

# Section 2

## OVERVIEW

### Transportation Of Hazardous Materials

The last few years has witnessed significant changes to the regulations for the Transportation of hazardous materials. These changes were first introduced under Docket HM-181. Docket HM-181 provided for a phased transition of the hazardous materials regulations which would to the maximum extent possible, be compatible with international standards, in order to facilitate foreign trade and maintain the competitiveness of U.S. goods.

Since October 1, 1997, applicability of the hazardous materials regulations was extended to all intrastate shipments of hazardous materials by highway as published in the final rule, Docket HM-200 dated January 8, 1997. This final rule also provided exceptions for “materials of trade,” “agricultural operations” and certain nonspecification packaging used in commerce.

The SECRETARY of the Department Of Transportation receives the authority to regulate the transportation of hazardous materials from the Hazardous Materials Act (HMTA), as amended and codified in 49 U.S.C. 5101 et seq. The Secretary is authorized to issue regulations to implement the requirements of 49 U.S.C. The Pipeline and Hazardous Materials Safety Administration (PHMSA) is delegated the responsibility to write the hazardous materials regulations, which are contained in 49 CFR Parts 100-180. In order to accomplish responsibilities under the HMTA, the Secretary “...may authorize any officer, employee, or agent to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties relate to (1) The manufacture, fabrication, marking, maintenance, reconditioning, repair, testing, or distribution of packages or containers for use by any “person” in the transportation of hazardous materials in commerce; or (2) the transportation or shipment by any “person” of hazardous materials in “commerce.”

In regards to commercial or governmental activities, Special Agents of the Department of Transportation can not be denied reasonable access to those areas that fall within the official scope of their duties. The Secretary has delegated this authority to the Federal Aviation Administration, (FAA); Federal Motor Carrier Safety Administration, (FMCSA); Federal Railway Administration, (FRA); Pipeline and Hazardous Materials Safety Administration (PHMSA); and the United States Coast Guard, (USCG).

The hazardous materials regulations are constantly changing. These changes may be the result of changes to the international regulations, Congressional, mandates, and/or advances in technology. The challenge facing shippers and transporters is to keep current.

The Government Printing Office has made the Federal Registers and 49 CFR available on the internet. The website for the Federal Registers is <http://www.gpoaccess.gov/fr/index.html>. The website address for 49 CFR is <http://www.gpoaccess.gov/cfr/index.html>. Clarifications of the requirements contained in the Federal Hazardous Materials Regulations and the Motor Carrier Safety Regulations may be found at <http://hazmat.dot.gov> and <http://www.fmcsa.dot.gov>, respectively.

### ■ Who do the regulations apply to?

No person shall offer or accept a Hazardous Material for transportation in commerce unless that person is registered as a hazmat shipper or carrier as required by 49 CFR section 107, subpart G, and the hazardous material is properly classed, described, packaged, marked, labeled, and in condition for transport as required or authorized by the Federal Hazardous Materials Transportation Regulations (HMR). The hazardous materials regulations apply to all persons operating in intrastate, interstate, and foreign commerce.

### ■ Who is a person under these regulations? – §171.8

A *person* means an individual, corporation, company, association, firm, partnership, society, joint stock company; a government or Indian tribe or authority of a government offering a hazardous material for transportation in commerce, or transporting a hazardous material to support a commercial enterprise.

### ■ What is a Hazardous Material? – Definition §171.8

*Hazardous material* means a substance or material that the Secretary of Transportation has determined is capable of posing an unreasonable risk to health, safety, and property when transported in commerce, and has been designated as hazardous by federal hazardous materials law. The term includes hazardous substances, hazardous wastes, marine pollutants, elevated temperature materials, materials designated as hazardous in the hazardous materials table in 49 CFR 172.101, and materials that meet the defining criteria for hazard classes and divisions in 49 CFR section 173.

### ■ Who do the Hazardous Materials Regulations apply to?

The Federal Hazardous Materials Transportation Regulations (HMR) apply to persons that transport hazardous materials, or perform pre-transportation functions to assure the safe transportation of hazmat, including persons who ship, offer, cause or are responsible for hazardous materials transported in commerce. The HMR also apply to persons who manufacture, maintain, mark, or certify hazardous materials packages.

The following activities require adherence to HMR:

1. Determining the hazard class of a hazardous material.
2. Selecting a hazardous materials packaging.
3. Filling a hazardous materials packaging, including bulk packaging.
4. Transloading hazmat at intermodal transfer facilities from one bulk packaging to another.
5. Securing the closure on a filled, partially filled, or residue containing package.
6. Marking a package to indicate it contains hazardous material.
7. Labeling a package to indicate it contains hazardous material.
8. Preparing a shipping paper.
9. Providing and maintaining emergency response information.
10. Reviewing a shipping paper to verify compliance with the HMR.
11. For importers of hazardous materials, providing the shipper with timely and complete information on the requirements of the HMR that will apply to that shipment in the United States.
12. Certifying that a hazardous material in condition for transport in conformance with the requirements of the HMR.

13. Loading, blocking, and bracing a hazmat package in a freight container or transport vehicle.
14. Segregating a hazardous materials package in a freight container or transport vehicle from incompatible cargo.
15. Selecting, providing, or affixing placards for a transport vehicle or freight container to indicate it contains hazardous materials.

### ■ What is a Pre-Transportation Function?

These Pre-Transportation functions are activities regulated by the HMR because they are actions that prepare hazardous materials for transportation.

Transportation in Commerce begins when a carrier takes possession of the hazmat for the purpose of transporting it and continues until the hazmat package arrives at its intended location. For private carriers, transportation in commerce begins when the driver takes possession of the hazardous material for the purpose of transport, and continues until the driver relinquishes possession of the package at its destination. Transportation in Commerce includes:

1. Movement of hazmat by highway, railroad, aircraft, or vessel.
2. Loading incidental to movement, including the loading of packaged hazardous materials into a transport vehicle, blocking, bracing and securing a package in the vehicle, and segregating the hazardous materials from incompatible materials in the transport unit. For bulk packages like cargo tanks or portable tanks, loading incidental to movement is filling the bulk packaging with the hazmat for the purpose of transporting it when performed by the carrier or in the presence of the carrier.
3. Unloading incidental to movement, is removing packaged or containerized hazmat from a transport vehicle, or for bulk packaging, emptying the cargo tank or other packaging after the packaging has been delivered to the consignee, and prior to the carrier leaving the delivery location.

4. Storage incidental to movement is the temporary storage of hazmat between the time the carrier takes possession and its delivery to the location indicated on the shipping paper or package marking. An example is hazmat packages dropped at a freight terminal by original driver or carrier, to be picked up by another driver or carrier for delivery to the consignee.

### ■ What functions or activities are not subject to the Hazardous Materials Regulations? – (49 CFR 171.1)

All aspects of Transportation in Commerce are regulated activities. The following items do not fall into the definition of hazardous materials in commerce:

1. Storage of hazmat containers, vehicles or packages at a shipper or offeror facility prior to a carrier taking possession of the hazardous materials for transportation in commerce.
2. Unloading of transport vehicles or bulk packages by the consignee after the departure of the carrier from the consignee location. For private carriers, unloading of the hazmat after the driver leaves the delivery area.
3. Storage of the container, vehicle, or package containing the hazardous material after delivery by the carrier to the destination listed on the shipping document.
4. Motor vehicle movements of hazardous materials exclusively within the contiguous facility boundary where public access is limited, except for movements that cross a public road.
5. Transport of hazmat by motor vehicles operated by a government agency.
6. Transportation of hazmat by an individual for non-commercial purposes in a private motor vehicle.
7. Any shipment subject to the U.S. Post Office laws or regulations.

## Who has to Register as a Hazardous Materials Shipper or Carrier with U.S. DOT?

Any person who offers or transports hazardous materials in one of the following categories must annually register with the U.S. DOT as a shipper or carrier:

1. Any quantity of a Class 7 highway route controlled radioactive material.
2. More than 25 kg of 1.1, 1.2, or 1.3 explosives.
3. More than 1 liter per package of materials extremely toxic by inhalation that meet the criteria of a “hazard zone A” material.
4. Shipments of hazardous materials in bulk packages having a capacity equal to or greater than 3,500 gallons (13,248 liters) for liquids or gases, or more than 13.24 cubic meters (468 cubic feet) for solids.
5. A shipment in non-bulk packagings of 5,000 pounds (2,268 kg) gross weight or more on one class of hazmat for which placarding of the transport unit would be required.
6. A quantity of hazardous material that would require placarding under the provisions of Subpart F of Part 172.

If one time a year, you ship, offer, or transport a type, form, or quantity of hazardous materials that would

require the transport vehicle to be placarded, you must be registered with the U.S. DOT. Limited exceptions from the registration requirements are available for farmers and operations by government agencies.

Registration can be done on-line at:

<http://hazmat.dot.gov/regs/register/register.htm> or by calling (617) 494-2545.

## Hazmat security plans (49 CFR 172.800 through 172.804)

The U.S. DOT Pipeline and Hazardous Material Administration issued a final rule on March 25, 2003, that establishes new requirements aimed at enhancing the security of hazardous materials transportation. This new rule requires some hazmat offerors and transporters to develop and implement security plans. It requires all hazmat employers to provide security training to their employees as part of their regular hazmat training.

This rule creates a new Subpart I, **Security Plans**, in Part 172 of the regulations. This new regulation requires persons subject to the security plan requirements to perform an assessment of the risks associated with the materials they ship or carry. 49 CFR 172.800 requires each person who offers or transports certain categories of hazardous materials to develop and adhere to a security plan that conforms to the new requirements of Subpart I. **Hazmat Security Plans must be developed and in effect.**

Security plans must include:

- An assessment of possible security risks for shipments of covered materials;
- Appropriate measures to address these security risks;
- Personnel security, including measures taken to confirm background information provided by employees hired for positions that have access to hazardous materials covered by the security plan;
- Unauthorized access procedures, including measures to address the risk that unauthorized persons could gain access to facilities or vehicles used to transport hazardous materials covered by this rule; and
- En Route security, including assessment by the shipper and carrier of security risks associated with hazmat transportation from origin to final destination, including temporary storage incident to transportation.

The security plan must be in writing and retained as long as it remains in effect. Copies of the plan, or portions thereof, must be available to employees responsible for implementing the plan, in a manner consistent with security clearances and a demonstrated need to know. The U.S. DOT has published a security template on its website at <http://hazmat.dot.gov/riskmgmt/rmsef/rmsef.htm> that can be used to identify points in the transportation process where security measures can be enhanced.

### ■ Hazmat security training (49 CFR 172.704 (a)(4))

The hazardous materials transportation regulations have been revised to include the new requirements for security awareness training and in-depth security training. Many hazardous materials transported in commerce may potentially be used as weapons of mass destruction or weapons of convenience, and it is critical that training for persons that ship or transport hazardous materials include a security component.

### ■ Security awareness training

At the next scheduled recurrent hazmat training, each hazmat employee must receive training that provides awareness of security risks associated with hazmat transport, and methods designed to enhance transportation security. Training must include a

component covering how to recognize and respond to a security threat. New hazmat employees must receive security training within 90 days of employment. Hazmat employers are strongly encouraged to provide security awareness training to employees on an accelerated schedule whenever possible.

### ■ In-depth security training

All hazmat employees of a person required to have a security plan by Part 172, Subpart I, must be trained concerning the security plan and its implementation. This training must include:

- Company Security Objectives
- Specific Security Procedures
- Employee Responsibilities
- Actions in case of a Security Breach
- Organizational Security Structure

Security training conducted to comply with the requirements of other federal or international agencies may be used to satisfy this DOT requirement to the extent it complies with the training components required in 49 CFR 172.704 (a).

