

MOTOR CARRIER



Credentials & Authority



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The Federal Motor Carrier Safety Administration (FMCSA) regulates motor carriers for one primary purpose: to protect the public. The FMCSA carries out this mission by monitoring the safety performance of all motor carriers and by requiring certain types of carriers to obtain permission — or authority — to operate in interstate commerce.

The FMCSA monitors the safety performance of motor carriers using their USDOT numbers. The USDOT number is one of the most important credentials for a motor carrier, as it's required for any carrier operating commercial vehicles in interstate commerce. The USDOT number is the common thread among all motor carriers; whether private, for-hire, exempt for-hire, passenger carrying, or property carrying — all need a USDOT number to operate commercial vehicles in interstate commerce.

Carriers that haul property or passengers in interstate commerce for compensation need another credential from the FMCSA: for-hire authority. For-hire authority is issued after the carrier submits an authority application, provides proof of financial responsibility, and provides a listing of agents that can accept legal paperwork on behalf of the motor carrier in each state in which the carrier operates.

While the process of obtaining operating credentials from the FMCSA sounds relatively simple, it's actually quite complex. Many carriers aren't sure where to begin. The following helps to clarify the requirements and gives you guidance on how to obtain the appropriate credentials.

All interstate commercial motor vehicles (CMV) as defined in 49 CFR §390.5T must have a USDOT number.

Motor Carrier Credentials and Authority USDOT Numbers

The USDOT number is the unique identifier for a company and is used by the FMCSA to monitor safety compliance. According to 49 CFR §390.5T, a commercial motor vehicle (CMV) is any self-propelled or towed motor vehicle used on a highway in interstate commerce to transport passengers or property when the vehicle:

- Has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight, of 10,001 pounds or more, whichever is greater; or
- Is designed or used to transport more than 8 passengers (including the driver) for compensation; or
- Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or
- Is used in transporting material in a quantity requiring placarding.

If your vehicles travel interstate and fall within any one of the four categories listed above, they are CMVs and must have your USDOT number and legal company name displayed on the vehicles as required by the FMCSA marking requirements (found in 49 CFR §390.21T). The vehicle marking must show:

1. Your company's legal name or single trade name/doing business as (DBA) as provided on your MCS-150/MCSA-1; and
2. Your motor carrier identification number, issued by the FMCSA, preceded by the letters "USDOT."

These markings must appear on both sides of the power unit and be visible from 50 feet during daylight hours while the vehicle is standing still. While the federal rules have no required size for the lettering, 2" letters are recommended.

MCSA-1, Online-only FMCSA Registration Form

The MCSA-1 is the online-only form carriers use to obtain a new USDOT number. This form provides the FMCSA with details of the motor carrier operation, such as carrier's name and address, mileage, operation type, classification, number of trucks operated, number of drivers, etc. The MCSA-1 is currently used only by new entrants to obtain a USDOT number.

If you're a new entrant carrier and you received a USDOT number, but later you need to update your information on file with the FMCSA, you would then use the MCS-150 to complete the update. Eventually, all motor carriers will use the MCSA-1 to obtain USDOT numbers and/or to update information on file with the FMCSA. The date that all motor carriers will start using the MCSA-1 has not yet been determined by the FMCSA.

The number of units operated and mileage data on the MCS-150 affect the Compliance, Safety, Accountability (CSA) Unsafe Driving and Crash Behavior Analysis and Safety Improvement Categories (BASICS).

MCS-150, Motor Carrier Identification Report

The MCS-150 also provides the FMCSA with the details of your motor carrier operation, such as your name and address, vehicle miles traveled, operation type (interstate/intrastate), classification (for-hire, private, etc.), number of trucks operated, number of drivers, etc. However, you'll only use the MCS-150 form to *update* your information on file with the FMCSA; as of December 12, 2015, it was no longer used to obtain a new USDOT number. If you wish to stay in business as a motor carrier operating commercial motor vehicles, you must have an active USDOT number.

The information provided on the MCS-150 is used to calculate your safety performance within CSA's BASICS. The number of units you operate and your fleet mileage data on the MCS-150 affects your BASICS. This information is used to "normalize" the data when

calculating the basic measures for the Unsafe Driving and Crash Behavior Analysis and Safety Improvement Categories (BASICS). These measures are used by CSA to compare your company with similar carriers. Under-reporting vehicle miles traveled or number of power units operated may increase your CSA scores. Over-reporting the number of vehicles may increase your annual Unified Carrier Registration (UCR) fees.

The regulations have long required your MCS-150 information to be updated every two years, based on the schedule in 49 CFR §390.19T. This rule was never strictly enforced by the FMCSA, however, and previously there were no consequences for failure to submit the MCS-150 update.

