbers will be cancelled [insert date twenty-four months after the effective date of this rule]. You will no longer be allowed to use them for identification purposes but will not be required to remove these markings from your commercial motor vehicle.

(b) Before [24 months after the effective date of the final rule], FMCSA will issue a USDOT Number to those entities that only have an MC, MX, or FF number. These entities include brokers, freight forwarders, and motor carriers exclusively operating vehicles below the thresholds of a ''commercial motor vehicle'' as defined in § 390.5 of this subchapter.

Subpart B—How To Oppose a Request for USDOT Registration by a Motor Carrier, Broker or Freight Forwarder That Is Subject to 49 U.S.C. Chapter 139

§ 360.101 Who may oppose a request for USDOT registration by a motor carrier, broker or freight forwarder that is subject to 49 U.S.C. chapter 139?

(a) Anyone may oppose an application of a for-hire motor carrier, broker or freight forwarder subject to 49 U.S.C. chapter 139 by filing a protest. A protest may not be filed against the application of a Mexico-domiciled motor carrier requesting to operate exclusively within the border commercial zones.

(b) A protest filed pursuant to paragraph (a) of this section must be based upon the grounds that the applicant does not meet safety fitness or other applicable FMCSA regulatory requirements.

§ 360.103 When must a protest be filed?

(a) The protest must be filed within 10 days after notice of the application appears in the on-line FMCSA Register, which is accessible from the FMCSA web site. The protest will be placed in the FMCSA docket and made available for public inspection. Failure to file a timely protest waives further participation in this aspect of the registration process.

(b) The Protestant must provide the applicant with a copy of the protest at the same time it is filed with FMCSA.

§ 360.105 What must be included in the protest?

(a) The protest must include evidence, information or documentation to substantiate the allegations providing the basis for the protest.

(b) The protest must be verified, as follows:

(1) If executed outside the United States:

''I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on (date).

(Signature)''.

(2) If executed within the United States, its territories, possessions, or commonwealths:

''I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date).

(Signature)

(c) FMCSA may reject the protest if it does not substantially comply with applicable statutory or regulatory standards.

(d) Protests regarding registration will be accepted only when based on an allegation that the applicant fails or will fail to comply with the:

(1) Registration requirements;

(2) Federal Motor Carrier Safety Regulations;

(3) Hazardous Materials Regulations;

(4) Commercial Regulations;

(5) Safety fitness requirements; or

(6) Financial responsibility requirements.

§ 360.107 How will FMCSA process the protest?

(a) If a timely protest is filed, FMCSA will review any evidence and arguments made by the Protestant under §§ 360.103 and 360.105 of this part and provide the motor carrier with an opportunity to respond.

(b) The applicant's reply statement to the protest must be filed within 10 days of the service date of the protest with the Director, Office of Information Management. The decision of the Director will be the final agency order.

(c) The reply statement must not contain new evidence. It must only rebut or further explain matters previously raised.

(d) The reply statement need not be notarized or verified. You should understand that the oath in the application form applies to all evidence submitted in the application. Separate legal arguments by counsel need not be notarized or verified.

§ 360.109 How do I withdraw my protest?

To withdraw a protest, you must submit a written request to FMCSA by mail, fax or electronically.

Subpart C—[Reserved]

Subpart D—Operations by Mexico-domiciled Motor Carriers in the Border Commercial Zones

§ 360.301 Must I register?

(a) A Mexico-domiciled motor carrier must register with FMCSA to provide interstate transportation in the border commercial zones as defined in 49 U.S.C. 13902(c)(4)(A).

(b) Registration under this subpart permits only interstate transportation in

the border commercial zones. A carrier registered under this subpart who operates a vehicle beyond this area is subject to applicable penalties and out-of-service orders.