The U.S. DOT Office of Hazardous Materials Safety has prepared a Hazmat Transportation Security Awareness Training Module, which is available from them at no cost. You can order it from their Web site at <http://hazmat.dot.gov> or by calling (202) 366-4900, or (800) 467-4922 ext. 3.

### ■ Are there penalties for failing to comply with the Hazardous Materials Regulations?

The Federal Motor Carrier Safety Administration, its State Government partners, and the other Modal Agencies have established enforcement programs to prioritize their inspection of activities of shippers and transporters of hazardous materials. These include investigations of complaints, compliance reviews, roadside inspections, and spill and incident reports.

In the event that an inspection of your hazmat operations disclose violations of the HMR, you may be subject to civil and/or criminal penalties. Civil penalties of not more than \$50,000 and not less than \$270 per day and per violation may be assessed. Criminal penalties of not more than \$105,000 and not less than \$270 per day

and per violation may be assessed. A list of violations and guidelines for civil penalties can be found in Appendix A to Subpart D in Part 107 of the HMR.

**This Motor Carrier Fact Sheet is intended as a resource. It is not intended to explain all requirements of Federal law. The actual regulations in 49 CFR (Code of Federal Regulations) are recommended as a resource. For additional assistance, contact the Federal Motor Carrier Safety Administration at (800) 832-5660.**

### ■ Agricultural Product

An agricultural product means a hazardous material, other than a hazardous waste, whose end use directly supports the production of an agricultural commodity including, but not limited to a fertilizer, pesticide, soil amendment or fuel. An agricultural product is limited to a material in Class 3, 8, or 9, Division 2.1, 2.2, 5.1, or 6.1, or an ORM-D material.

### ■ Commerce

The term *commerce* means trade, traffic, commerce, or transportation in the jurisdiction of the United States:

- (A) between a place in a State and any place outside of such State; or
- (B) which affects trade, traffic, commerce, or transportation described in subparagraph (A). 49 U.S.C. 5101 et seq.

### ■ Government NOT engaged in commerce

- (1) The Government service or activity benefits the community as a whole and is available to the public at little or no direct expense.
- (2) The service or activity is undertaken for the purpose of public service rather than for monetary gain.
- (3) Government is the principal provider of activity.
- (4) Government is particularly suited to provide the service or perform the activity.
- (5) The activity is supported through general tax revenues.



## ■ Government IS engaged in commerce

- (1) When it engages in activities contrary to the previously mentioned circumstances.
- (2) When the government “offers” material into commerce.

## ■ Contractors

Any person who, under contract with any department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government, transports, or causes to be transported or shipped, a hazardous material or manufactures, fabricates, marks, maintains, reconditions, repairs, or tests a package or container which is represented, marked, certified, or sold by such person as qualified for use in transportation of hazardous materials shall be subject to and comply with all provisions of the Federal Hazardous Material Transportation Law, or the regulations issued thereunder.

## ■ Hazmat Employee

A person who is employed by a hazmat employer and who in the course of employment directly affects hazardous materials transportation safety. This term includes an owner-operator of a motor vehicle which transports hazardous materials in commerce. This term includes an individual, including a self-employed individual, employed by a hazmat employer who, in the course of employment:

- (1) Loads, unloads, or handles hazardous materials;
- (2) Manufactures, tests, reconditions, or repairs, modifies, marks, or otherwise represents containers, drums, or packages as qualified for use in the transportation of hazardous materials;
- (3) Prepares hazardous materials for transportation;
- (4) Is responsible for safety of transporting hazardous materials; or
- (5) Operates a vehicle used to transport hazardous materials.

## ■ Hazmat Employer

A person who uses one or more of its employees in connection with; transporting hazardous materials in commerce; causing hazardous materials to be transported or shipped in commerce; or representing, marking, certifying, selling, offering, manufacturing, reconditioning, testing, repairing, or modifying containers, drums, or packaging as qualified in the transportation of hazardous materials. This term includes an owner-operator of a motor vehicle which transports hazardous materials in commerce. This term includes any department, agency, or instrumentality of the United States, a State, a political subdivision of a State, or an Indian tribe engaged in the first sentence of this definition.

## ■ Materials of Trade

*Materials of Trade* means a hazardous material, other than a hazardous waste, that is carried on a motor vehicle—(1) For the purpose of protecting the health and safety of the vehicle operator or passengers; (2) For the purpose of supporting the operation of a motor vehicle (including its auxiliary equipment); or (3) By a private motor carrier (including vehicles operated by a rail carrier) in direct support of a principal business other than transportation by a motor vehicle.

## ■ Person

*Person* means an individual, corporation, company, association, firm, partnership, society, joint stock company; or a government, Indian tribe, or authority of a government or tribe offering a hazardous material for transportation in commerce or transporting a hazardous material to support a commercial enterprise. This term does not include the United States Postal Service or for purposes of 49 U.S.C. 5123 and 5124, a Department, agency, or instrumentality of the government.

## ■ Offeror

Any person who performs, attempts to perform or, under the circumstances involved, is contractually or otherwise responsible to perform, any of the functions assigned to the offeror or shipper by the HMR is legally responsible under the HMR for their proper performance. Performance or attempted performance of any offeror or shipper function may be evidence of responsibility under the HMR for performance of other offeror or shipper functions. No shipper

commercial act, such as a sale or transfer of ownership, is necessarily determinative of that responsibility.

**NOTE:** In actuality there may be one or more offerors, jointly and severally responsible for compliance with the HMR, in any transportation scenario depending upon the details of the scenario.

### ■ Shipper

The word “shipper” is not specifically defined in the HMR (49 CFR Parts 170-179), due primarily to the fact that it is not possible for the Department to account for the numerous commercial arrangements that may exist under that concept, although the word “shipper” does appear, it is used in an ordinary layman’s manner rather than a specific, technical term of art. Consequently, responsibilities generally are placed on “offerors” for performance of the functions associated with “offering” hazardous materials for transportation (e.g., see the general duty and applicability provisions in 49 CFR section 171.1, 171.2, 172.3, and 173.1).

### ■ Transports

The term *transports* or *transportation* means any movement of property by any mode, and any loading, unloading, or storage incident thereto.

### ■ Transportation in commerce on a public highway

Transportation on (across or along) roads outside of Government properties generally is transportation in commerce. If a road is used by members of the general public (including dependents of Government employees) without their having to gain access through a controlled access point, transportation on (across or along) a road on Government properties is in commerce. On the other hand if access to a road is controlled at all times through the use of gates and guards, transportation on that road is not in commerce.

The Commercial Motor Vehicle Safety Act of 1986 required DOT to establish Federal standards for States to test and license truck and bus drivers, establish uniform penalty provisions, and establish a data system containing data on drivers.

### ■ Commercial driver’s license

The commercial driver’s license (CDL) regulations apply to drivers of motor vehicles used in commerce to transport hazardous materials in a quantity requiring the vehicle to be placarded. The CDL regulations do not apply to active duty military drivers, but do apply to government civilian employees.

### ■ Safety ratings

Motor carriers transporting hazardous materials in quantities requiring placards are prohibited from operating commercial motor vehicles beginning on the 46th day after receiving a proposed unsatisfactory rating. Federal agencies can not use a motor carrier to transport hazardous materials requiring placards if the motor carrier has an unsatisfactory rating.

**Safety Ratings and Carrier Profiles** are public information and may be obtained on the internet on a system called SAFER (Safety and Fitness Electronic Record) at <http://www.safersys.org/>.





# Section 3

## Motor Carriers of Passengers

### Definitions

*Commercial motor vehicle* means 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 (4,536 kg) or more, whichever is greater;
- Is designed or used to transport more than 8 passengers, including the driver, for compensation;
- 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 found by the Secretary of Transportation to be hazardous under 49 U.S.C. 5103 and transported in a quantity requiring placarding under regulations prescribed by the Secretary under 49 CFR, subtitle B, chapter 1, subchapter C.

*Direct compensation* means payment made to the motor carrier by the passengers or a person acting on behalf of the passengers for the transportation services provided and not included in a total package charge or other assessment for highway transportation services.

### PASSENGER CARRIER OPERATIONS

#### ■ For-hire Motor Carriers of Passengers

For-hire motor carriers of passengers provide transportation of passengers for compensation. Examples of for-hire transportation of passengers include intercity bus service, charter bus service, canoe rental company bus service, and hotel bus service. Three factors must be present before a motor carrier of passengers is classified as a for-hire carrier:

- The motor carrier provides interstate transportation of passengers for a commercial purpose;
- The motor carrier is compensated, either directly or indirectly, for the transportation service provided; and
- The transportation service is generally available to the public at large.

The chart below summarizes the applicability of the Federal Motor Carrier Safety Regulations (FMCSRs) to for-hire motor carriers of passengers.

PART	REGULATORY TOPIC	APPLICABLE
380	Special Training Requirements	Partial
382	Controlled Substances and Alcohol Use and Testing	Yes
383	Commercial Driver's License	Yes
387	Financial Responsibility (Insurance/Surety)	Yes
390	General Applicability and Definitions	Yes
391	Qualification of Drivers	Partial
392	Driving of Commercial Motor Vehicles	Yes
393	Parts and Accessories	Yes
395	Hours of Service of Drivers	Yes
396	Inspection, Repair, and Maintenance	Yes

### Private Motor Carriers of Passengers (PMCPs)

Private motor carriers of passengers (PMCPs) became subject to the FMCSRs on January 1, 1995. They are separated into two groups -- business or non-business.

### Private Motor Carriers of Passengers (PMCPs): Business

Business PMCPs provide private transportation of passengers in the furtherance of a commercial purpose. Examples include companies that use buses to transport their own employees and professional musicians who use buses for concert tours.

Commercial businesses that provide transportation to the general public are not business PMCPs.

The chart below summarizes the applicability of the Federal Motor Carrier Safety Regulations (FMCSRs) to business private motor carriers of passengers (PMCPs).

PART	REGULATORY TOPIC	APPLICABLE
380	Special Training Requirements	Partial
382	Controlled Substances and Alcohol Use and Testing	Yes
383	Commercial Driver's License	Yes
387	Financial Responsibility (Insurance/Surety)	Yes
390	General Applicability and Definitions	Yes
391	Qualification of Drivers	Partial
392	Driving of Commercial Motor Vehicles	Yes
393	Parts and Accessories	Yes
395	Hours of Service of Drivers	Yes
396	Inspection, Repair, and Maintenance	Yes

Business PMCPs are **not** subject to:

- Minimum levels of financial responsibility
- Road test requirements of Part 391 if they meet the requirements of 391.69

### Private Motor Carriers of Passengers (PMCPs): Non-business

Non-business PMCPs provide private transportation of passengers that is not in the furtherance of a commercial purpose. Examples of non-business PMCPs include churches, private schools, civic organization, scout groups, and other organizations that may purchase or lease buses for the private transportation of their respective groups.

The chart below summarizes the applicability of the FMCSRs to non-business private motor carriers of passengers.

