U.S. Department
of Transportation

**Federal Motor Carrier
Safety Administration**

Memorandum

SP-08-003-GE

Subject: **ACTION:** State Use of Unified Carrier Registration Revenue for Motor Carrier Safety Assistance Program Activities

Date: AUG 2 5 2008

From: William A. Quade
Associate Administrator for Enforcement and Program Delivery

Reply to Attn. of: MC-ESS

To: Field Administrators
Division Administrators
State Program Managers

PURPOSE

This State Programs policy reference guideline is intended to clarify the use of Unified Carrier Registration (UCR) State-collected revenue to support Motor Carrier Safety Assistance Program identify the uses of UCR revenue, and explain their role in supporting MCSAP grants. This policy is effective immediately.

BACKGROUND

The UCR Plan and Agreement replaced the Single State Registration System (SSRS), which was terminated by Section 4305(a) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A legacy for Users (SAFETEA-LU), on January 1,2007. UCR, like SSRS, is a State registration program for interstate motor carriers. However, UCR applies user fees to a broader population than SSRS, including private motor carriers (except passenger carriers), brokers, freight forwarders, leasing companies, and exempt for-hire motor carriers. Fees are collected by the entity's base State, usually the State of its principal place of business. The UCR plan and agreement are administered by a 15-member Board of Directors comprised of the Federal Motor Carrier Safety Administration (FMCSA) Deputy Administrator, five representatives from the National Conference of State Transportation Specialists, four State representatives (one from each of the FMCSA Service center areas), and five representatives from the motor carrier industry.

GUIDANCE

Since the State collection of UCR revenue began in August 2007, the State Programs Division has received inquires regarding how the use of this revenue impacts MCSAP grants and when to account for these funds under the Maintenance of Effort (MOE) requirement.

Overall, SAFETEA-LU restricts participating States' use of revenues generated under UCR. These revenues may be used only for motor carrier safety programs, motor carrier enforcement programs, or administration of the unified carrier fee system. Note that the use of UCR funds under statutory language is broader than the uses and definitions explained in Part 350 and the enabling MCSAP statutory language. However, 49 U.S.C. §31103(a), as amended by Section 4307 of SAFETEA-LU, authorizes the use of these revenues as matching funds.

“Amounts generated under the unified carrier registration agreement under section 14504a and received by a State and used for motor carrier safety purposes may be included as part of the State's share not provided by the United States.”

In summary, States may use their VCR revenue to meet the required 20 percent State match for MCSAP grants, provided it is used for MCSAP-eligible safety activities.

Additionally, the State Programs Division has received inquires regarding how the calculation of MOE may be affected depending on the manner in which the UCR revenues are used. While States are able to use UCR revenue as the State match for MCSAP grants, use of these funds for other purposes (non-match) does have MOE implications. As indicated in the State Programs policy "Maintenance of Effort Requirements under SAFETEA-LU (policy number SP-06-003-GE)":

“Any identifiable and eligible expenditures incurred by the State or its political subdivisions participating, or expected to participate, in the MCSAP Basic grant will be included (excluding Federal funds and the State contributions used to meet the 20 percent match) ... When determining expenditures to include in the MOE calculation, the State must include all activities that are eligible in the current fiscal year for allocation or to meet the basic conditions of the MCSAP.”

In summary, if a State utilized all or a porting of VCR revenues to support MCSAP-eligible Commercial Motor Vehicle (CMV) safety activities beyond the 20 percent State match, then those expenditures must be included in the State's MOE calculation.

If you have any questions regarding this policy or need additional information or clarification, please contact Tom Keane at 202-366-4025 or via e-mail at tom.keane@dot.gov.