(c) Registration may be done either on the FMCSA web site or by mail. You may file on-line, obtain the registration form and instructions from any FMCSA field office, download them from the FMCSA web site, or you may call 1–800–832–5660 (or 001–800–832–5660 from Mexico). Assistance from English-speaking FMCSA personnel in completing the application is available from all FMCSA Service Centers and Division offices nationwide, or by calling 1–800–832–5660 (or 001–800–832–5660 from Mexico). Assistance from Spanish-speaking FMCSA personnel in completing the application is available only by calling 1–800–832–5660 (or 001–800–832–5660 from Mexico) and connecting to our Transborder office in Otay Mesa, California.

§ 360.302 What is involved in registering for a USDOT Number under subpart D of this part?

In order to be issued a USDOT Number, you must:

(a) Submit a complete and accurate Form MCSA–1—FMCSA Registration Form (USDOT Number Application) that is prepared in English and accompanied by fees;

(b) Meet the financial responsibility requirements under § 387.7(b)(3) of this title;

(c) File, or have a process service agent file on your behalf, a Form BOC–3—Designation of Agents—Motor Carriers, Brokers, and Freight Forwarders with FMCSA. You must either submit Form BOC–3 with your application or indicate on your application that you will use a process agent service that will submit the form electronically;

(d) Make the certifications under § 360.11;

(e) Meet household goods requirements described under subpart F of this part if applicable to your operations; and

(f) Have tariffs in effect to the extent applicable before beginning operations.

§ 360.303 [Reserved]

§ 360.305 How will FMCSA process my application?

The application process for Mexico-domiciled motor carriers of property that are required to register under § 360.301 is comprised of three steps.

(a) *Step One—Initial Screening.* During the initial screening, FMCSA will:

(1) Issue a tracking number. This is a temporary number used only to track the application until a USDOT Number has been assigned. The tracking number must be used when filing the Form BOC–3—Designation of Agents—Motor Carriers, Brokers and Freight Forwarders to designate an agent for service of process as required under subpart G of this part.

(2) Review the application for correctness, completeness, and adequacy of information. Non-material errors will be corrected without notice to the applicant.

(3) Validate the accuracy of information and certifications provided in the application against data maintained in databases of the governments of Mexico and the United States.

(4) Reject your application for any of the following reasons:

(i) The application is not completed in English;

(ii) The application did not include the appropriate fees, as set forth in § 360.401;

(iii) The application did not include all the required supporting documents and applicable certifications set forth in the instructions to the Form MCSA–1 or other information appropriate for your proposed operations.

(iv) You have an ''Unsatisfactory'' safety fitness rating when the application is filed;

(v) You own or control a company that is currently subject to an out-of-service order or has a current unsatisfactory safety rating;

(vi) You previously owned or controlled a company that is currently subject to an out-of-service order or has a current unsatisfactory rating that was imposed during your ownership or control.

(5) FMCSA will confirm that required Form BOC–3 filings have been made. If you have not filed Form BOC–3 with your application because you will be using a process agent service, that service must file a list of agents for service of legal process in each State in which you intend to operate. The service must file this information with FMCSA within 90 days of the date that the application is submitted.

(6) Require you to obtain the financial responsibility set forth in § 387.7(b)(3) of this title. You are not required to file evidence of financial responsibility with FMCSA, but must carry appropriate evidence of insurance in all vehicles operated in the United States.

(b) *Step Two—Issuance of provisional registration.* (1) You must successfully complete applicable requirements under Step One above.

(2) If your application and certifications demonstrate that your operations would be consistent with FMCSA safety fitness standards, you will be issued provisional registration. You will also be assigned a distinctive USDOT Number that authorizes you to provide interstate transportation between the United States and Mexico in the border commercial zones.

(3) After you are issued a provisional registration, you must successfully complete the safety monitoring system under subpart B of part 385 of this title.

(d) *Step Three—Issuance of permanent registration.* A motor carrier will be issued permanent registration only after complying with paragraph (b)(3) of this section.

§ 360.307 What registration-related documents must I carry in my vehicle?

A motor carrier of property registered to operate in the border commercial zones must maintain a copy of its registration and proof of financial responsibility as required under 49 CFR 387.7(b)(3) in any vehicle providing transportation service within the scope of the registration, and make such information available upon request to any Federal, State or local authorized inspector or enforcement officer.