PART	REGULATORY TOPIC	APPLICABLE
380	Special Training Requirements	Partial
382	Controlled Substances and Alcohol Use and Testing	Yes
383	Commercial Driver's License	Yes
387	Financial Responsibility (Insurance/Surety)	Yes
390	General Applicability and Definitions	Yes
391	Qualification of Drivers	Partial
392	Driving of Commercial Motor Vehicles	Yes
393	Parts and Accessories	Yes
395	Hours of Service of Drivers	Partial
396	Inspection, Repair, and Maintenance	Partial

Non-business PMCPs are **not** subject to:

- Minimum levels of financial responsibility
- Subpart C of Part 391
- Subpart D of Part 391
- Subpart F of Part 391
- Most paperwork and recordkeeping requirements of Parts 390, 391, 395, and 396

## Frequently Asked Questions Regarding the Applicability of the FMCSRs to PMCPs.

**Q1:** Are PMCPs required to register and mark their vehicles as required by 49 CFR section 390.21?

**A1:** Yes. All PMCPs must register with the FMCSA as required by 49 CFR section 390.19 and mark their vehicles according to 390.21 with their name and U.S. DOT number.

**Q2:** Are non-business PMCP drivers required to be medically examined?

**A2:** No. Section 391.68 (a)(4) specifically states that much of sections 391.41 and 391.45, which require a driver to be medically examined and to have a medical examiner's certificate on his/her person, do not apply to non-business PMCPs. However, non-business PMCP drivers are subject to the minimum physical qualification standards found in section 391.41(b)(1)-(13).

Non-business PMCPs should become familiar with the minimum physical qualification standards found in section 391.41 and the driver waiver conditions of section 391.49.

Non-business PMCP drivers may be placed out-of-service during terminal, en route, or destination inspections if they are required by section 391.41 to have a waiver and do not possess one.

**Q3:** Are non-business PMCP drivers subject to the driver's hours of service regulations?

**A3:** Yes. However, they are not required to prepare or maintain records of duty status. Non-business PMCP driver's hours of service will be evaluated by enforcement officers during terminal, en route, and destination inspections based on evidence available at the inspection location.

It is recognized that some individuals who volunteer to drive for non-business PMCPs may also drive for other motor carriers and in that capacity are required to maintain a record of duty status. All on-duty time performed for a non-business PMCP must be recorded on the records of duty status submitted to that driver's regularly employing motor carrier.

**Q4:** Are non-business PMCPs required to have their vehicles inspected?

**A4:** Yes. Section 396.17 requires that commercial motor vehicles be inspected at least once annually. The inspection must be completed by a qualified inspector and must include all components identified in Appendix G of the FMCSRs. Documentation of this inspection must be kept on the vehicle.

## School Bus Transportation

The chart below summarizes the applicability of the FMCSRs to school bus transportation.

Public School Transporting Students	Not Subject	Not Subject
Private School Transporting Pre-primary, Primary, and Secondary Students	Not Subject	Subject as Non-business PMCPs
Private School Transporting Post-Secondary Students	Subject as Non-business PMCPs	Subject as Non-business PMCPs
"For-hire" Contractors Transporting Pre-primary, Primary, and Secondary Students	Not Subject	Subject as "For-hire" Carriers
"For-hire" Contractors Transporting Post-secondary Students	Subject as "For-hire" Carriers	Subject as "For-hire" Carriers

## Small Passenger Carriers

The FMCSA regulates for-hire carriers that transport 9 to 15 passengers in interstate commerce for compensation.

For-hire operators of vehicles designed or used to transport 9 to 15 passengers, including the driver, for direct compensation are subject to all of the safety regulations in Part 385 and Parts 390 through 396.

For-hire operators of vehicles designed or used to transport 9 to 15 passengers, including the driver, that are not for direct compensation, provided the vehicle does not otherwise meet the definition of a commercial motor vehicle, are subject to the Motor Carrier Identification Report (MCS-150) filing requirements of section 390.19, the commercial motor vehicle marking requirements of 390.21(a) and (b)(2), and the accident register recordkeeping requirements of section 390.15.

## APPLICABILITY OF MINIMUM FINANCIAL RESPONSIBILITY ON PASSENGER CARRIER OPERATIONS

Regulations covering the minimum levels of financial responsibility (insurance) are found in 49 CFR Part 387, subpart B. These regulations are only applicable to for-hire carriers transporting passengers in interstate commerce.

### For-hire Motor Carriers of Passengers

The chart below summarizes the applicability of the minimum levels of financial responsibility regulations to for-hire passenger carriers.

Vehicle	For-hire Passenger Carriers	Business PMCPs	Non-business PMCPs
Vehicle with a Seating Capacity of 16 or More	\$5,000,000 insurance required	Not Subject	Not Subject
Vehicle with a Seating Capacity of 15 or Less	\$1,500,000 insurance required	Not Subject	Not Subject

## School Bus Transportation

The chart below summarizes the applicability of the minimum levels of financial responsibility regulations for school bus transportation.

"For-hire" Contractors	School to Home/ Home to School	Extracurricular School Activities Organized, Sponsored, and Paid by the School	Extracurricular School Activities Organized and Paid by an Independent Group (e.g., Athletic Boosters Club)
"For-hire" Contractors Transporting Pre-primary, Primary, and Secondary Students, and Accompanying Teachers	Not Subject	Not Subject	<p>Bus seating capacity of 16 or more: \$5,000,000 insurance required</p> <p>Bus seating capacity of 15 or less: \$1,500,00 insurance required</p>
"For-hire" Contractors Transporting Post-secondary Students	<p>Bus seating capacity of 16 or more: \$5,000,000 insurance required</p> <p>Bus seating capacity of 15 or less: \$1,500,00 insurance required</p>	<p>Bus seating capacity of 16 or more: \$5,000,000 insurance required</p> <p>Bus seating capacity of 15 or less: \$1,500,00 insurance required</p>	<p>Bus seating capacity of 16 or more: \$5,000,000 insurance required</p> <p>Bus seating capacity of 15 or less: \$1,500,00 insurance required</p>

### Minimum financial responsibility regulations do not apply to:

- A motor vehicle transporting only school children and teachers to and from school;
- A motor vehicle providing taxicab service, having a seating capacity of less than 7 passengers, and not operating on a regular route or between specified points;
- A motor vehicle carrying less than 16 individuals in a single daily round trip to commute to and from work; and
- A motor vehicle operated by a motor carrier under contract providing transportation of pre-primary, primary, and secondary students for extracurricular trips organized, sponsored, and paid by a school district.





# Section 4

## Accident Countermeasures

### Background

As part of the ongoing FMCSA safety management effort to reduce the number of vehicle accidents on highways, assistance by safety specialists in accident analysis and countermeasures planning is now an integral part of compliance reviews conducted by the FMCSA. Accident countermeasures are examples of defensive strategies designed to reduce preventable accidents.

### Purpose

This section is designed to provide motor carriers and drivers with an introduction to the concepts of preventability analysis and accident countermeasures. The material suggests practical measures that can be taken now to prevent accidents, though its main intent goes further. The core of the presentation is a series of case histories of successful countermeasures. These are true stories of industry successes in promoting highway safety. The case histories are presented, together with a guide called Determining Preventability of Accidents, to help readers analyze accidents and create strategies to keep similar accidents from happening in the future.

The FMCSA intends to stimulate thinking and discussion about accident prevention within the motor carrier industry. The preventability guide

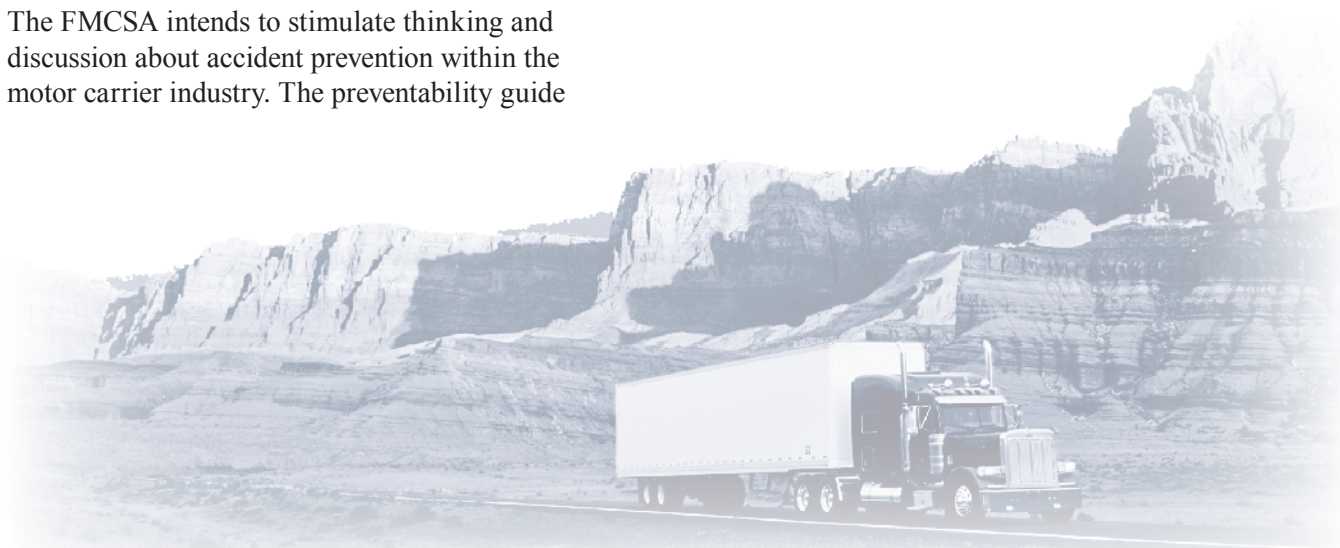
and the Accident Countermeasures cases are not rating sheets nor orders from above to be followed exactly. They are guidelines and discussion tools to help carriers and drivers look at their unique operations and practices with an eye to identifying opportunities to make safety improvements.

#### ■ Determining preventability

No two accidents or carriers are exactly alike and the FMCSA recognizes that not all accidents are preventable. Some types of accidents, however, can be prevented by drivers, while others require changes in motor carrier practices and policies or equipment. The new FMCSA method for determining preventability is based on examination of the facts in accident records.

#### ■ Cases and countermeasures

The countermeasures cases in this file actually occurred. They are true success stories that show how relatively modest improvements led to significant reductions in accident rates.



## ■ Contents and attachments

This section contains A Guide to Determining Preventability of Accidents and Accident Countermeasures: Success Stories. Attachments include an Accident Register form and a chart, Revenue Necessary to Pay for Accident Losses.

You are welcome to reproduce and distribute any of the materials in this booklet.

## ■ A Guide to Determining Preventability of Accidents

The heart of accident analysis is the determination of preventability, based on the facts furnished in the motor carrier's recordable accident register, and from various other sources. These sources of information must be evaluated in light of all available facts that are pertinent to the cause of the accident. Digging out these facts from the information on these reports can be difficult in practice due to the limited data contained in some reports. But the information can be obtained in many instances by a detailed analysis and reconstruction of the accident sequence.

Each accident must be judged individually. Certain types will generally fall in the non-preventable category, and certain others, in the absence of extenuating circumstances and conditions, fall in the preventable category. The types of accidents listed below do not cover every accident that may occur, but they are intended to provide general guidance to assist in determining preventability.