The FMCSA has since put some teeth into that requirement. In 2013, the FMCSA published a final rule, Unified Registration System, which included substantial consequences for failure to file the MCS-150 update. This rule stated that your MCS-150 information must be updated with the FMCSA every two years according to the schedule in 49 CFR §390.19T, or the DOT may inactivate your USDOT number and assign civil penalties of up to \$1,292 per day, to a maximum of \$12,919.

The MCS-150 must be updated every two years according to 390.19T. If the carrier does not comply, the FMCSA can inactivate the number and assign civil penalties.

The biennial update filing schedule is determined by your USDOT number:

Biennial Update Schedule (390.19T)	
If your USDOT number ends in:	You must update by last day of:
1	January
2	February
3	March
4	April
5	May
6	June
7	July
8	August
9	September
0	October

If the next-to-last digit of your USDOT Number is odd, your update must be filed in every odd-numbered calendar year. If the next-to-last digit of your USDOT Number is even, your update must be filed in every even-numbered calendar year.

The update is required even if your company information has not changed. It is also required if you have ceased interstate operations since the last update, are no longer in business, or have stopped using CMVs and the FMCSA was not notified.

MCS-150 information may be updated as often as necessary to keep the information current; however, your scheduled biennial update must always be filed according to the update schedule.

There are two other MCS-150 forms, the MCS-150B and the MCS-150C, that are to be used only in certain circumstances. The MCS-150B is the combination Motor Carrier Identification Report and FMCSA safety permit application. The MCS-150B is required instead of the MCS-150 only if an intrastate or interstate carrier is transporting the type and quantity of hazardous materials listed in 49 CFR §385.403.

The MCS-150C, Intermodal equipment Provider Identification Report, is required for intermodal equipment providers subject to the federal motor carrier safety regulations. An intermodal equipment provider is any person that interchanges intermodal equipment with a motor carrier pursuant to a written interchange agreement or has a contractual responsibility for the maintenance of the intermodal equipment.

Unified Registration System Update

The Unified Registration System (URS) rule, published in August 2013, had three implementation dates. The initial changes included new and enhanced enforcement for failing to complete a biennial update and the prohibition of interstate transportation without an active USDOT number.

Final implementation of the URS rule has been suspended indefinitely.

Due to continued unforeseen technical changes, the FMCSA indefinitely suspended any further implementation of URS provisions in January 2017. Eventually, the FMCSA will implement the following provisions, but the date is to be determined:

- All entities will use the online MCSA-1 form to obtain a new USDOT number or to complete the biennial update;
- A new fee structure, including a \$300 fee for the “safety registration” and \$300 for each type of authority requested;
- Exempt for-hire and private hazardous materials carriers will be required to file proof of financial responsibility; and
- Private and exempt for-hire carriers will be required to designate process agents.



Operating Authority

Federal and state governments have a responsibility to ensure the smooth and efficient transportation of persons and property in U.S. commerce and to provide a level of public protection from damage that may result from this transportation.

Interstate For-Hire Authority

If you are an interstate for-hire motor carrier, you are required to obtain interstate operating authority, also referred to as a motor carrier number — or MC Number — from the FMCSA before conducting interstate for-hire motor carriage.

A for-hire motor carrier is defined as “a person providing motor vehicle transportation of property or passengers for compensation.”

The FMCSA administers the interstate for-hire carrier authority requirements found in 49 CFR Part 365. Before beginning operations, you must submit a registration application to the FMCSA with a \$300 fee, file proof of required insurance (49 CFR Part 387), and a Form BOC-3, Designation of Process Agents (49 CFR Part 366) must be submitted.

A separate application and a \$300 fee must be submitted for each type of authority requested. If you are acting as both a motor carrier and a broker, for example, you would apply for both types of authority and pay a \$300 fee for each type.

An MC Number is required for all carriers conducting interstate for-hire transportation, including carriers operating fleets in which all vehicles are under 10,001 pounds gross vehicle weight rating (49 CFR §387.303T (b)(1)(i)).

When applying for operating authority, you must indicate whether you will be transporting household goods, general freight, passengers, or hazardous materials. The regulations for insurance, tariffs, etc., vary for different carrier types.

When all fees and documents have been received and are found to be in order by the FMCSA, an authority to operate is granted. Operating authority is issued in the form of a certificate for a motor carrier, a permit for a freight forwarder, or a license for a broker. Remember, you may not begin operations until the official record of operating authority is received by mail.



Intrastate operating authority

For-hire transportation solely within a single state is intrastate carriage, and is governed by the state in which the intrastate carriage occurs. Intrastate carriers never leave the state of operation, and do not transport goods or passengers that originated in or are destined for another state.