Subpart E—Fees for Registration and Related Services

§ 360.401 What fees must I pay for registration and registration-related services?

When requesting registration or registration-related services, you are subject to the applicable fees listed in the table to this section. FTA grantees are not subject to the application and evidence of financial responsibility filing fees.

TABLE TO § 360.401—UNIFIED REGISTRATION SCHEDULE OF FEES

	You must pay FMCSA
REGISTRATION	
If you:.	
(a) Are subject to the registration requirements under § 360.3 of this part and are requesting a new application to operate in interstate commerce..	$200
OTHER SERVICES	
If you file a:.	
(b) Biennial update of registration.	No cost.
(c) Request for change of name, address, or form of business.	No cost.

TABLE TO § 360.401—UNIFIED REGISTRATION SCHEDULE OF FEES—Continued

	You must pay FMCSA
(d) Request for cancellation of registration.	No cost.
(e) Request for registration reinstatement.	100
(f) Designation of process agent	10

§ 360.403 What methods of payment will FMCSA accept for registration and registration-related services?

(a) FMCSA will only accept a charge card (*e.g.*, American Express™), credit card (*e.g.*, VISA™, MASTERCARD™, or DISCOVER™) or electronic funds transfer for payment of registration and registration-related services.

(b) If you or your agent fails to file the appropriate filing fee, your application will be rejected.

§ 360.405 What is FMCSA policy regarding a dishonored charge card or credit card or electronic funds transfer (EFT)?

If a bank or financial institution does not honor your charge card or credit card or EFT in payment of an FMCSA filing or service fee, FMCSA will notify you that:

(a) The agency has suspended further processing on the application until payment in full of FMCSA filing or service fees, and applicable FMCSA penalties for dishonored payments; and

(b) If you do not pay within 90 days, FMCSA will reject your application and filing.

§ 360.407 How do I request a reduced or waived fee?

(a) You may request a waiver or reduction of the fee prescribed in § 360.401 at the time you submit your application.

(b) FMCSA's general policy is not to waive or reduce filing fees.

(c) On request, FMCSA will waive filing fees for applications filed by a Federal government agency, or a State or local government entity. For purposes of this paragraph, the terms ''Federal government agency'' and ''government entity'' do not include a quasi-governmental corporation or government subsidized transportation company.

(d) FMCSA will consider other requests for waivers or fee reductions only in extraordinary situations.

§ 360.409 What information must be included in my waiver request?

The information provided in your request must:

(a) Demonstrate that the waiver or reduction of the fee is in the best interest of the public;

(b) Describe the impacts you could experience if we do not grant the waiver or reduction; and

(c) Include documentation supporting the basis for your request.

§ 360.411 How will FMCSA process my waiver request?

FMCSA will review your request and notify you whether it is granted after the agency accepts your application for processing.

§ 360.413 May I obtain a refund of the filing fee or other related fees?

No. Once your application is received by FMCSA, the agency will not refund filing or other service fees. This policy applies whether or not the agency grants, approves, denies, rejects before docketing, dismisses, or receives an applicant's request to withdraw its application.

§ 360.415 How do I make my insurance filing and what are the fees associated with the filing?

(a) Insurance filings must be made by your insurer, surety company, or financial institution as provided by part 387 of this subchapter.

(b) The fees for insurance filings are included in the table to this paragraph:

TABLE TO 360.415(B).—INSURANCE FILING FEES

(1) Financial Responsibility Service Provider filing evidence of minimum level of insurance, surety bond, or trust fund agreement	$10
(2) Qualification as a self-insurer for bodily injury, property damage, or environmental restoration	4,200
(3) Qualification as a self-insurer for cargo insurance	420
(3) Quarterly self-insurance monitoring filing	500
(4) Annual self-insurance monitoring filing	(1)

[1] No cost.