## Non-Preventable Accidents

### Struck in Rear by Other Vehicle

*Non-Preventable if:*

- Driver's vehicle was legally and properly parked
- Driver was proceeding in his/her own lane of traffic at a safe and lawful speed
- Driver was stopped in traffic due to existing conditions or was stopped in compliance with traffic sign or signal or the directions of a police officer or other person legitimately controlling traffic
- Driver was in proper lane waiting to make turn
- Struck while parked

*Non-preventable if:*

- Driver was properly parked in a location where parking was permitted:
- Vehicle was stopped, parked, or left standing in accordance with Sections 392.21 and 392.22 of the Federal Motor Carrier Safety Regulations

## Preventable Accidents

### Accidents at Intersections

*Preventable if:*

- Driver failed to control speed so that he/she could stop within available sight distance
- Driver failed to check cross-traffic and wait for it to clear before entering intersection
- Driver pulled out from side street in the face of oncoming traffic
- Driver collided with person, vehicle, or object while making right or left turn
- Driver collided with vehicle making turn in front of him/her

### ■ Striking Other Vehicle in Rear

*Preventable if:*

- Driver failed to maintain safe following distance and have his/her vehicle under control
- Driver failed to keep track of traffic conditions and did not slow down
- Driver failed to ascertain whether vehicle ahead was moving slowly, stopped, or slowing down for any reason
- Driver misjudged rate of overtaking
- Driver came too close before pulling out to pass
- Driver failed to wait for vehicle ahead to move into the clear before starting up
- Driver failed to leave sufficient room for passing vehicle to get safely back in line



## ■ Sideswipe and Head-on Collisions

*Preventable if:*

- Driver was not entirely in his/her proper lane of travel
- Driver did not pull to right and slow down or stop for vehicle encroaching on his/her lane of travel when such action could have been taken without additional danger

## ■ Struck in Rear by Other Vehicle

*Preventable if:*

- Driver was passing slower traffic near an intersection and had to make sudden stop
- Driver made sudden stop to park, load, or unload
- Vehicle was improperly parked
- Driver rolled back into vehicle behind them while starting on grade

## ■ Squeeze Plays and Shutouts

*Preventable if:*

- Driver failed to yield right-of-way when necessary to avoid accident

## ■ Backing Accidents

*Preventable if:*

- Driver backed up when backing could have been avoided by better planning of his/her route
- Driver backed into traffic stream when such backing could have been avoided
- Driver failed to get out of cab and check proposed path of backward travel
- Driver depended solely on mirrors when it was practicable to look back
- Driver failed to get out of cab periodically and recheck conditions when backing a long distance
- Driver failed to check behind vehicle parked at curb before attempting to leave parking space
- Driver relied solely on a guide to help him/her back
- Driver backed from blind side when he/she could have made a sight-side approach

## ■ Accident Involving Rail Operated Vehicles

*Preventable if:*

- Driver attempted to cross tracks directly ahead of train or streetcar
- Driver ran into side of train or streetcar
- Driver stopped or parked on or too close to tracks

## ■ Accidents While Passing

*Preventable if:*

- Driver passed where view of road ahead was obstructed by hill, curve, vegetation, traffic, adverse weather conditions, etc.
- Driver attempted to pass in the face of closely approaching traffic
- Driver failed to warn driver of vehicle being passed
- Driver failed to signal change of lanes
- Driver pulled out in front of other traffic overtaking from rear
- Driver cut in too short while returning to right lane

## ■ Accidents While Being Passed

*Preventable if:*

- Driver failed to stay in his own lane and hold speed or reduce it to permit safe passing

## ■ Accidents While Entering Traffic Stream

*Preventable if:*

- Driver failed to signal when pulling out from curb
- Driver failed to check traffic before pulling out from curb
- Driver failed to look back to check traffic if he/she was in position where mirrors did not show traffic conditions
- Driver attempted to pull out in a manner that forced other vehicle(s) to change speed or direction
- Driver failed to make full stop before entering from side street, alley, or driveway
- Driver failed to make full stop before crossing sidewalk
- Driver failed to yield right of way to approaching traffic

## ■ Pedestrian Accidents

*Preventable if:*

- Driver did not reduce speed in area of heavy pedestrian traffic
- Driver was not prepared to stop
- Driver failed to yield right of way to pedestrian

## ■ Mechanical Defects Accidents

*Preventable if:*

- Defect was of a type that driver should have detected in making pre-trip or enroute inspection of vehicle
- Defect was of a type that driver should have detected during the normal operation of the vehicle
- Defect was caused by driver's abusive handling of the vehicle
- Defect was known to driver, but ignored
- Driver was instructed to operate with known defect

## ■ All Types of Accidents

*Preventable if:*

- Driver was not operating at a speed suitable for the existing conditions of road, weather, and traffic
- Driver failed to control speed so that he/she could stop within assured clear distance
- Driver misjudged available clearance
- Driver failed to yield right-of-way to avoid accident
- Driver failed to accurately observe existing conditions
- Driver was in violation of company operating rules or special instructions, the regulations of any Federal or State regulatory agency, or any applicable traffic laws or ordinances.



## Accident Countermeasures: Success Stories

References in parentheses are to cases in the Commercial Vehicle Preventable Accident Manual (Countermeasures Manual).

### COUNTERMEASURE:

The Safety Specialist discussed the findings with management and recommended the carrier's vehicles be rerouted until the construction was complete.

(Countermeasures Manual Case No. A11-Planning Schedules, Loads and Routes)

The carrier realized that it could not continue with the increased level of accidents for another six months and agreed with the recommendation. Although the new route was approximately 30 miles more each way, the benefit of reducing accidents outweighed this.

### CASE # 1.

An Oregon-based carrier transporting wood chips from the coast to the Eugene area began to have an unusual number of accidents. An analysis by the Safety Specialist revealed that the majority of the accidents occurred on a three-mile stretch of the route being used. This two-lane road was narrow, winding, and frequented by tourists in summer; and plagued with fog, ice, and snow in winter. Further investigation revealed that for the past eight months construction had been underway along the three-mile stretch - about the same time the accidents had been happening. The highway department indicated that construction would continue for another six months.

### CASE # 2.

An Illinois-based produce hauler was experiencing a high number of driver injuries resulting in a large number of workman compensation claims. A Safety Specialist's review of the accidents revealed that drivers were wrenching their necks inside their cabovers (vs. conventional cabs) when passing over bumps in the road. The drivers were being thrown unexpectedly out of their seats and into the windshield or ceiling of their tractors. The cabovers were identified as being the primary source of these incidents - the driver's seat is located directly over the front wheels and provides little resistance or cushion to reduce the impact of bumps in the road to the driver.

### COUNTERMEASURE:

The Safety Specialist reminds the carrier that a commercial motor vehicle which has a seat belt assembly installed at the driver's seat shall not be driven unless the driver has properly restrained himself/herself with the seat belt assembly. Failure to do so could result in a citation.

(Countermeasures Manual Case No. A8-Company Driver Manuals)

The carrier agreed and, in addition, instructed guards at each terminal gate to check drivers before leaving to ensure they were complying with the company's policy. This simple solution, which had been overlooked by everyone, turned out to be the key in reducing this type of injury to zero.

### COUNTERMEASURE:

The Safety Specialist recommended to the carrier that it should begin holding safety meetings sometime in April and provide each driver with a one-page handout in the period prior to the start of these meetings to keep them alert.

(Countermeasures Manual Case No. A7-Fleet Safety Program and Supervision)

This simple solution turned out to be the key in reducing these accidents to zero. When the Safety Director was asked why he had never noticed this problem, he replied “This was right there in front of me, but I just never had the time to sit down and look at it in this manner!”

### CASE # 3.

An Indiana-based school bus contractor was experiencing a high number of accidents caused by driver inattention. After examining all of the carrier’s accidents, the Safety Specialist determined that they all were occurring during the month of June. The Safety Specialist also came to the conclusion that no specific driver or vehicle was responsible for the accidents. It seemed that the drivers, in general, were becoming inattentive because summer was near and they were anticipating the end of the school year. Further analysis revealed that the Safety Director held two safety meetings a year with the drivers, one in September and another in February.

### CASE # 4.

A Utah-based carrier, which conducts the majority of its business west of the Mississippi River, was experiencing a high number of accidents.

After discussion with some drivers and management officials, an analysis by the Safety Specialist revealed that a high number of accidents occurred during the same time of day on a three-to-five mile section of a certain interstate, heading west. Apparently, drivers were being blinded as they came over the crest of a very large hill at sunset.

### COUNTERMEASURE:

The Safety Specialist discussed the situation with management and recommended that the carrier change the time its drivers were being dispatched. The carrier agreed with the recommendation and immediately began to dispatch drivers an hour earlier or an hour later in order to avoid driving over the hill at sunset. This change eliminated the accidents.

**CASE # 5.**

During a review of a large Indiana-based household goods carrier that operates over 5,000 tractor-trailers, a Safety Specialist discovered that the carrier was experiencing a high number of rear-end collisions. Some of these accidents caused damage to the extent that they were reportable to the DOT. Most, however, were of a lesser amount but still added to the carrier's cost of operation.

**COUNTERMEASURE:**

The Safety Specialist recommended the installation of brake and turn signal lights at the top of the carrier's trailers.

(Countermeasures Manual Case No. B6-Turning Left and Right)

(Countermeasures Manual Case No. C10-Vehicle lighting and Conspicuity)

This reduced accidents almost immediately.

**COUNTERMEASURE:**

The Safety Specialist discussed the findings with the carrier and recommended the installation of turn signals at a higher level on trailers.

(Countermeasures Manual Case No. B6-Turning Left and Right)

(Countermeasures Manual Case No. C10-Vehicle Lighting and Conspicuity)

The carrier agreed and also applied signs to the back of each trailer, on the right side, warning of wide turns. Accidents dropped dramatically over a very short period of time.

**CASE # 6.**

During a review of a Washington-based grocery company, operating over 100 tractor trailers primarily in urban areas, the Safety Specialist discovered an accident pattern - an inordinate number of right turn accidents. Some of the accidents caused damage to the extent that they were reportable to DOT. Most, however, caused damages in a lesser amount but still added to the carrier's cost of operation.

**CASE # 7.**

During a recent review, a Washington-based carrier that operates over 2,400 tractor trailers west of the Mississippi River was found to have a high number of loss-of-control accidents during adverse driving conditions.

**COUNTERMEASURE:**

The Safety Specialist recommended the carrier require drivers to attend a safety meeting.

(Countermeasures Manual Case No. A7-Fleet Safety Program and Supervision)

(Countermeasures Manual Case No. A9-Driver Training Aids)

To promote attendance, the carrier scheduled ten Saturday meetings in various locations and required all drivers to attend one. Drivers were paid to attend the meetings and coffee and doughnuts were provided. The safety meeting consisted of approximately four hours of training on the Federal Motor Carrier Safety Regulations, driving in adverse conditions, and other general safety information. Within a short period of time, the company records indicated a 60 percent reduction in accidents.

**COUNTERMEASURE:**

The Safety Specialist recommended that each driver attend a safety meeting, and that a safety notice be distributed to all drivers requiring them to assist each other during backing maneuvers.

(Countermeasures Manual Case No. A7-Fleet Safety Program and Supervision)

(Countermeasures Manual Case No. A9-Driving Training Aid)

(Countermeasures Manual Case No. B3-Start-Up/Back-Up)

The carrier agreed with the suggestion and required every driver to attend a safety meeting (meetings were held on several Saturdays to allow attendance by all). Drivers were paid overtime and coffee and donuts were furnished. The meeting contained about four hours of training on proper procedures for backing. In addition, a safety notice was distributed in driver's paychecks instructing them to assist each other during backing maneuvers. Backing accidents dropped quickly, and because of increased driver awareness, there was a reduction in other types of accidents as well.

**CASE # 8.**

An Oregon-based produce hauler, generally running from Portland to Los Angeles was having a very high number of backing accidents. Considering the areas in which they were required to load and unload, the carrier had not found the number of accidents unusual. An analysis by the Safety Specialist revealed that the carrier was using qualified but relatively inexperienced drivers in sleeper teams. They were paid for load/unload time whether they actually had to do the work or not. Although most of the backing accidents involved damage costing less than \$1,000, one dock worker had been crushed between a trailer and the dock, which emphasized the danger inherent in backing accidents.