Many states require for-hire intrastate carriers to obtain intrastate operating authority before conducting intrastate for-hire transportation. In some cases, note that you may be subject to both federal and state operating authority requirements.



Private carrier authority

If you are a private carrier operating interstate, you are not subject to the federal operating authority (MC Number) requirements. This is because you are hauling goods you own or use in the course of your business, you're engaging in a business other than “trucking,” and the transportation is incidental to your primary business. An example of private carriage would be a construction company or a landscaping company.

If you're a private carrier, you may only transport your own goods in your own vehicles to further a primary business that is not trucking. Hauling goods for someone else for compensation requires for-hire operating authority.

Eventually, under the Unified Registration System (URS), private motor carriers (hazardous materials and non-hazardous materials) will be required to submit a BOC-3 Designation of

Process Agent to the FMCSA. The effective date for this requirement will be determined by the FMCSA.

Private motor carriers transporting hazardous materials in interstate commerce will also be required to have proof of financial responsibility as required by 49 CFR Part 387 filed with the FMCSA as mandated by the URS final rule. The effective date for this requirement will be determined by the FMCSA.

If you're a private carrier conducting solely intrastate carriage, while you're generally not subject to state intrastate operating authority requirements, you may be required to register in certain states. Before beginning intrastate private carrier operations, you should verify whether the state has operating authority registration requirements.

Unified Carrier Registration (UCR)

The final piece of authority credentials required for motor carriers is the Unified Carrier Registration, or UCR. The UCR is a somewhat unique program. It's a state-run revenue-generating program, but it was mandated by federal law. Carriers subject to UCR registration pay fees based on the number of vehicles operated in interstate commerce. The fees under the UCR are established by the Secretary of Transportation via the FMCSA.

The UCR filing requirement applies to for-hire passenger, property, and exempt commodity carriers; private property carriers; freight forwarders; leasing companies; and brokers engaged in interstate commerce.

If you're an entity based in and/or operating in non-participating states, you are still required to register with UCR; the UCR application form provides guidelines for selecting a base state.

Canadian or Mexican carriers operating in the United States are also subject to UCR registration.

If you are an entity domiciled in Canada or Mexico operating in the United States, you are also subject to UCR registration. The following two types of entities are not subject to UCR fees:

- Purely intrastate carriers, that is, those that do not handle interstate freight or make interstate movements (unless the state has elected to apply the provisions of the UCR Agreement to such intrastate carriers); and
- Private motor carriers transporting passengers in interstate commerce, e.g., church buses, are not required to register under UCR.



As a motor carrier, your UCR fees are based on the number of commercial motor vehicles (CMVs) that you operate interstate. The number of CMVs operated is:

- The number of commercial motor vehicles reported on your last MCS-150/MCSA-1 form filed with the FMCSA, or
- The total number of vehicles owned and operated for the 12-month period ending June 30 of the year immediately prior to the year for which the UCR registration is made. This includes all vehicles owned and/or leased (as long as the term of lease is more than 30 days).

Fees

The UCR fee structure is a bracket system, with the per-carrier fees based on the number of vehicles the carrier operates. UCR fees are not imposed per vehicle, and are uniform across the country for all entities of a given size, no matter where they are based.

Freight forwarders operating a fleet of vehicles are considered motor carriers and are subject to fees depending upon the number of vehicles they operate.

Brokers, leasing companies, and freight forwarders (who do not operate any commercial motor vehicles) are subject to the lowest fee tier. However, if these entities are also motor carriers, they are subject to the fee according to the number of vehicles they operate.

UCRA fees effective for 2021 and subsequent registration years*

Bracket	Number of commercial motor vehicles owned or operated by exempt or nonexempt motor carrier, motor private carrier, or freight forwarder	Fee per entity for exempt or non-exempt motor carrier, motor private carrier, or freight forwarder	Fee per entity for broker or leasing company
B1	0-2	\$59	\$59
B2	3-5	\$176	
B3	6-20	\$351	
B4	21-100	\$1,224	
B5	101-1,000	\$5,835	
B6	1,001 and above	\$56,977	

*Number of CMVs includes power units only.

Motor carriers not required to have a USDOT number, but that have for-hire authority, pay the lowest fee tier because the vehicles are not defined as commercial motor vehicles.

When you register for UCR, a paper credential is not issued and your drivers do not need to carry proof of payment in your commercial vehicles; however, some carriers prefer to carry proof of payment as a best practice. Proof of registration is available electronically using your USDOT number. Proof of registration under the UCR is available to roadside enforcement and the public via the FMCSA electronic information systems at www.safersys.org or www.ucr.gov.