(c) *Currently registered exempt for-hire motor carriers and private motor carriers transporting hazardous materials in interstate commerce.* If you are a private motor carrier that transports hazardous materials in interstate commerce or an exempt for-hire motor carrier, subject to the financial responsibility requirements under part 387 of this title; and you had registered with FMCSA and been issued a valid USDOT Number before effective date of the final rule., your evidence of financial responsibility must be filed with FMCSA by [180 days after the effective date of the final rule.

§ 360.417 Must my insurer, surety company, or financial institution establish an account that will allow it to make insurance filings with FMCSA?

Insurers, surety companies, and financial institutions must obtain authorization to file insurance, surety, or trust fund information by registering with the FMCSA Enforcement Compliance Division.

§ 360.419 What are the fees for record searching, reviewing, copying, certifying, and related services?

Certifications and copies of public records and documents on file with the Federal Motor Carrier Safety Administration will be furnished on the following basis, pursuant to USDOT Freedom of Information Act regulations at 49 CFR part 7:

(a) Certificate of the Director, Office of Information Management, as to the authenticity of documents, $12.00;

(b) Service involved in locating records to be certified and determining their authenticity, including clerical and administrative work incidental thereto, at the rate of $21.00 per hour;

(c) Copies of the public documents, at the rate of $.80 per letter size or legal size exposure. A minimum charge of $5.00 will be made for this service; and

(d) Search and copying services requiring automated data processing (ADP), as follows:

(1) A fee of $50.00 per hour for professional staff time will be charged when it is required to fulfill a request for ADP data.

(2) The fee for computer searches will be set at the current rate for computer service. Information on those charges can be obtained from the Office of Information Management (MC-RIS).

(3) Printing shall be charged at the rate of $.10 per page of computer-generated output with a minimum charge of $1.00. There will also be a charge for the media provided (*e.g.*, CD ROMs) based on the agency's costs for such media.

§ 360.421 How will FMCSA update user fees?

(a) Each fee established in this subpart may be updated, as deemed necessary by FMCSA.

(b) *Publication and effective dates.* Notice of updated fees will be published in the **Federal Register** and will become effective 30 days after publication.

(c) *Payment of fees.* You must pay the fee applicable on the date you file or request services.

Subpart F—Special Requirements for Transportation of Household Goods

§ 360.501 Must I offer arbitration to individual shippers if I register to provide household goods transportation services?

(a) You must offer arbitration to individual shippers as a means of settling loss and damage claims against you if you register to provide household goods transportation services as a motor carrier or freight forwarder.

(b) You must affirm on your application that you will offer arbitration to individual shippers, in accordance with 49 U.S.C. 14708.

(c) You must provide the name and address of the entity that will administer your arbitration program.

(d) You must comply with part 375 of this subchapter if you transport household goods for individual shippers, as defined in § 375.1 of this subchapter.

§ 360.503 If I transport household goods, must I certify that I have a tariff in effect?

Yes. If you will be transporting household goods as a motor carrier or freight forwarder, you must certify that you have a tariff in effect and available for review upon request, in accordance with 49 U.S.C. 13702.

Subpart G—How To Designate Agents for Service of Process

§ 360.601 Who must designate service of process agents?

You must designate a service of process agent (a person upon whom court process may be served) following the rules in this subpart if you meet any of the following conditions:

(a) You are a motor carrier, property broker or freight forwarder engaged in interstate commerce.

(b) You are a motor carrier that operates in the United States in the course of transportation between points in a foreign country.

(c) You are a fiduciary of a motor carrier, property broker or freight forwarder. A fiduciary, as defined at § 387.319(a) of this title, must designate a service of process agent as of the moment of succession.

§ 360.603 How do I designate agents for service of process with FMCSA?

(a) *Currently registered entities.* If you have registered with FMCSA and have been issued a valid USDOT Number before *[effective date of the final rule.]* but do not already have a Form BOC–3—Designation of Agents—Motor Carriers, Brokers, and Freight Forwarders on file with FMCSA, you must file your designation of agent for service of process by [*180 days after the effective date of the final rule*].