**CASE # 9.**

A Missouri-based farm commodity and hazardous material transporter was experiencing a high number of accidents. Examination of all its accidents revealed that they occurred during bad weather and that the majority of them were caused by drivers who were not paying attention to the road conditions (that is, they were driving too fast for the weather).

**COUNTERMEASURE:**

The Safety Specialist recommended that the carrier implement a safe driver recognition/incentive program and a driver training program geared to avoiding accident situations and to driving in adverse weather conditions.

(Countermeasures Manual Case No. A3-Safe Driving Recognition)

(Countermeasures Manual Case No. A4-Driver Safety Infractions)

(Countermeasures Manual Case No. A7-Fleet Safety Program and Supervision)

(Countermeasures Manual Case No. B11-Driving in Adverse Conditions)

The carrier agreed with the recommendations, and now holds quarterly safety meetings with 95 percent driver participation. Any driver who attended the previous meeting and was accident free during the quarter receives a \$150 U.S. Savings Bond. The carrier also, implemented a driver training program and classroom instruction on accident situations and driving in adverse weather conditions. After the carrier took this proactive stance, its accident rate improved from 0.88 to 0.37 over 12 months.

**COUNTERMEASURE:**

After further discussion with management officials, the Safety Specialist recommended that the carrier change the time the drivers were being paid. The carrier agreed with the recommendation and began paying the drivers at the end of the day. The change forced drivers to cash their paychecks after work while off-duty, and eliminated the accidents.

**■ CASE # 10.**

A city-based carrier that operates over 30 delivery trucks was experiencing a high number of accidents.

An analysis by the Safety Specialist revealed that a majority of accidents occurred within a two to three block area downtown every Thursday between nine and ten in the morning. The analysis also revealed that drivers were paid every Thursday morning, and that a number of banks are located within the problem area. Apparently, after they were paid in the morning, drivers would stop at the banks while on-duty to cash their paychecks.

Driving in this highly congested area during rush hour placed both the driver and vehicle in extremely unfavorable conditions. Cashing the checks during the morning rush hour traffic was placing both the driver and vehicle in the worst possible place at the busiest time of the day and led to the high number of accidents.

**■ CASE # 11.**

An Illinois-based carrier that operates over 200 tractor trailers was experiencing a high number of accidents. An analysis by the carrier's Safety Director revealed that the majority of these accidents fell into three main categories. The carrier was experiencing:

- ▶ too many right turn accidents
- ▶ too many backing accidents
- ▶ too many right lane change accidents

**COUNTERMEASURE:**

After further discussion among management officials, the carrier developed a program that was based on the three accident types that were occurring most frequently. Each accident type was assigned a different color dot sticker: red, blue, and yellow. The number one accident situation (right turns) was assigned a red dot sticker. The number two accident situation (backing) was assigned a blue dot sticker. The number three accident (right lane change) was assigned a yellow dot sticker. The dots were placed on the right side mirror of the motor carrier's vehicle as a safety reminder to drivers who had accidents.

The carrier also placed a large red sticker halfway back on the side of trailers to aid drivers when making right turns. If a driver could not see the colored sticker in the right side mirror, then he/she had not pulled far enough out to execute the turn.

After implementing the program, the carrier began to see accident numbers starting to decrease considerably.

After a few months, however, the carrier became lax in seeing that the dots remained affixed. Accident rates started to rise again. The Safety Director states that the carrier now makes sure that when a unit comes through the shop, the safety dots are checked and replaced if needed. Other carriers could easily copy this program to meet their own company's most frequent accident situations.

## CASE # 12.

Motor carriers in California and Tennessee have recently experienced accidents involving the driver's inability to see other vehicles because of poor visibility (specifically, in fog or dust storms).

### COUNTERMEASURE:

According to researchers here and in Europe, use of front and rear running lights during daylight hours would save lives and prevent injuries, since many crashes are caused by poor visibility. These running lights can be:

- special additional lights;
- reduced-intensity headlights for daytime use; or
- high-intensity parking lights.

In Finland, researchers found that, during a six-year period, the use of daytime running lights in winter reduced daytime crashes by 21 percent. In Sweden, results were similar: crashes decreased by 11 percent. Finland, Sweden, and Denmark now require all drivers to use daytime running lights. In 1989, Canada passed legislation requiring that all new cars, trucks, vans, and buses be equipped with front lights that turn on whenever the engine is running. According to James White of Transport Canada, about 20 percent of all drivers voluntarily use running lights in the daytime. By 1994, he said, enough new vehicles will be on the road to bring the total to two in five vehicles with lights on in the daytime.

Of course, all of these countries are in the north where it can be relatively dark much of the day in the winter. What about here in the United States? Some States already require the use of headlights just after sunrise, before sunset, or whenever visibility is poor. New York recently passed a law requiring the use of low-beam headlights whenever it rains, snows, sleets, or hails. Any time one has windshield wipers on in New York, headlights must be switched on or the driver risks being ticketed for an equipment violation (a \$100 fine).

In one study, the Insurance Institute of Highway Safety (a research organization supported in part by the insurance industry) equipped 2,000 trucks and vans with automatic daytime running lights for a

year. Crashes decreased by 13 percent in bad weather and 7 percent at other times - less than the reduction shown in several European studies but enough to lend support to the use of daytime running lights.

A government study completed in April 1990 showed that, in light levels equivalent to early morning or twilight, drivers were able to see vehicles with running lights sooner than those with no lights. The lights improved visibility and provided drivers going 55 miles per hour with about three extra seconds to brake or take other action to prevent a crash. Several car makers, including General Motors, Chrysler, Ford, and Volvo, voiced support for daytime running lights as a way to decrease highway deaths and injuries. General Motors has filed a petition with the National Highway Traffic Safety Administration for clearance to install daytime running lights.

Daytime running lights won't affect gas mileage by much: for every \$10 spent on gas, they would cost an extra nickel (0.5 percent, according to a study by the Canadian government). Some people may object that these daytime lights can be blinding for other drivers, especially when reflected in rearview mirrors and for older drivers. One government study indicated that glare in the rearview mirror during daytime could be a problem, though the age of the driver was not a significant factor. The right intensity for running lights under different conditions "should be considered" in recommending lamp design, the study concluded.

Meanwhile, it makes good safety sense to switch on low-beam headlights in adverse weather conditions, at daybreak, dusk, and on dark and overcast winter afternoons.



### Forms to Use

Shown on following pages and available at Web address as shown:

**135** .....Accident Register:  
[http://www.fmcsa.dot.gov/documents/forms/form\\_1.pdf](http://www.fmcsa.dot.gov/documents/forms/form_1.pdf)

**136** .....Revenue Necessary  
 To Pay For Accident Losses:  
[http://www.fmcsa.dot.gov/documents/forms/revenue\\_necessary.pdf](http://www.fmcsa.dot.gov/documents/forms/revenue_necessary.pdf)





## REVENUE NECESSARY TO PAY FOR ACCIDENT LOSSES

This table shows the dollars of revenue required to pay for different amounts of costs for accidents.

**It is necessary for a motor carrier to generate an additional \$1,250,000 of revenue to pay the cost of a \$25,000 accident, assuming an average profit of 2%. The amount of revenue required to pay for losses will vary with the profit margin (as shown in chart below).**

### REVENUE REQUIRED TO COVER LOSSES

YEARLY ACCIDENT COSTS	VS. PROFIT MARGIN				
	1%	2%	3%	4%	5%
\$1,000	\$100,000	\$50,000	\$33,000	\$25,000	\$20,000
5,000	500,000	250,000	167,000	125,000	100,000
10,000	1,000,000	500,000	333,000	250,000	200,000
25,000	2,500,000	1,250,000	833,000	625,000	500,000
50,000	5,000,000	2,500,000	1,667,000	1,250,000	1,000,000
100,000	10,000,000	5,000,000	3,333,000	2,500,000	2,000,000
150,000	15,000,000	7,500,000	5,000,000	3,750,000	3,000,000
200,000	20,000,000	10,000,000	6,666,000	5,000,000	4,000,000

#### Accident costs consist of any /or all of the following:

- Vehicle Damage
- Loss of Revenue
- Administrative Costs
- Police Reports
- Cargo Damage
- Possible Effects on Cost of Insurance
- Possible Effect on Cost of Workmen's Compensation Insurance
- Towing
- Storage of Damaged Vehicle
- Damage to Customer Relationships
- Legal Fees
- Customer's Loss of Revenue Directly Attributable to Accident

# PART 1420

## Motor Carrier Financial and Operation Statistics

The Bureau of Transportation Statistics' Motor Carrier Financial and Operating Statistics (F&OS) Program collects annual and quarterly data from motor carriers of property and passengers that meet the applicability requirements listed in the table below. The program collects balance sheet and income statement data along with information on tonnage, mileage, employees, transportation equipment, and other related items, but there are no explicit safety data items. The Motor Carrier F&OS forms are not currently a part of the FMCSA compliance review process. The F&OS data are used by the U.S. Department of Transportation, other government agencies, trucking associations, insurance companies, consultants, law firms, academia, trade publications, and others. Under 49 CFR 1420.10, unless otherwise provided by law, "the data contained in the report[s]...shall be made publicly available."

### ■ Applicability

Any motor carrier of property, household goods, or passengers engaged in interstate, intrastate, and/or foreign operations and with annual revenues of \$3 million dollars or more must file annual and/or quarterly reports with the Bureau of Transportation Statistics, as required by 49 CFR 1420.

### ■ Requirements

As listed under 49 CFR 1420.

Type of Motor Carrier	Adjusted Annual Operating Revenue	Report(s)	Due Date
Class I, Property	\$10 million or greater	Form M, annual	March 31
		Form QFR, quarterly	30 days after the end of each quarter
Class II, Property	\$3 - \$10 million	Form M, annual	March 31
Class I, Passenger	\$5 million or greater	Form MP-1, annual and quarterly	March 31st and 30 days after the end of each quarter

### ■ Exceptions

Motor Carriers that:

- are below the Class I or Class II revenue thresholds (see the worksheet for calculating carrier classification);
- are a private motor carrier;
- are outside DOT jurisdiction;
- do not hold DOT or ICC operating authority or have leased their operating authority to another carrier;
- are in bankruptcy; or
- have received an exemption from filing (see 49 CFR 1420.8 and 1420.9).

Please contact the Office of Motor Carrier Information, Bureau of Transportation Statistics at 202-366-2984 or 202-366-4023 for additional information about the Motor Carrier Financial and Operating Statistics Program.



