



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation
Motor Carrier Transportation Division
550 Capitol Street NE
Salem, OR 97301-2530

DATE: May 7, 2007

TO: House Transportation Committee

FROM: Gregg Dal Ponte, Administrator,
Motor Carrier Transportation Division

SUBJECT: Senate Bill 222 A-Engrossed

FILE CODE:

INTRODUCTION

This measure changes Oregon requirements to conform to federal regulations that preempt states from registering interstate motor carriers and requiring them to file proof of insurance, as well as requiring any carrier to display certain state credentials. This measure also enables Oregon to participate in a new multi-jurisdictional agreement for registering interstate carriers and collecting annual fees.

BACKGROUND

Federal legislation called SAFETEA-LU, which was passed in August 2005, prohibits states from registering interstate for-hire or private motor carriers and requiring filings of financial responsibility. The legislation also preempts states from requiring carriers to display credentials related to identification of vehicles, except those credentials associated with the International Registration Plan, the International Fuel Tax Agreement, and other approved forms of identification.

Effective January 1, 2007, the following Oregon state regulations are preempted:

- Requirement that interstate motor carriers must register to operate in Oregon.
- Requirement that interstate carriers must file proof of liability insurance.
- Requirement that certain interstate carriers must file proof of cargo insurance.
- Requirement that carriers operating in Oregon must display a weight-mile tax credential, called an Oregon Weight Receipt and Tax Identifier.

The federal legislation created a new base-state system, called the Unified Carrier Registration Agreement (UCRA), for registering all interstate operators and collecting annual fees from them. The UCRA encompasses any interstate operator who is required to file with the U.S. DOT and have a DOT number. This includes private, for-hire, and exempt motor carriers, as well as brokers, freight forwarders, and leasing companies. It even includes carriers operating vehicles that weigh over 10,000 pounds but less than 26,001 pounds and display a T plate obtained from DMV. They're all required to register with the UCRA either through their base state or, if their base state does not participate, through another state in the region.

The UCRA has not yet been implemented, although processes and procedures could be in place later this year. States were given until November 1, 2006, to submit a UCRA "State Plan" that is essentially just a non-binding statement of intent to participate in 2007. States that didn't meet the initial deadline have until August 2008 to opt in. Those who don't opt in by then may never participate in the UCRA. Oregon joined 36 other states in meeting the November 1, 2006, deadline for submitting a State Plan so that it may participate in 2007.

The U.S. DOT is now considering a recommended fee structure for the UCRA. The proposed fees, which were developed by a UCRA Board of Directors, are based on the number of trucks and trailers that a motor carrier operates:

Number of Straight Trucks, Tractors, Trailers	Proposed Annual UCRA Fee
0-2	\$ 39
3-5	\$ 116
6-20	\$ 231
21-100	\$ 806
101-1,000	\$ 3,840
1,001 or more	\$37,500

Once the program is underway, participating states are assured of retaining or receiving at least \$500,000 in fees annually. The fees collected may only be used for motor carrier safety programs, enforcement, or administration of the UCR Plan and UCR Agreement. When fees collected exceed the revenue to which a state is entitled, the difference will be forwarded to a depository for eventual distribution among other participating states.

The federal legislation also creates a Unified Carrier Registration System (UCRS), a single online system that will consolidate a number of currently separate databases maintained by the Federal Motor Carrier Safety Administration. It's anticipated that state enforcement of the UCRA may be accomplished by accessing carrier insurance and registration data stored in the UCRS. It's not known when this new online system will be in place.

WHAT THE BILL DOES

SB 222 A-Engrossed accomplishes the following:

- Removes Oregon requirement that interstate motor carriers must register and obtain a permit to operate in Oregon.
- Removes requirement that they must file proof of financial responsibility.
- Removes requirement that all carriers must display the Oregon weight-mile tax credential, called the Oregon Weight Receipt and Tax Identifier (OWRATI).

- Authorizes the Department to enter into a multi-jurisdictional agreement for purposes of registering interstate operators and collecting annual fees from them.

With these changes, Oregon statutes will be in compliance with federal law. The authorization to enter into a multi-jurisdictional agreement is key because that allows Oregon to help its state-based interstate carriers meet the federal requirements regarding registration and annual fees. When the Unified Carrier Registration System is established online, Oregon can access it to check if interstate carriers are in compliance with the UCRA and also check if they've met U.S. DOT requirements regarding insurance filings.

Although this measure removes the requirement that all carriers must display the Oregon weight-mile tax credential, it does not remove the requirement that carriers must obtain the credential. States are only preempted from requiring the display of such credentials.

Oregon will continue to issue an OWRATI or temporary pass for every truck operating in the state. The Department's enforcement officers cannot ask carriers to present that paper credential, but they'll be able to verify that carriers have it by accessing a computer. All but the smallest and most outlying weigh station facilities have computers with access to Department records. It's likely that most carriers will continue to carry the credential because they need to show it in order to obtain tax-exempt fuel in Oregon. Without a valid OWRATI or temporary pass, a trucker is charged fuels tax and subsequently must request a refund when reporting and paying weight-mile tax.

SUMMARY

SB 222 A-Engrossed makes changes to bring Oregon law into compliance with federal legislation that preempts state regulation of interstate carriers. The bill also enables Oregon to participate in a multi-jurisdictional agreement for registering interstate operators and collecting fees.