(b) *New applicants for registration.* If you apply for USDOT Number registration after *[effective date of the final rule.],* you must file a Form BOC–3—Designation of Agents—Motor Carriers, Brokers and Freight Forwarders with the MCSA–1 application or indicate on the Form MCSA–1 that you will use a process agent service to submit the Form BOC–3 electronically. If you elect to use a process agent service to submit the Form BOC–3, the service must submit the form within 90 days of the date that the MCSA–1 application is filed with FMCSA.

(c) Only one completed current form may be on file with FMCSA. You must retain a copy of this designation at your principal place of business.

§ 360.605 For which jurisdictions must I designate service of process agents?

(a) *Motor carriers.* You must designate a service of process agent for each State in which you are authorized to operate and for each State through which you travel when operating as a motor carrier. You must retain a copy of these designations at your principal place of business.

(b) *Brokers.* When you operate as a property broker, you must designate a process agent for each State in which your offices are located, in which you write contracts, or in which you are authorized to write contracts.

(c) *Freight Forwarders.* When you operate as a freight forwarder, you must make a designation for each State in which you:

(1) Maintain offices;

(2) Write contracts;

(3) Assemble, consolidate, or provide for assembling and consolidating shipments;

(4) Perform or provide for break-bulk and distribution operations of the shipments;

(5) Assume responsibility for the transportation from the place of receipt to the place of destination; or

(6) Use any rail, water, pipeline, or motor carrier for any part of the transportation.

§ 360.607 What are the requirements for my designees?

(a) You must only designate persons (as defined at 49 U.S.C. 13102(16)) who:

(1) Reside in the State for which you designate them; or

(2) Maintain an office in the State for which you designate them; and

(3) Will accept service of process.

(b) If a State official is designated, evidence of his/her willingness to accept service of process must be furnished to FMCSA.

§ 360.609 May I make blanket designations?

(a) You are permitted to make blanket designations. Where an association or corporation has filed with the FMCSA a list of process agents for each State, you may make the required designations by using the following statement:

> Those persons named in the list of process agents on file with the Federal Motor Carrier Safety Administration by__ (Name of association or corporation) and any subsequently filed revisions thereof, for the States in which this carrier will operate in or through, except those States in which we have made individual designations.

(b) You must retain a copy of the blanket designation at your principal place of business.

§ 360.611 How must I change or cancel a designation?

(a) A designation may be canceled or changed only by a new designation except that, where a motor carrier, broker or freight forwarder ceases to be subject to § 360.605 in whole or in part for 1 year, designation is no longer required and may be canceled without making another designation.

(b) You must file the change using a new Form BOC–3—Designation of Agents—Motor Carriers, Brokers and Freight Forwarders. You may file the Form BOC–3 on-line at the FMCSA web site or by mail.

(c) A valid, up-to-date designation must be on file with FMCSA as long as you are subject to, in whole or in part, § 360.605. Changes in designation must be filed with FMCSA in such a manner that no lapses in designation occur.

(d) You must retain a copy of this change or cancellation at your principal place of business.

(e) A cancellation request will become effective 30 days after receipt of your Form BOC–3.

(f) You may not operate in any State for which you cancel your designation until you designate a new service agent for that State.

Subpart H—Cancellation, Reinstatement and Deactivation of USDOT Registration

§ 360.701 What procedures must I follow to cancel my USDOT registration?

(a) You must submit a request to cancel a USDOT Number by one of the following methods:

(1) Electronically on the FMCSA Web site at: *http://www.fmcsa.dot.gov*, or

(2) By mail.

(b) A USDOT Number cancellation request must include the following applicable certification statement:

(1) If executed outside the United States:

''I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that I have the authority to seek the requested cancellation of this USDOT Number.

Executed on (date).

(Signature)''.

or

(2) If executed within the United States, its territories, possessions, or commonwealths:

''I declare (or certify, verify, or state) under penalty of perjury that I have the authority to seek the requested cancellation of this USDOT Number.

Executed on (date).