### Forms to Use

Shown on following pages and available at Web address as shown:

**138-145** ...Annual Report:

[http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormM\\_FMCSA\\_11\\_19\\_04.htm](http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormM_FMCSA_11_19_04.htm)

**146, 147** ..QFR: Class I - Motor Carriers of Property and Household Goods - Quarterly Report:

[http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormQFR\\_FMCSA\\_11\\_19\\_04.htm](http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormQFR_FMCSA_11_19_04.htm)

**148, 149** ..MP-1: Quarterly and Annual Report - Motor Carriers of Passengers:

[http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormMPI\\_FMCSA\\_11\\_19\\_04.htm](http://www.fmcsa.dot.gov/forms/reporting/InformationForFilers/FormMPI_FMCSA_11_19_04.htm)

**150** .....Online Registration Options:

[https://li-public.fmcsa.dot.gov/LIVIEW/PKG\\_REGISTRATION.prc\\_option](https://li-public.fmcsa.dot.gov/LIVIEW/PKG_REGISTRATION.prc_option)

# Class I & II — Motor Carriers of Property and Household Goods

## 2001 Annual Report

### IDENTIFICATION

MOTOR CARRIER NO. <input type="text"/>		U.S. DOT NO. <input type="text"/>	
BASE STATE* (see instructions) <input type="text"/>		BASE STATE REGISTRATION NO.* (see instructions) <input type="text"/>	
Name of Company <input type="text"/>			
Trade or Doing Business As: <input type="text"/>			
Street Address <input type="text"/>			
City <input type="text"/>	State <input type="text"/>	ZIP Code <input type="text"/>	Telephone No. (Include Area code) ( <input type="text"/> ) <input type="text"/>

### CONTACT (for purposes of this report)

Contact name <input type="text"/>	Title <input type="text"/>	Telephone No. (Include Area code) ( <input type="text"/> ) <input type="text"/>
--------------------------------------	-------------------------------	--

### MAILING ADDRESS (if different from above)

Mailing Address <input type="text"/>		
City <input type="text"/>	State <input type="text"/>	ZIP Code <input type="text"/>

AFFILIATED COMPANIES: Name(s)	MC number (if any)	U.S. DOT number (if any)
Parent	<input type="text"/>	<input type="text"/>
Affiliates	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

## Revenue Commodity Group

MOTOR CARRIER NO.

Indicate which type of carriage makes up the majority of your revenues.

Parcel: Includes expedited and courier service.

Tank motor carriers: Included in liquid petroleum/liquid chemical products or refrigerated liquids.

**GENERAL FREIGHT**

- Less than truckload
- Truckload
- Parcel
- Container

HOUSEHOLD GOODS

**SPECIALTY FREIGHT (mark up to 3)**

- Heavy equipment
- Liquid petroleum or chemical products
- Bulk chemicals
- Refrigerated liquids
- Refrigerated solids
- Dump trucking
- Agricultural commodities
- Motor vehicles
- Armored truck services
- Building materials
- Film and associated products
- Forest products
- Mine ore (not coal)
- Retail store delivery
- Explosives or dangerous products
- Other - Specify

— GENERAL INSTRUCTIONS —

- Use Generally Accepted Accounting Principles (GAAP)
- Report dollar values in whole dollars.
- Respond to each item. Use "0," "none," or "not applicable" as appropriate.
- Explain any unusual items, such as large differences between figures reported in the current report and those for the preceding report.
- Use parentheses to indicate negative numbers.

## Schedule 100 — Balance Sheet

Current Assets		Balance close of 2001 (a)	Balance start of 2001 (b)
101	<b>Cash and equivalents</b> – available on demand by company (cash and working funds, special deposits, temporary cash investments, etc.).		
102	<b>Accounts receivable</b> – Accounts owed to the business by customers or affiliates who have bought "on credit". Include all accounts receivable regardless of source. Exclude long-term accounts receivable.		
103	<b>Notes receivable</b> – Money owed by customers or affiliates who have signed a written promise to pay within one year. Include all notes receivable regardless of source.		
104	<b>Other current assets</b> – Include all assets not considered long-term which were not included above (materials and supplies, prepayments, deferred charges, etc.).		
105	<b>Total current assets - Sum of lines 101 through 104</b> →		
Long-term Assets			
106	<b>Net carrier operating property</b> – Depreciated book value of all tangible operating property (revenue and other operating equipment, land, buildings, garage, furniture and office equipment, carrier owned operating property used by others in motor carrier operations, etc.).		
107	<b>Other long-term assets</b> – Include depreciated book value of nonoperating property, long-term notes and accounts receivable, receivables from affiliates, deferred income tax debits, and other deferred debits. Include intangible assets.		
108	<b>Total long-term assets - Sum of lines 106 and 107</b> →		
109	<b>TOTAL ASSETS - Sum of lines 105 and 108</b> →		

MOTOR CARRIER NO.

## Current Liabilities

		Balance close of 2001 (a)	Balance start of 2001 (b)
110	<b>Accounts payable</b> – Accounts payable within one year. Accounts owed to others for goods and services bought on credit.		
111	<b>Notes payable</b> – Promissory notes payable within one year. Include payables to affiliated companies and matured obligations.		
112	<b>Taxes payable</b> – Taxes payable within one year (accrued taxes, deferred income tax credits).		
113	<b>Current portion of long-term debt</b> – Long term debt that is due within one year (bonds, equipment obligations, lease obligations, etc.).		
114	<b>Other current liabilities</b> – Report all other liabilities due within one year not included above (unclaimed wages, accrued bonuses, vacation pay, etc.).		
115	<b>Total current liabilities –</b> <b>Sum of lines 110 through 114</b> →		

## Long-term Liabilities

116	<b>Long-term debt</b> – All debt and advances payable due after one year (all types of bonds, mortgages, notes, advances, etc. outstanding with more than one year of payments remaining).		
117	<b>Other long-term liabilities</b> – Include deferred tax credits and any other deferred credits or liabilities of more than one year in duration.		
118	<b>Total long-term liabilities –</b> <b>Sum of lines 116 and 117</b> →		
119	<b>TOTAL LIABILITIES –</b> <b>Sum of lines 115 and 118</b> →		

## Owners' Equity or Capital

120	<b>Retained earnings (if corporation)</b> – That part of net profit that is kept for use in the business (instead of distributed to the owners).		
121	<b>Equity and other capital (if corporation)</b> – Include common and preferred capital stock plus additional paid-in capital. Subtract Treasury Stock.		
122	<b>Proprietary or partnership capital (if not a corporation)</b> – Investments of a sole proprietor or partners in an unincorporated entity.		
123	<b>Total owners' equity or capital</b> <b>Sum of lines 120 through 122</b> →		
124	<b>TOTAL LIABILITIES AND EQUITY</b> <b>Sum of lines 119 and 123</b> →		

## Schedule 200 — Income Statement

MOTOR CARRIER NO.

Operating Revenues		Amount for 2001
201	<b>Freight operating revenue – intercity</b> – Revenue from the transportation of property by motor vehicles. Include revenue from common and contract carriage. Include revenue from your portion of interline shipments. Exclude revenue from household goods, compensated intercorporate hauling, and private carriage.	
202	<b>Freight operating revenue – local</b> – Revenue from local freight carriage. Exclude revenue from Household Goods operations.	
203	<b>Household goods carrier operating revenue</b> – Revenue from intercity common and contract carriage of household goods. Include local household goods revenue. Exclude revenue from noncarrier activities such as packing and warehousing.	
204	<b>Other operating revenue</b> – Operating revenue not shown above. Include revenue from furnishing vehicles with drivers to other common or contract carriers under lease or similar arrangement. Include revenue received from the lease of your operating rights. Include compensated intercorporate hauling and private carriage. Include commissions for brokerage services, commissions for making payroll deductions, operations of lunch rooms, restaurants, etc.	
205	<b>Total operating revenue –</b> <b>Sum of lines 201 through 204</b> →	

## Wages and Salaries

Report gross earnings paid to employees prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance premiums, union dues, savings bonds, etc. Include all miscellaneous paid time off, etc.

206	<b>Driver and helper wages (W-2 employees)</b> – Exclude 1099 owner-operator driver compensation which are included in equipment rentals with drivers (line 226).	
207	<b>Cargo handler wages</b>	
208	<b>Officer, supervisor, administrative, and clerical wages and salaries</b>	
209	<b>Other wages and salaries</b>	
210	<b>Fringe benefits</b> – Include Federal, state, and local payroll taxes, workers' compensation, group insurance, pension and retirement plans, and other fringe benefits. Include all fringe benefits, whether required by law or not.	
211	<b>Commission agent fees (HHG only)</b> – Booking commissions paid to agents.	
212	<b>Total wages, salaries, and fringe benefits –</b> <b>Sum of lines 206 through 211</b> →	

## Operating Supplies

213	<b>Fuel, oil, and lubricants</b> – Include cost of gas, propane, diesel, motor oil, grease, lubricants, and coolants used by revenue vehicles, terminal vehicles, and maintenance vehicles. Exclude taxes for fuel, which are reported separately.	
214	<b>Outside maintenance</b> – Maintenance performed by outside vendors. Include total amount paid on invoice – with taxes.	
215	<b>Vehicle parts</b> – Cost of parts used to repair vehicles. Exclude tires and tubes.	
216	<b>Tires and tubes</b> – Cost of tires and tubes for vehicles. (Retread charges and taxes, etc.)	
217	<b>Other operating supplies</b> – Other operating supplies and expenses used in the operations of vehicles, terminals, and shops.	
218	<b>Total operating supplies –</b> <b>Sum of lines 213 through 217</b> →	

MOTOR CARRIER NO.

Amount for  
2001

## Insurance Expenses

219	<b>Cargo loss and damage premiums and claims paid</b> – Net cost of commercial insurance to protect the carrier against liability for claims resulting from loss or damage to, or delay of, property being moved or stored by carrier. Include claims paid.	
220	<b>Liability and property damage premiums and claims paid</b> – Cost of commercial insurance to protect carrier from liability due to deaths or injuries to non-employees and damage to other property caused by carrier's equipment. Include claims paid.	
221	<b>Other insurance expenses</b> – Commercial insurance for fire, theft, floods, etc. Include insurance for buildings, offices, structures, machinery, etc. Exclude any insurance cost included in fringe benefits, such as worker's compensation.	
222	<b>Total insurance expenses –</b> <b>Sum of lines 219 through 221</b> →	

## Miscellaneous Expenses

223	<b>Fuel taxes</b> – Federal and state taxes on gas, diesel, and oil consumed by revenue vehicles and terminal or maintenance activities.	
224	<b>Operating taxes and licenses (except fuel taxes)</b> – Include Federal, state, and local operating taxes, license and registration fees, tolls, other vehicle use taxes, and real estate and personal property taxes. Exclude income, payroll, sales and other taxes collected from customers.	
225	<b>Depreciation and amortization charges</b> – Depreciation and amortization expenses of revenue equipment, building and improvements, and all other property. Include depreciation on assets rented or leased to others by you under an operating lease agreement. Include depreciation on assets owned and used by your firm within leaseholds, and assets obtained through capital lease agreements. Exclude depreciation on intangible assets and assets leased to others by you under a capital lease agreement.	
226	<b>Equipment rentals – with drivers</b> – Amounts payable to others for the use of revenue vehicles where vehicle and driver are under control of carrier. Include monies paid to 1099 independent contractors. Exclude wages paid to W-2 drivers which are reported separately.	
227	<b>Equipment rentals – without drivers</b> – Amounts payable to others for the use of revenue vehicles where vehicle is under control of carrier. Include compensation for use of owner operator vehicles when driver services are paid separately.	
228	<b>Equipment rentals – agents (HHG Only)</b> – Amounts payable to agents for moving and transportation costs related to household goods operations. Exclude commission agent fees, which are reported separately.	
229	<b>Purchased transportation</b> – Cost of purchased transportation when the hauling carrier retains control of the vehicle and driver. Include payments for the transportation of individual shipments and partial loads in the vehicles of another carrier (interlining), and payments to railroads, water carriers, airline, and others for the transportation of your company's loaded or empty motor vehicles and containers. Include payments for the delivery of small shipments by parcel, courier, or expedited services. Exclude 1099 independent contractor compensation which is reported separately.	
230	<b>Communications and utilities</b> – Cost of communications services plus taxes (long distance communications, fax services, telephone equipment, etc.).	
231	<b>Other operating expenses</b> – Include building rents and office equipment rents, gain (loss) on disposal of operating assets, etc. Exclude interest on loans, sales taxes, and other taxes collected directly from customers and paid directly to a taxing authority.	
232	<b>Total miscellaneous expenses –</b> <b>Sum of lines 223 through 231</b> →	
233	<b>TOTAL OPERATING EXPENSES –</b> <b>Sum of lines 212, 218, 222, and 232</b> →	



MOTOR CARRIER NO.

