

## 1. Getting Starting in the Trucking Business.

- a. Regardless of whether you want to drive for a company, work as an independent trucker, or start your own trucking company, obtaining a Commercial Driving License (CDL) is usually the first step to getting started in the trucking business.
- b. In order to obtain a CDL, drivers will need to pass a driving and written exam and should have a fairly clean driving record. Training courses are offered in order to prepare drivers for CDL testing to validate driver credentials when seeking employment.
- c. **Classes of License:** The Federal standard requires States to issue a CDL to drivers according to the following license classifications:

Class A -- Any combination of vehicles with a GVWR of 26,001 or more pounds provided the GVWR of the vehicle(s) being towed is in excess of 10,000 pounds.

Class B -- Any single vehicle with a GVWR of 26,001 or more pounds, or any such vehicle towing a vehicle not in excess of 10,000 pounds GVWR.

Class C -- Any single vehicle, or combination of vehicles, that does not meet the definition of Class A or Class B, but is either designed to transport 16 or more passengers, including the driver, or is placarded for hazardous materials.

- d. Once you have obtained a CDL, you may begin seeking entry-level employment in the trucking business. Working for a company allows you to get started in the business without the upfront expenses of purchasing a truck, trailer, insurance, etc. It also gives you the opportunity to gain experience necessary for long term success.
- e. Some drivers option to begin as an independent owner operator. Independent drivers earn more money and have more schedule flexibility. Getting started as an independent driver can be costly. The cost involved with purchasing a truck, business license, permits, insurance, fuel, tolls, and taxes can be as much as \$40,000.

## 2. Being an Owner Operator and Obtaining your FMCSA Authority

- a. Companies that operate commercial vehicles transporting passengers or hauling cargo in interstate commerce must be registered with the FMCSA (**F**ederal **M**otor **C**arrier **S**afety **A**dministration) and must have a USDOT Number (**U**nited **S**tates **D**eartment **O**f **T**ransportation). Also, commercial intrastate hazardous materials carriers who haul quantities requiring a safety permit must register for a USDOT Number. The USDOT Number serves as a unique identifier when collecting and monitoring a company's safety information acquired during audits, compliance reviews, crash investigations, and inspections.
- b. Companies that operate as "for-hire" carriers ( for a fee or other compensation) that transport passengers or federally-regulated commodities across state lines ("in interstate commerce") are required to have interstate operating authority.
- c. For-hire carriers must secure both a USDOT safety tracking number and an MC Number (formerly known as an "ICC Number").

- d. FMCSA operating authority is also referred to as an "MC," "FF," or "MX" number, depending on the type of authority that is granted. Unlike the USDOT Number application process, a company may need to obtain multiple operating authorities to support its planned business operations. Operating Authority dictates the type of operation a company may run, the cargo it may carry, and the geographical area in which it may legally operate.
- e. Interstate Operating Authority is essentially a business license issued by the USDOT. There is a \$300 government filing fee. The main purpose of operating authority is to regulate insurance for the protection of the public and shippers. Common carriers (those open to the public) must file both vehicle liability (bodily injury and property damage protection) and cargo liability insurance. Contract carriers, which only operate under contract with select shippers, need only vehicle liability insurance. There is a significant difference between the minimum levels of insurance imposed by the government and the levels expected by the industry.
- f. The most direct route to obtaining your operating authority is through the following website: <http://www.fmcsa.dot.gov/registration-licensing/online-registration>
- g. You can have your DOT and MC Number the same day. Your US DOT number is active immediately. Your MC Number will take 18-21 days for the FMCSA to activate.
- h. Before the FMCSA will activate your authority, the applicant must provide confirmation of appropriate **insurance** and **process agent** filed with the Administration. Your selected insurance company and processing agent will make these filings with the FMCSA on your behalf.
- i. **Vehicle Liability Insurance** – Best source: [www.bayshoretruckinsurance.com](http://www.bayshoretruckinsurance.com)

<u>Unit</u>	<u>FMCSA Requirements</u>	<u>Industry Expectations</u>
Truck under 10,000lbs	\$300,000	\$300,000
Truck over 10,000lbs (Non-Hazmat)	\$750,000	\$1,000,000
Truck over 10,000lbs (Hazmat)	\$5,000,000	\$5,000,000
Van under 16 passengers	\$1,500,000	\$1,500,000
Bus over 16 passengers	\$5,000,000	\$5,000,000

- j. **Process Agents** – people designated in each state that can accept legal documents on your behalf and then return them to you in your home state. The process agent you choose will file form BOC-3 with the FMCSA on your behalf.
  - a. Multiple companies charge various rates for this service. One of the cheapest available is : <http://www.legalprocessagents.com/>

### 3. Other Requirements for Inter-State Commerce

- a. **UCR Registration** – (**U**nified **C**arrier **R**egistration) is the required registration of your federal authority with all states. This program replaces the SSRS (Single State Registration System) and is renewed annually. The fee is determined by the number of trucks and trailers you operate. The best site to register is: <http://www.ucr.in.gov/>
- b. **IFTA** - (**I**nternational **F**uel **T**ax **A**greement) is for trucks with a GVW over 26,000lbs operating interstate for-hire. All 48 states and the Provinces of Canada participate in the IFTA program. Once registered there will be quarterly tax filings due. You are required to keep track of the mileage traveled in each state and all of your fuel purchases. You register at the DMV in your home state.
- c. **IRP** – (**I**nternational **R**egistration **P**lan) is for trucks with a GVW over 26,000lbs operating interstate for-hire. All 48 states and the Provinces of Canada participate in the IRP Program. The IRP covers the apportioned tags for the truck. There is a yearly fee to register to operate your truck in each state or province. The cost is dependent on the miles you run in each state or province for the year.