



Unified Carrier Registration Plan

Audit Subcommittee Meeting

July 25, 2024
12:00 PM – 3:00 PM Eastern Time

Zoom Meeting and Screenshare

Meeting URL:

<https://kellen.zoom.us/join/99881379916>

Phone Numbers: +1 929 205 6099 / +1 669 900 6833

Meeting ID: 998 8137 9916

Subcommittee Members

Mike Hoeme, Chair
Abe Droste, Vice-Chair
Eric Belford
Kristen Burch
Joshua Clemons
William Debord
Debbie Garcia

LaBrina Matthews
Rod Moser
Ryan Nance
Patrick Remfrey
Amanda Shehane
Monte Wiederhold

**UNIFIED CARRIER REGISTRATION PLAN
AUDIT SUBCOMMITTEE MEETING
July 25, 2024**

PROPOSED AGENDA

- I. Call to Order** – UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair will welcome attendees, call the meeting to order, call roll for the Audit Subcommittee, confirm whether a quorum is present, and facilitate self-introductions.
- II. Verification of Publication of Meeting Notice** – UCR Executive Director
The UCR Executive Director will verify the publication of the meeting notice on the UCR website and distribution to the UCR contact list via e-mail followed by the subsequent publication of the notice in the *Federal Register*.
- III. Review and Approval of Subcommittee Agenda and Setting of Ground Rules** – UCR Audit Subcommittee Chair
For Discussion and Possible Subcommittee Action
The agenda will be reviewed, and the Subcommittee will consider adoption.
- Ground Rules
Subcommittee action only to be taken in designated areas on the agenda.
- IV. Review and Approval of Subcommittee Minutes from the March 14, 2024 Meeting** – UCR Audit Subcommittee Chair
For Discussion and Possible Subcommittee Action
Draft minutes from the March 14, 2024, Subcommittee meeting via teleconference will be reviewed. The Subcommittee will consider action to approve.
- V. Discuss Options to update the current evaluation process for the State Annual Audit Report** – UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice-Chair,
For Discussion and Possible Subcommittee Action
The Chair will lead a discussion on options to replace the current evaluation process for the State Annual Audit Report.

Currently States must comply with at least three of the six compliance initiatives:

- a. Previous year or reporting year FARs closed percentage – at least 80%.
- b. Current year FARs closed percentage – at least 60%.
- c. Previous year or reporting year Tier 5&6 Retreat Audits closed – at least 60%.
- d. Previous year or reporting year registration percentage for MCs – at least 85%.
- e. Previous year or reporting year, unregistered MCs Bracket 5 & 6 MCs – 100%.
- f. Previous year or reporting year, registration percentage for Brokers – at least 60%

Consider removing the following compliance initiatives from the Annual Audit Report evaluation process:

- g. Previous year or reporting year FARs closed percentage – at least 80%
 - i. Justification, most FARs are closed shortly after being assigned.
- h. Previous year or reporting year Registration percentage for MCs – at least 85%
 - i. Currently the previous year percentages are 93.80%.
 - ii. The NRS Solicitations are working.
 - iii. States are writing UCR Violations.

- i. Previous year or reporting year, Registration percent for Brokers – at least 60%
 - i. Currently, the previous year percentage is 64.55%.
 - ii. The NRS Solicitations are working including letters.
 - iii. The Broker population is: 20,262.

Changes to consider:

- j. Consider expanding the previous or reporting year Unregistered Motor Carrier to Tier’s 4,5 & 6 and calling them Unregistered Audits.
 - i. The States and Contractor are using the same audit process to work/close.
- k. Consider expanding the Retreat/Inspection Audits to Tier’s 4,5 & 6 and adjusting the closed percentage to 100%.
- l. Consider limiting the current year FARs Audits to Tier’s 4,5 & 6 and adjusting the closed percentage to 100%. States must also close all FARs assigned.

Additional compliance Initiatives to consider:

- m. UCR Violations Audit.
- n. Enforcement Efficiency Report Percentages.

The Subcommittee may take action to recommend to the UCR Board one or more of the proposed changes to the compliance initiative requirements applicable to UCR Participating States and to the Annual Audit Report Evaluation Process.

VI. UCR Audit Subcommittee Chair and UCR Audit Subcommittee Vice-Chair

The UCR Audit Subcommittee Chair and UCR Audit Subcommittee Vice-Chair will lead a discussion on options to create, update/expand the UCR definitions. Examples are:

Leasing Companies Examples:

Leasing companies as defined for purposes of the UCR – that is, entities that are in the business of leasing or renting motor vehicles without drivers to interstate motor carriers are not required to register with U.S. DOT and obtain a DOT number, if they do not operate any vehicles. Such leasing companies are still subject to the UCR and required to register in Tier 1.

The FMCSA considers a leasing company that makes interstate movements of any of its vehicles from place to place over the highway for its own reasons or for the convenience of a customer, to be a private motor carrier of property that is required to register and obtain a DOT number. Under this scenario, the leasing company will register in the UCR Tier based on the number of commercial motor vehicles listed on its USDOT Profile.

Focused Anomaly Review (FAR) Example:

Is defined as or occurs when a motor carrier (MC) under registers (registers and pays in a lower Unified Carrier Registration (UCR) Tier) for a registration year when compared to the number of active International Registration Plan (IRP) registered commercial motor vehicles (CMVs) in its fleet. When this occurs a FAR is generated and assigned to the State.

Retreat Audit Example:

Is defined as or occurs when a MC under registers its UCR for a registration year based on the number of VIN specific commercially plated CMVs inspected in interstate commerce. When this occurs a Retreat Audit is generated and assigned to the State.

Hybrid Retreat Example:

Occurs when the MCs UCR reported commercially plated CMVs inspected in interstate commerce and its IRP plated CMVs do not match its UCR Tier. When this occurs a hybrid Retreat is generated and assigned to the State and to the MC for an adjustment.

Unregistered Registrant Example:

Is defined as or occurs when a motor carrier (MC), Broker, Freight Forwarder (FF) or Leasing Company has an active interstate USDOT number, active federal operating authority or MC number, interstate roadside inspection or crash and has not registered for the UCR.

VII. Update on Retreat Audit Program and Consider Options for the Program During the Renewal – UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice Chair, DSL Transportation and Seiko Soft Representative.

For Discussion and Possible Subcommittee Action

The UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice Chair, DSL Transportation and Seiko Soft Representative will lead a discussion on the status of the new Retreat Audit Program that utilizes roadside inspection data for an automation driven audit for non-IRP and IRP-plated commercial motor vehicles (CMVs).

At least three choices will be presented for the Subcommittee’s consideration when tying the inspection data to the motor carrier’s UCR registration/renewal such as:

- Stop the registration/renewal transaction if the motor carrier does not agree with the vehicle count.
- Interrupt the registration/renewal transaction by showing inspections data to the motor carrier and sending the renewal to support for assistance.
- Allow for normal registration/renewal but with the creation of a Retreat Audit.

The Subcommittee may take action to recommend to the UCR § Board a UCR Registration Process based on inspection-based data.

VIII. Update the Subcommittee on the recent Monthly Question and Answer Session for State Auditors – UCR Audit Subcommittee Chair and UCR Audit Subcommittee Vice-Chair and Executive Director.

Representatives will lead a discussion on the value of and topics for the next scheduled 60-minute virtual question and answer session for UCR state Auditors on September 10, 2024.

IX. Other Business – UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair will call for any other items Subcommittee members would like to discuss.

X. Adjournment – UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair will adjourn the meeting.