

Memorandum

To: Seaton & Husk, LP

Date: October 4, 2013

Re: Unified Registration System Final Rule

On August 23, 2013, the Federal Motor Carrier Safety Administration (FMCSA) issued its final rule establishing the Unified Registration System (URS), which replaces certain existing registration and information requirements with a single, online federal system. Under the URS, regulated entities will be required to register with the FMCSA and provide biennial update information via its electronic, web-based Form MCSA-1. By establishing the URS, FMCSA is attempting to streamline the registration process and provide a clearinghouse and depository of information regarding regulated motor carriers, brokers, freight forwarders, and other entities required to register with the FMCSA.

The URS final rule applies to every entity under FMCSA's commercial and/or safety jurisdiction, except for certain Mexico-domiciled motor carriers. See Part III.B Section 1, 78 Fed. Reg. 52609. This includes both exempt and non-exempt for-hire motor carriers, private motor carriers, brokers, freight forwarders, intermodal equipment providers (IEPs), hazardous materials safety permit (HMSP) applicants, and cargo tank facilities. Although the compliance date for the majority of the URS final rule is October 23, 2015, anyone failing to comply with the biennial update requirement will be subject to civil penalties beginning November 1, 2013. See Part III.B Section 10, 78 Fed. Reg. 52613.

The following summary is intended to help you understand your compliance requirements under the URS final rule.

The Application Process

You will be required to register with the FMCSA and provide biennial update information using the new electronic, web-based Form MCSA-1. If you already have a USDOT Number, then you will not need to file the Form MCSA-1 until you need to update registration information. FMCSA is only accepting electronic filings of the Form MCSA-1 and will no longer accept applications by mail or fax. See Part III.B Section 2, 78 Fed. Reg. 52610.

If you are a new applicant, you will be issued an inactive USDOT Number upon filing the Form MCSA-1. The USDOT Number will only be activated by the Agency once you have complied with other applicable filing requirements, such as providing evidence of financial responsibility, if applicable, and a process agent designation. If you are a non-exempt for-hire carrier and seeking operating authority registration, then your USDOT Number will remain inactive until all protests filed under 49 CFR part 365 have been resolved.

You cannot operate in interstate commerce until your USDOT Number has become activated by the Agency. See Part III.B Section 2, 78 Fed. Reg. 52610. A motor carrier that

operates a commercial motor vehicle (CMV) providing transportation in interstate commerce without a USDOT Registration and an active USDOT Number may be subject to penalties under 49 U.S.C. § 521. See 49 C.F.R. § 392.9b.

Updating URS Information

Under the URS final rule, you are required to update registration information every 24 months. You may update your record with the FMCSA at any time within this 24-month period to provide changes to other information, but you will still need to comply with the biennial update requirement. See Part III.B Section 3, 78 Fed. Reg. 52610-11.

You must file an updated Form MCSA-1 every 24 months, on the last day of a specific month, which is determined based on the last digit of the entity's USDOT Number and according to the following schedule:

USDOT Number ending in	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

In addition, if the next-to-last digit of your USDOT Number is odd, then you must file your update in every odd-numbered year. If that number is even, then you must file your update in every even-numbered year. See 49 C.F.R. § 390.201(d)(3).

Beginning November 1, 2013, the Agency will issue a warning letter 30 days in advance of the biennial update deadline to notify you that your USDOT Number will be deactivated if you fail to comply with the biennial update requirement. See Part III.B Section 3, 78 Fed. Reg. 52611.

FMCSA now requires that you notify it of any changes to your legal name, form of business, or address within 30 days of making the change. See Part III.B Section 3, 78 Fed. Reg. 52611.

USDOT Number Identifier

Beginning October 23, 2015, the USDOT Number will be the sole unique identifier for all motor carriers, brokers, and freight forwarders under FMCSA regulation. The URS will discontinue issuance of MC, MX, and FF Numbers to those entities who register with FMCSA. However, FMCSA will not require motor carriers to remove the obsolete numbers from their vehicles, and those numbers may be used for other purposes such as advertising or marketing. See Part III.B Section 4, 78 Fed. Reg. 52611.

User Fees

There will be a \$300 registration fee for all entities filing new registration applications. The fee for reinstating operating authority registration after revocation will be reduced from \$80 to \$10. There will no longer be any fee for filings of process agent designation, but the \$10 fee for filings related to financial responsibility will remain unchanged. Finally, existing fees for self-insurance remain unchanged at the moment. See Part III.B, Section 5, 78 Fed. Reg. 52611.