**Net Income (Loss) Calculation**

**Amount for  
2001**

234	<b>Net operating income (loss) – Line 205 minus 233</b>	
235	<b>Non-operating revenue</b> – Revenue from non-carrier operations. Include revenue from the lease of a distinct operating unit and household goods packing and warehousing revenue. Include gains on sale, trade in, retiring of equipment. Include interest and dividend income.	
236	<b>Non-operating expenses</b> – Expenses from non-carrier operations. Include household goods packing and warehousing expenses. Include losses on sale, trade in, retiring of equipment.	
237	<b>Interest expenses</b> – Interest and amortization of debt discount expense and premium.	
238	<b>Ordinary income (loss) before taxes – Line 234 plus (lines 235 minus 236 minus 237)</b> →	
239	<b>Total provision for income taxes</b> – Accruals for Federal, state, or other income taxes applicable to ordinary income.	
240	<b>Ordinary income (loss) after taxes – Line 238 minus 239</b> →	
241	<b>Extraordinary items, effect of accounting changes, and other items</b> – Include items that are unusual in nature and infrequent in occurrence.	
242	<b>NET INCOME (LOSS) Line 240 minus 241</b> →	

**Schedule 300 — Operating Statistics**

**Operating Statistics (all carriers) –**  
Report statistics for carrier's owned and leased power units, equipment rentals with and without drivers, equipment rentals – agents, and purchased transportation. Include statistics from common and contract carriage and your portion of interline shipments. Exclude statistics from local, compensated intercorporate, and private carriage.

		General Freight Only		Total (c)
		(LTL) up to 10,000 lbs. (a)	(TL) 10,000 lbs. and over (b)	
301	<b>Miles – intercity</b> – Report total miles operated, both loaded and empty, in intercity service. This line should equal the sum of lines 302 and 303.			
302	<b>Miles: highway</b>			
303	<b>Miles: rail, water, and air</b>			
304	<b>Tons – intercity</b> – Use estimates if necessary.			
305	<b>Total shipment carried - intercity</b>			
306	<b>Revenue – intercity (including HHG)</b> – This line will equal line 201 plus the intercity portion of line 203.			
307	<b>*Ton-miles – intercity</b>			

**\*How to calculate ton-miles:** **Method 1** – Multiply the distance of each movement by the weight in tons to get ton-miles for individual shipments. Sum all ton-miles for individual shipments to get total ton-miles.  
**Method 2** – Compute the average length of haul (total miles/total shipments) for your operations. Then multiply this average haul by the total number of actual tons transported in intercity service. (Multiplying the total tons of all movements by the total miles of all movements produces an erroneous result and should not be used.)

MOTOR CARRIER NO.

**Operating Statistics  
(household goods carriers only)**

		Revenue (intercity common & contract carriage) (a)	Tons (actual weight) (b)	Number of shipments (c)
308	Personal effects and property used or to be used in a dwelling			
309	Furniture, fixtures, equipment, and the property of stores, offices, etc.			
310	Articles of an unusual nature or value (objects of art, etc.)			
311	<b>Total</b> →			

**Schedule 400 — Revenue Equipment**

Report all operating equipment owned or leased under a capital lease. Exclude rented vehicles. Include vehicles used in terminals, maintenance facilities, intercity highway, & storage.

	Number of units at start of year (a)	Units acquired during the year		Number of units retired/ disposed of during the year (d)	Number of units at end of year (e)
		Number (b)	Cost (c)		
401					
402					
403					
404					
405					
406					
407					
408	<b>Total revenue equipment</b> →				

MOTOR CARRIER NO.

### Schedule 500 — Employment Information

*Include W-2 employees. Exclude 1099 independent contractors.*

*Average: (number at beginning of year + number at end of the year) divided by 2, or use an average Full Time Equivalent calculation.*

*Total compensation: Include all wages, salaries, and miscellaneous paid time off. Exclude fringe benefits. Should equal figures in lines 206 through 209.*

*Hours earned/miles operated: Estimate the total hours/miles included in total compensation.*

		Average number of employees (a)	Total compensation (b)	Hours earned or miles operated (c)
501	<b>Drivers and Helpers – hourly basis</b>			Hours
502	<b>Drivers and Helpers – mileage basis</b>			Miles
503	<b>Drivers and Helpers – other basis –</b> Drivers and Helpers not reported above.			
504	<b>Cargo handlers</b>			Hours
505	<b>Officers, supervisors, administrative, and clerical</b>			
506	<b>Other labor</b> – Average number of other employees (include vehicle repair, etc.)			
507	<b>Total employment –</b> <i>Sum of lines 501 through 506</i> →			

### Drivers

Number at close of 2001

508	<b>CDL drivers</b> – All drivers that hold a valid CDL license.	
509	<b>Non-CDL drivers</b> – Indicate the number of non-CDL drivers on payroll.	
510	<b>Total drivers –</b> <i>Sum of lines 508 and 509</i> →	

**Certification** – I hereby certify that this report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.

Name	Signature
Title	Date

Return the completed form to:

BUREAU OF TRANSPORTATION STATISTICS  
 U.S. DEPARTMENT OF TRANSPORTATION  
 c/o VISTRONIX, INC.  
 1970 CHAIN BRIDGE ROAD, SUITE 1200  
 MCLEAN, VA 22102

Phone: (202) 366-4383  
 Fax: (703) 749-8480  
 Email: mcs@bts.gov  
 Web site: www.bts.gov/mcs

**Class I — Motor Carriers of  
Property and Household Goods****2002  
Quarterly Report**QUARTER — *Mark (X) ONE*1  2  3  4 

## IDENTIFICATION

MOTOR CARRIER NO. <input type="text"/>		U.S. DOT NO. <input type="text"/>	
Name of Company			
Trade or Doing Business As:			
Street Address			
City	State	ZIP Code	Telephone No. (Include Area code) (    )

## CONTACT (for purposes of this report)

Contact name	Title	Telephone No. (Include Area code) (    )
--------------	-------	---

## MAILING ADDRESS (if different from above)

Mailing Address		
City	State	ZIP Code

AFFILIATED  
COMPANIES:

Name	MC number (if any)	U.S. DOT number (if any)
Parent		
Affiliates		

**— GENERAL INSTRUCTIONS —**

- Use Generally Accepted Accounting Principles (GAAP)
- Report dollar values in whole dollars.
- Respond to each item. Use "0," "none," or "not applicable" as appropriate.
- Explain any unusual items, such as large differences between figures reported in the current report and those for the preceding report.
- Use parentheses to indicate negative numbers.

**Operating Revenues**

1. Freight operating revenue – intercity . . . . .	\$
2. Household goods carrier operating revenue . . . . .	\$
3. Other operating revenue . . . . .	\$
4. <b>Total Operating Revenue</b> ( <i>Sum of lines 1 through 3</i> ) . . . . .	\$

**Operating Expenses**

5. Freight operating expenses . . . . .	\$
6. Household goods carrier operating expenses . . . . .	\$
7. <b>Total Operating Expenses</b> ( <i>Sum of lines 5 and 6</i> ) . . . . .	\$

**Net Income (Loss) Calculation**

8. <b>Net Operating Income (Loss)</b> ( <i>Line 4 minus line 7</i> ) . . . . .	\$
9. <b>Net Non-Operating Income (Loss)</b> . . . . .	\$
10. Interest expenses - show as a positive number . . . . .	\$
11. <b>Ordinary income (loss) before taxes</b> ( <i>Sum of lines 8 and 9 minus line 10</i> ) . . . . .	\$
12. Total provision for income taxes, extraordinary items, effect of accounting changes, and other items . . . . .	\$
13. <b>Net Income (Loss)</b> ( <i>Line 11 minus line 12</i> ) . . . . .	\$

**Operating Statistics (all carriers)**

14. Miles – intercity: highway . . . . .	
15. Miles – intercity: rail, water, and air . . . . .	
16. Tons – intercity . . . . .	
17. Total freight bills (shipments and/or loads) – intercity . . . . .	

**Certification** – I hereby certify that this report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.

Name	Signature
Title	Date

**Return the completed form to:**

BUREAU OF TRANSPORTATION STATISTICS  
 U.S. DEPARTMENT OF TRANSPORTATION  
 OFFICE OF MOTOR CARRIER INFORMATION  
 c/o VISTRONIX, INC.  
 1970 CHAIN BRIDGE ROAD SUITE 1200  
 MCLEAN, VA 22102

Phone: (202) 366-4383  
 Fax: (703) 749-8480  
 Email: mcs@bts.gov  
 Web site: www.bts.gov/mcs

# MP-1

Quarterly and annual report to the  
Federal Motor Carrier Safety Administration

## Quarterly and Annual Report Form Motor Carriers of Passengers

Approved by OMB: 2126-0031  
Expires: 9-30-2009

Calendar/Fiscal Year

**Carrier name and address**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MC Number:** \_\_\_\_\_

**1.** \_\_\_\_\_ Period covered (check one):

- |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>1</b>              | <b>2</b>              | <b>3</b>              | <b>4</b>              | <b>A</b>              |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

**2.** Type of operation based on major sources of revenues (check one):

- Regular route service
- Charter service

**3.** If respondent is a consolidated group, list and describe all entities making up the consolidation.

\_\_\_\_\_

\_\_\_\_\_

**4.** If a merger, consolidation, or change in the company or consolidated group occurred during the year, please describe.

\_\_\_\_\_

\_\_\_\_\_

**Instructions** - please see the following page for instructions and footnotes on individual items.

**Respondent only**

**Consolidated**

**5.** Number of Passengers:

(a) Intercity regular route

--	--

(b) Charter or special

--	--

(c) Local or commuter

--	--

(d) Total passengers

--	--

**6. Revenue:**

(a) Intercity regular route

---

(b) Charter or special

---

(c) Local or suburban

---

(d) Express and other revenue

---

(e) Total operating revenue

---

**7. Total Operating Expenses**

---

**8. Net Operating Income (Loss)**

---

**9. Other Income (Deductions)**

---

**10. Extraordinary Items, Net of Taxes**

---

**11. Total Provision for Income Taxes**

---

**12. Net Income (Loss)**

---

**13. Total Assets**

---

**14. Total Liabilities**

---

**15. Shareholders' Equity**

---

**16. Operating Ratio**

---

**Certification:**

I certify that this form was prepared by me or under my supervision, that I have examined it, and that the items reported on the basis of my knowledge and belief are correctly shown.

---

Your name (print or type)

Official title

---

Address

---

City, State, Zip

Telephone No. (including area code)

---

Signature

Date



# FMCSA

Federal Motor Carrier  
Safety Administration

## Registration Options

Welcome to the online site for making sure that your Motor Carrier operation (truck and passenger carrier) is properly registered with the Federal Motor Carrier Safety Administration. Whether you need to register with us or make an update to an existing record, this site will help you get the job done.

All electronic transactions will require a valid credit card (American Express, Discover, Master Card, Visa.)

### New or Additional Registration



I think I need to register with the FMCSA to get a USDOT number, Operating Authority (MC/FF/MX number), or CT number (Cargo Tank Facility).  
(If you're not sure, select this option, then "Continue" and the system will let you know).