(Signature)''.

§ 360.703 How will FMCSA process a request to cancel a USDOT registration?

(a) Upon receipt of the USDOT registration cancellation request, FMCSA will mark your registration as inactive and you will no longer be authorized to operate interstate commerce.

(b) If you operate in interstate commerce after canceling your USDOT registration, you will be subject to civil and/or criminal penalties under 49 U.S.C. 5 and 49 U.S.C. chapter 149.

§ 360.705 For what other reasons will FMCSA deactivate my USDOT registration?

(a) FMCSA will mark your registration as inactive and revoke your registration to operate in interstate commerce if:

(1) You fail to have on file with FMCSA evidence of the necessary financial responsibility, as required by part 387 of this subchapter; or

(2) You fail to have on file with FMCSA your agents for service of process, as required by subpart G of this part.

(b) If you operate in interstate commerce after FMCSA marks your registration inactive, you will be subject to civil and/or criminal penalties under 49 U.S.C. Chapters 5 and 149.

§ 360.707 Can I reinstate an inactive USDOT registration?

(a) You may reinstate registration marked inactive under this subpart under the following conditions:

(1) You request reinstatement within 2 years of the date your registration is marked inactive;

(2) You file, or cause to be filed with FMCSA, the necessary evidence of financial responsibility and designation of agents for service of process;

(3) You pay the reinstatement fee prescribed in § 360.401; and

(4) If you are a motor carrier, you will be considered a new entrant subject to the requirements of the New Entrant Safety Assurance Program in part 385, subpart D of this subchapter, unless you have previously completed the new entrant program requirements.

(b) If your registration has been marked inactive for more than 2 years and you wish to resume operations in interstate commerce:

(1) You must reapply to activate your previously-issued USDOT Number under the procedures in subpart A of this part.

(2) If you are a motor carrier, you will be considered a new entrant subject to the requirements of the New Entrant Safety Assurance Program in part 385, subpart D of this subchapter.

PART 365—[AMENDED]

2. The authority citation for part 365 continues to read as follows:

Authority: 5 U.S.C. 553 and 559; 16 U.S.C. 1456; 49 U.S.C. 13101, 13301, 13901–13906, 14708, 31138, and 31144; 49 CFR 1.73.

Subparts A Through D [Removed and Reserved]

3. Remove and reserve subparts A through D of part 365.

PART 366—[REMOVED AND RESERVED]

4. Remove and reserve part 366.

PART 368—[REMOVED AND RESERVED]

5. Remove and reserve part 368.

PART 387—MINIMUM LEVELS OF FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

6. The authority citation for part 387 continues to read as follows:

Authority: 49 U.S.C. 13101, 13301, 13906, 14701, 31138, and 31139; and 49 CFR 1.73.

7. Amend § 387.33 by redesignating the unnumbered paragraph as paragraph (a), by adding the subheading ''General limits'' at the beginning of paragraph (a), and by adding paragraph (b) to read as follows:

§ 387.33 Financial responsibility, minimum levels.

(a) *General limits.* * * *

(b) *Limits applicable to transit service providers.* Notwithstanding the provisions of 49 CFR 387.33(a), the minimum level of financial responsibility for a motor vehicle used to provide transportation services within a transit service area located in more than one State under an agreement with a Federal, State, or local government funded, in whole or in part, with a grant under 49 U.S.C. 5307, 5310, or 5311, including transportation designed and carried out to meet the special needs of elderly individuals and individuals with disabilities, will be the highest level required for any of the States in which it operates. Transit service providers conducting such operations must register as for-hire passenger carriers under part 365 of this subchapter, identify the States in which they operate under the applicable grants, and certify on their registration documents that they have in effect financial responsibility levels in an amount equal to or greater than the highest level required by any of the States in which they are operating under a qualifying grant.

8. Amend § 387.301 by revising paragraphs (a)(1) and (b) to read as follows:

§ 387.301 Surety bond, certificate of insurance, or other securities.