FMCSA will not require any fees for you to access or retrieve your own data from the FMCSA. See Part III.B, Section 5, 78 Fed. Reg. 52611.

Evidence of Financial Responsibility

Currently, only non-exempt for-hire motor carriers, property brokers, and household goods freight forwarders are required to file evidence of financial responsibility. Under the URS final rule, all for-hire motor carriers, property brokers, freight forwarders, and private motor carriers that transport hazardous materials in interstate commerce, must electronically file evidence of financial responsibility to receive USDOT registration. Hard copy submissions are no longer allowed. See Part III.B, Section 6, 78 Fed. Reg. 52612.

Filings of evidence of financial responsibility for new applicants must be completed within 90 days of the date your application is submitted, or within 90 days of the date that the notice of application is published in the FMCSA Register, if you are also seeking operating authority registration. There is no grace period for existing exempt for-hire motor carriers or private motor carriers hauling hazardous materials. These carriers must file by the compliance date of the final rule (October 23, 2015). See Part III.B, Section 6, 78 Fed. Reg. 52612.

Process Agent Designations

FMCSA has now extended the process agent designation requirement to include for-hire exempt motor carriers and private carriers. Under the URS final rule, all for-hire and private motor carriers, brokers, and freight forwarders must designate process agents via electronic submission. See Part III.B, Section 6, 78 Fed. Reg. 52612.

To ensure that process agent designations are up-to-date, FMCSA requires that changes to designations be reported to the Agency within 30 days of the change. In addition, you must report changes in name, address, or contact information to your process agents and/or the company making a blanket designation on your behalf within 30 days of the change. Finally, the Agency now requires process agents and blanket agents to report termination of their contracts to provide process agent services for designated entities within 30 days of termination. See Part III.B, Section 6, 78 Fed. Reg. 52612.

New filings of process agent designations must be completed within 90 days of the date that an application is submitted, or within 90 days of the date that the notice of the application is published in the FMCSA Register if you are also seeking operating authority registration. Existing private and exempt for-hire motor carriers that are registered with FMCSA as of October 22, 2013 must file process agent designations no later than April 25, 2016. See Part III.B, Section 6, 78 Fed. Reg. 52612.

Transfers of Operating Authority

FMCSA will no longer accept or review requests to approve transfers of operating authority. Effective October 22, 2013, the Agency will no longer process applications for transfer of operating authority, issue transfer approvals, or require the \$300 fee formerly associated with such applications. See Transfers of Operating Authority, 78 Fed. Reg. 52458.

Although formal Agency review and approval is no longer involved, both transferors and transferees will be asked to provide basic identifying information concerning their business operations. No application form is required, and no transfer fee applies. After the information is entered into FMCSA's information systems, parties to transfer transactions will receive Agency notification of recordation of the resulting operating authority ownership. See Transfers of Operating Authority, 78 Fed. Reg. 52458.

Impacts on State Registration Systems

If you are a motor carrier in a State that participates in the Performance and Registration Information System Management (PRISM) Program, then you may satisfy your USDOT registration and biennial update requirements by electronically filing the required information with the State. This applies only if the State has integrated the USDOT registration/update capability into its vehicle registration program. If State procedures do not allow you to file the Form MCSA-1 or to submit updates within the required 24-month window, you will need to complete the filing directly with the FMCSA. See Part III.B, Section 9, 78 Fed. Reg. 52613.

Compliance Dates and Fees

Compliance Requirement	Compliance Date	Fee
New application for USDOT Registration using new Form MCSA-1	October 23, 2015	\$300
Application for motor carrier temporary authority to provide emergency relief in response to national emergency or natural disaster	October 23, 2015	\$100
Biennial update of registration	November 1, 2013	\$0
Request for registration reinstatement	October 23, 2015	\$10
Designation of process agent	October 23, 2015	\$0
Designation of process agent for existing private and exempt for-hire motor carriers that are registered with FMCSA as of October 22, 2013	April 25, 2016	\$0
Filing evidence of financial responsibility	October 23, 2015	\$10
Elimination of applications for transfer of operating authority	October 22, 2013	N/A
Notification of transfer of operating authority	October 22, 2013	\$0
Failure to operate CMV with a USDOT Registration and an active USDOT Number subject to penalties	November 1, 2013	N/A