Intrastate-only carriers are not subject to UCR registration.

Interstate and Intrastate Carriers

If you're an interstate carrier that also operates intrastate commercial vehicles, you have two registration options for the intrastate vehicles:

1. Certain vehicles may be added to the UCR vehicle total: vehicles that operate solely in intrastate commerce and have not been shown on the MCSA-1/MCS-150 form; and/or other self-propelled motor vehicles operating in intrastate or interstate commerce that have a GVW or GVWR of 10,000 pounds or less, transport 10 or fewer passengers

including the driver, and transport property or passengers for hire; or

2. Any vehicles reported on the MCS-150/MCSA-1 form that are used only in intrastate commerce to transport property may be deleted from the total number of commercial vehicles on the UCR Registration Form if:
 - The vehicle did not or will not travel outside the state;
 - The vehicle did not or will not carry property, waste, or recyclable material that originated outside the state or is destined for a location outside the state; and
 - The vehicle was not or will not be registered under the International Registration Plan (IRP) (vehicle must not have an apportioned plate).

Again, if you're an intrastate carrier also engaged in interstate motor carriage, you must comply with any state requirements for initial application for intrastate operating authority and submit any necessary fees. You are subject to the UCR; however, any intrastate vehicles included in your UCR registration are not subject to annual renewal of the intrastate authority.

When motor vehicle(s) used solely in intrastate operations are not included in the vehicle count under the UCR annual submission, the vehicles may be subject to an annual operating authority renewal with the state of operation.

Intrastate-only carriers

Intrastate carriers (never crossing state lines, never engaging in interstate commerce) are not subject to the UCR. Intrastate-only carriers must comply with the authority registration requirements of the state of operation, if applicable.

UCR Registration

Each registrant entity must submit an annual filing and be registered before operating in interstate commerce.

UCR Recordkeeping

Since the beginning of the registration year 2017, a registrant only has to preserve two years of UCR records, the current calendar year, and the prior year, plus any time period included as a result of state decisions or inquiries. Records may be kept on paper or on another computerized or condensed record storage system.

Wait, there's more

Attempting to determine if you have the necessary FMCSA-required operating credentials can be a daunting task. You may be subject to additional requirements above and beyond what is provided here, depending on your specific operation. J. J. Keller & Associates, Inc. offers many services that can help you decipher the requirements and ensure compliance.



About the Author

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Rick Malchow a transportation management editor in the Transportation Publishing Department. Rick's areas of specialty are motor carrier safety and operations management. He is responsible for developing and updating content for existing materials as well as developing new products. He writes whitepapers, blogs and articles for trade publications and websites. Prior to joining the J. J. Keller team, Rick worked in the transportation industry for 13 years. Most of his transportation experience has been in operations management. He is a firm believer that safe operations, productivity, profitability, and effective relationships must co-exist to be truly successful. In addition to his "where the rubber meets the road" experience, he also has expertise in transportation rating, collection, and process improvement.

About J. J. Keller & Associates, Inc.

Since its beginning as a one-man consulting firm in 1953, the company has grown to over 1,500 associates serving more than 600,000 customers — including over 90% of the Fortune 1000® companies. With subject-matter expertise spanning a multitude of industries and regulatory agencies, the company offers consulting and managed services for fleet and transportation, workplace safety and environmental, and human resources. In addition to these professional services, J. J. Keller also offers electronic logging devices, training, online management tools, publications, and forms and supplies.

Transportation professionals rely on J. J. Keller's in-house expertise and wide selection of products and services to reduce risk and improve regulatory compliance, performance management, and operational efficiency. For more information, visit JJKeller.com.

How We Can Help

As the nation's leader in regulatory compliance and best practices expertise, J. J. Keller is your reliable source for help complying with motor carrier safety requirements, reducing violations, and preventing crashes. In addition to DOT, we cover OSHA, EPA, DOL, and other agencies.

J. J. Keller® Trucking Authority Services

We'll advise you on the proper registration and credentials you need to operate legally. Key services include USDOT registration (new, corrections, and biennial updates for both interstate and intrastate), For-Hire Operating Authority (interstate and intrastate), Unified Carrier Registration (UCR) filing, Designation of Process Agents (Form BOC-3), federal hazmat permits, PHMSA hazardous material registration, State Hazmat Alliance transport applications, USDOT number consolidations.

J. J. Keller® Permit Service

Our licensing and permitting staff make ordering temporary permits an easy, cost-effective process. Permit specialists are available 24/7 to assist you with obtaining the permits you need. Or use our quick and simple online ordering wizard. Permits available include trip, fuel, over dimensional and overweight, and mileage. We track state regulations, requirements and fees daily so you always get the right permit for your fleet.

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