(a) *Public liability.* (1) No for-hire motor carrier of property and passengers, and no private motor carrier of hazardous materials, shall engage in interstate commerce unless and until there shall have been filed with and accepted by FMCSA a certificate of insurance, surety bond, proof of qualification as self-insurer, or other securities or agreements in the amounts set forth in § 387.303, conditioned to pay any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance or use of motor vehicles in transportation, or, in the case of motor carriers of property operating freight vehicles described in § 387.303(b)(2), for environmental restoration. No registration issued to a motor carrier transporting property or passengers by motor vehicle subject to Subtitle IV, part B, chapter 135 of title 49 of the U.S. Code shall remain in force unless the necessary evidence of public liability insurance coverage is continuously on file with FMCSA.

* * * * *

(b) *Household goods.* No motor carrier subject to Subtitle IV, part B, chapter 135 of title 49 of the U.S. Code that provides transportation of household goods, as defined in § 375.1(b) of this subchapter, shall engage in interstate commerce, nor shall any registration be issued to such a carrier or remain in force unless and until there shall have been filed with and accepted by FMCSA, a surety bond, certificate of insurance, proof of qualifications as a self-insurer, or other securities or agreements in the amounts prescribed in § 387.303, conditioned upon such carrier making compensation to shippers or consignees and coming into the possession of such carrier in

connection with its transportation services.

9. Amend § 387.303 by revising paragraphs (b)(2) and (c) to read as follows:

§ 387.303 Security for the protection of the public: Minimum limits

(a) * * *

(b)(1) * * *

(2) Motor carriers subject to § 387.301(a)(2) are required to have security for the required minimum limits as follows:

Kind of equipment	Commodity transported	Amount
(a) Freight vehicles of 10,000 pounds (4,536 kilograms) or more GVWR.	Property (non-hazardous)	$750,000
(b) Freight vehicles of 10,000 (4,536 kilograms) pounds or more GVWR.	Hazardous substances, as defined in § 171.8 of this title, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons, or in bulk Class A or B explosives, poison gas, (Poison A), liquefied compressed gas or compressed gas, or highway route controlled quantity or radioactive materials as defined in § 173.455 of this title.	5,000,000
(c) Freight vehicles of 10,000 pounds (4,536 kilograms) or more GVWR.	Oil listed in § 172.101 of this title; hazardous waste, hazardous materials and hazardous substances defined in § 171.8 of this title and listed in § 172.101 of this title, but not mentioned in (b) above or (d) below.	1,000,000
(d) Freight vehicles under 10,000 pounds (4,536 kilograms) GVWR.	Any quantity of class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in § 173.455 of this title.	5,000,000

* * * * *

(c) Cargo liability. Motor carriers and freight forwarders of household goods are required to obtain and maintain insurance in the amount of $5,000 for loss of or damage to property carried on any one vehicle and $10,000 for loss of or damage to or aggregate losses or damages occurring at any one time or place.

10. Amend § 387.403 by revising paragraph (a) to read as follows:

§ 387.403 General requirements.

(a) *Cargo.* A household goods freight forwarder may not operate until it has filed with FMCSA an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amounts prescribed in § 387.405, for loss of or damage to property.

* * * * *

PART 390—FEDERAL MOTOR CARRIER SAFETY REGULATIONS; GENERAL

11. The authority for part 390 continues to read as follows:

Authority: 49 U.S.C. 508, 13301, 13902, 31133, 31136, 31502, 31504, and sec. 204, Pub. L. 104–88, 109 Stat. 803, 941 (49 U.S.C. 701 note); sec. 114, Pub. L. 103–311, 108 Stat. 1673, 1677; sec. 217, Pub. L. 106–159, 113 Stat. 1748, 1767; and 49 CFR 1.73.

§ 390.19 [Removed and Reserved]

12. Remove and reserve § 390.19.

Issued on: May 11, 2005.

Annette M. Sandberg,

Administrator.

[FR Doc. 05–9692 Filed 5–11–05; 3:55 pm]

BILLING CODE 4910–EX–P