Unified Carrier Registration Plan

Audit Subcommittee Meeting

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

Subcommittee Members Present:

Mike Hoeme, Chair
Abe Droste, Vice-Chair
Kristen Burch
Joshua Clemons
Bill Deboard
Debbie Garcia
LaBrina Matthews
Rod Moser
Patrick Remfrey
Amanda Shehane
Monte Wiederhold

Subcommittee Members Absent:
Eric Belford

Others Present:
UCR: Elizabeth Leaman, Crystal Stevens, Alex Leath, Avelino Gutierrez
Kellen: Tom Gooding, Michelle Hall, Tom Lawrence, Matt Mantione
Seikosoft: Toby Piquet
DSL: Dave Lazarides

UNIFIED CARRIER REGISTRATION PLAN

AUDIT SUBCOMMITTEE MEETING
July 25, 2024

APPROVED MINUTES

I. Call to Order – UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair welcomed attendees, called the meeting to order, called roll for the Audit Subcommittee, confirmed whether a quorum is present, and facilitated self-introductions.

II. Verification of Publication of Meeting Notice – UCR Executive Director
The UCR Executive Director verified the publication of the meeting notice on the UCR website and distribution to the UCR contact list via e-mail on July 16, 2024, followed by the subsequent publication of the notice in the *Federal Register* on July 23, 2024, Vol. 89, No. 141, beginning on page 59810.

III. Review and Approval of Subcommittee Agenda and Setting of Ground Rules – UCR Audit Subcommittee Chair
The agenda was reviewed. A MOTION to approve the agenda was made and SECONDED. The motion CARRIED.

IV. Review and Approval of Subcommittee Minutes from the March 14, 2024 Meeting – UCR Audit Subcommittee Chair
Draft minutes from the March 14, 2024 Subcommittee meeting via teleconference were reviewed.

A MOTION to approve the minutes was made and SECONDED. The motion CARRIED.

V. Discuss Options to update the current evaluation process for the State Annual Audit Report – UCR Audit Subcommittee Chair, UCR Audit Subcommittee Vice-Chair,
The Chair led a discussion on options to replace the current evaluation process for the State Annual Audit Report.

Currently States must comply with three of the six compliance initiatives to be compliant:

a. Previous year or reporting year FARs closed percentage 80%.
b. Current year FARs closed percentage 60%.
c. Previous year or reporting year Tier 5&6 Retreat Audits closed 60%.
d. Previous year or reporting year Registration percent for MCs 85%.
e. Previous year or reporting year, Unregistered MCs Bracket 5 & 6 MCs 100%.
f. Previous year or reporting year, Registration percent for Brokers 60%

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

g. Previous year or reporting year FARs closed percentage 80%,
    i. Justification, most FARs are closed shortly after being assigned.
h. Previous year or reporting year Registration percent for MCs 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 60%
   i. Currently the previous year percentages are 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 close 100%, also, States must close all FARs assigned.

Additional compliance Initiatives to consider:

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

A MOTION was made and SECONDED that the Audit Subcommittee recommends that the UCR Plan Board remake the existing compliance initiatives applicable to all UCR Plan participating States to instead require that all participating States meet 3 out of the following 4 compliance initiatives beginning with the 2025 Registration/Audit Year:

a. Previous or Reporting Year Unregistered Audits for Tiers 4, 5, and 6 and requiring 100% closure;
b. Tying Retreat Audits to Inspections that occurred within the previous year or reporting year and requiring 100% closure;
c. FARs Audits are applicable to the current year (October – June) in Tiers 4, 5, and 6 and requiring 100% closure; and
d. Previous or Reporting Year UCR Violations Audits and requiring 100% closure.

The MOTION carried.

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

The Subcommittee Chair and UCR Audit Subcommittee Vice-Chair led 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 (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 their 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 their 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 their IRP plated CMVs do not match their 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.
The Chair, Vice Chair, DSL Transportation and Seiko Soft led a discussion on the status of the new Retreat Audit Program that utilizes roadside inspection data for an automated driven audit for non-IRP and IRP plated commercial motor vehicles (CMVs).
Also consider three choices the system will consider during renewal such as:

- Stop renewal transaction if the motor carrier does not agree.
- Interrupt transaction by showing inspections and send to support for assistance.
- Allow for normal renewal and the creation of a Retreat Audit

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 led 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.

IX. Other Business – UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair called for any other items Subcommittee members would like to discuss.

X. Adjournment – UCR Audit Subcommittee Chair
The UCR Audit Subcommittee Chair adjourned the meeting.