### Continue Filling Out Registration



Use your registration tracking number and Personal Identifier (PIN) to continue filling in your registration (one of the following forms: MCS-150, MCS-150A, MCS-150B, OP-1, OP-1(P), OP-1(FF), CT Registration, or update Operating Authority (MC/FF/MX number)).



Use your registration tracking number and Personal Identifier (PIN) to continue filling in your Form OP-2 application (commercial zone, Mexico domiciled).

### Existing Registration Updates



I need to update my USDOT number registration information or file my biennial update.



I need to update my MCS-150B / HM Safety Permit.

I was registered with the FMCSA and now want to restart my business by:



a. Reapplying for a USDOT number after revocation



b. Requesting that my Operating Authority (MC/FF/MX number) be reinstated



I want to update my Cargo Tank Facility registration statement information.

### I want to notify the FMCSA that I am no longer in business



Inactivate my USDOT number

### Other



I want to request a copy of a document.

The following Existing Registration Update transactions cannot be made using this system:

- Operating Authority (MC/FF/MX number) Name changes
- Operating Authority (MC/FF/MX number) Address changes
- Operating Authority (MC/FF/MX number) Transfers
- Operating Authority (MC/FF/MX number) Voluntary Revocations

Please contact FMCSA <http://www.safersys.org/POCs.aspx> if you need additional information or help.

Continue



# Certificate For Mexico-Domiciled Carriers To Operate In the U.S. Commercial Zones

## Mexico-Domiciled Motor Carrier Operations within U.S. Municipalities and Commercial Zones on the U.S./Mexico Border

Provisional certificate of registration means the registration under 49 CFR section 368.6 that the FMCSA grants to a Mexico-domiciled motor carrier to provide interstate transportation of property within the United States solely within the municipalities along the United States-Mexico border and the commercial zones of such municipalities. It is provisional because it will be revoked if the registrant does not demonstrate that it is exercising basic safety management controls during the safety monitoring period.

Provisional operating authority means the registration under 49 CFR section 365.507 that the FMCSA grants to a Mexico-domiciled motor carrier to provide interstate transportation within the United States beyond the municipalities along the United States-Mexico border and the commercial zones of such municipalities. It is provisional because it will be revoked if the registrant is not assigned a satisfactory safety rating following a compliance review conducted during the safety monitoring period.

### Process for Obtaining a Certificate of Registration

This process applies to Mexico-domiciled motor carriers who wish to register to operate only in the municipalities in the United States on the U.S./Mexico border or within the commercial zones of such municipalities. It also applies to Mexico-domiciled motor carriers that currently hold a Certificate of Registration from the former Interstate Commerce Commission, the Federal Highway Administration, the Office of Motor Carrier Safety or the FMCSA.

### ■ The process for obtaining a Certificate of Registration is comprised of three sub-processes:

- The application process
- The safety audit
- The performance monitoring

### Application Process

The application process represents the first phase in a carrier's efforts to obtain a Certificate of Registration to operate within the border commercial zones. To successfully complete the application process, a carrier must correctly complete and file the OP-2 application package, accompanied by an application fee.

An OP-2 Application package can be obtained by:

- Calling FMCSA's information line at (800) 832-5660 to have an application mailed
- Visiting the FMCSA web site at [www.fmcsa.dot.gov/registration-licensing/print-forms/print-forms.htm](http://www.fmcsa.dot.gov/registration-licensing/print-forms/print-forms.htm)

### Completing the Application

- The application package is printed in English and Spanish, but the carrier's response must be written in English. It is very important that the carrier provides all required information and completes the application in its entirety before mailing it back. Applications with missing information or fees will be returned to the carrier. Information provided on the application will be checked against a variety of U.S. and Mexican databases to ensure that the carrier is eligible for a Certificate of Registration.



### Filing the Application:

- ▶ Motor Carrier Identification Report (MCS-150) – A completed and signed Form MCS-150. The MCS-150 provides basic information about the carrier's operation necessary to maintain FMCSA's carrier census database.
- ▶ Designation of Agents for Process (Form BOC-3) – A carrier must provide a signed and dated Form BOC-3, Designation of Agents for Service of Process, or use a process service agent who will electronically file the BOC-3 within 90 days. The BOC-3 form must show the street addresses for the person(s) designated as the agent(s) for serving notices of enforcement action. A process agent must be designated in each state in which the applicant may operate. The applicant may not begin operations unless the Form BOC-3 has been filed with the FMCSA.
- ▶ Filing Fee – Except for those carriers that have already paid the fee, a filing fee of \$300 for each type of registration requested (e.g. contract, common or household goods) payable in U.S. dollars on a U.S. bank to the FMCSA by means of check, money order, or credit card must accompany the application.

### ■ The completed application, fee, and above mentioned documents should be sent to:

Federal Motor Carrier Safety Administration  
MC-RIO  
1200 New Jersey Avenue, SE  
Washington, DC 20590

### Proof of Insurance

The applicant does not have to submit evidence of insurance with the application. However, if the applicant is issued a Certificate of Registration, the following must be on each of its vehicles when crossing the border:

- ▶ A current DOT Form MCS-90
- ▶ Evidence of Insurance: The evidence of insurance must show either trip insurance coverage (24 hours or more coverage), or evidence of continuing insurance

## Approval

Applicants that have fully met the requirements for completing their OP-2 applications will be notified in writing by FMCSA that their application has been approved. The Carrier will also receive:

- ▶ A provisional certificate of Registration that allows the carrier to operate in the commercial zones for a period of 18 months
- ▶ A U.S. DOT number

### ■ Operating with a Provisional Certificate of Registration

FMCSA has implemented a safety monitoring system to help determine whether Mexico-domiciled carriers conducting operations between points in Mexico and the border commercial zones comply with the applicable safety regulations and conduct safe operations. The safety audit and performance monitoring are the primary components of safety monitoring.

## Safety Audit

All Mexico-domiciled carriers seeking a permanent Certificate of Registration to operate in the border commercial zones must undergo and pass an FMCSA-conducted safety audit. The safety audit consists of a review of the carrier's safety data, a review of requested motor carrier documents, and an interview session with the motor carrier's safety official by a trained safety auditor. The following steps describe this aspect of the application process.

### Preparing for the Safety Audit

Mexico-domiciled carriers seeking a permanent Certificate of Registration to operate in the border commercial zones must receive and pass an FMCSA Safety Audit within the 18-month provisional period. FMCSA recommends that a Mexico-domiciled carrier obtain FMCSA's Educational and Technical Assistance package on the internet at: <http://www.fmcsa.dot.gov/safety-security/eta/index.htm> (English) or [www.fmcsa.dot.gov/espanol/english/eta\\_index.htm](http://www.fmcsa.dot.gov/espanol/english/eta_index.htm) (Spanish).



## Objective of Safety Audit

The objective of the safety audit is to both educate the carrier on compliance with the FMCSRs and HMRs and to determine areas where the carrier might be deficient in terms of compliance. The safety auditor will use a series of questions regarding the carrier's safety management practices and safety performance to ensure that all applicable acute and critical areas of the FMCSRs and HMRs are addressed. Areas covered include the qualification of drivers, driving a motor vehicle, hours of service, inspection, repair, and maintenance, transporting and marking hazardous materials, controlled substance and alcohol use and testing, commercial driver's license standards, and financial responsibility. At the end of the audit, the carrier will receive a report listing any deficiencies that may have been found along with recommendations for correcting those deficiencies. FMCSA will notify the carrier of the results of the audit (Pass or Fail) within 45 days after completion of the audit.

## Passing the Audit

If the safety audit reveals that the carrier is in compliance with the FMCSRs and has basic safety management controls in place that are functioning adequately, the carrier will receive a passing score. The Mexico-domiciled carrier's provisional Certificate of Registration will remain in place and its performance will be closely monitored by the FMCSA until the end of the 18-month period.

## Failing the Audit

If a carrier fails the audit due to severe safety problems, the lack of adequate safety management controls, and/or non-compliance with the FMCSRs, FMCSA will notify the carrier that it will suspend its registration effective 15 days after the service date of the notice unless the carrier demonstrates, within 10 days, that the safety audit contained material error. If the carrier fails to show a material error in the safety audit, FMCSA will then issue an Order suspending the carrier's provisional Certificate of Registration and notify the carrier that unless it presents evidence of necessary corrective action within 30 days from the service date of the Order, the carrier's provisional Certificate of Registration would be revoked.

## ■ Safety Monitoring System for Mexico-Domiciled Carriers

### Safety Monitoring System (385.103)

- ▶ Each Mexico-domiciled carrier operating in the United States will be subject to an oversight program to monitor its compliance with applicable Federal Motor Carrier Safety Regulations (FMCSRs), Federal Motor Vehicle Safety Standards (FMVSSs), and Hazardous Materials Regulations (HMRs).
- ▶ Each Mexico-domiciled carrier granted provisional operating authority must have on every commercial motor vehicle it operates in the United States a current decal attesting to a satisfactory inspection by a Commercial Vehicle Safety Alliance (CVSA) inspector.
- ▶ The FMCSA will conduct a safety audit on a Mexico-domiciled carrier within 18 months after the FMCSA issues the carrier a provisional Certificate of Registration.
- ▶ The FMCSA will conduct a compliance review on a Mexico-domiciled carrier within 18 months after the FMCSA issues the carrier provisional operating authority.

Each Mexico-domiciled carrier that receives provisional operating authority or a provisional Certificate of Registration will be subject to intensified monitoring through frequent roadside inspections.

### Roadside Performance Monitoring

During the 18-month period following issuance of a provisional Certificate of Registration or provisional Operating Authority, the FMCSA will track and assess the safety performance of Mexico-domiciled carriers on U.S. highways through a comprehensive roadside performance monitoring system. The major aspects of that system are presented below.

### Expedited Action (385.105)

A Mexico-domiciled motor carrier committing any 49 CFR section 385.105 violations identified through roadside inspections or by any other means, may be subjected to an expedited safety audit or compliance review, or may be required to submit a written response demonstrating corrective action:

- Using drivers not possessing, or operating without a valid Commercial Driver's License (CDL) or Licencia Federal de Conductor (LF);
- Operating vehicles that have been placed out-of-service (OOS) for Commercial Vehicle Safety Alliance (CVSA) OOS violations without making the required repairs;
- Involvement in, due to carrier act or omission, a hazardous materials (HM) incident within the U.S. involving highway route controlled quantity of certain HM;
- Involvement in, due to carrier act or omission, two or more hazardous materials incidents within the U.S.;
- Using a driver who tests positive for drugs or alcohol or who refuses to submit to required drug or alcohol tests;
- Operating within the U.S. a motor vehicle that is not insured as required by 49 CFR Part 387;
- Having a driver or vehicle OOS rate of at least 50% based upon three inspections within a consecutive 90-day period.

Failure to respond to an agency demand for a written response demonstrating corrective action within 30 days will result in the suspension of the carrier's provisional operating authority or provisional Certificate of Registration until the required showing of corrective action is submitted to the FMCSA.

A satisfactory response to a written demand for corrective action does not excuse a carrier from the requirement that it undergo a safety audit or compliance review, as appropriate, during the provisional registration period.

### Operating With a Permanent Operating Authority or a Permanent Certificate of Registration

Mexico-domiciled carriers that demonstrate acceptable levels of safety performance and pass the safety audit will be notified that their operating authority or Certificate of Registration has become permanent at the end of the 18-month provisional period. Once Mexico-domiciled carriers have been issued their operating authority or permanent Certificates of Registration, they will be subject to the same safety requirements and operational procedures applied to U.S. and Canadian carriers.





