

April 22, 2009

Governor Bill Graves
ATA Headquarters
950 North Glebe Road
Suite 210
Arlington, Va. 22203

Dear Governor Graves:

Your letter to the 50 state Governors regarding the Unified Carrier Registration (UCR) Program was forwarded to us. While we understand that these are difficult times for your members and an increase in the UCR fee is not welcome news, these are also difficult times for state governments and for safety enforcement agencies. Your objection to the UCR registration fee increase for 2010 and proposing that the UCR program be abolished has created concerns for many of our members. As you are aware, the money raised from the UCR registration fees is used by the states for safety enforcement, and also may be used by the states as their share of the 20% match required for the Motor Carrier Safety Assistance Program (MCSAP) grant.

On the subject of MCSAP, we would point out that your proposal to replace UCR with an additional \$100 million for the MCSAP to make up for the loss of the UCR funds would create several problems. For one, since the MCSAP is an 80/20 (federal/state) program, it would increase the amount of dollars the state would have to match in order to receive its federal share of funding. Secondly, it would make more difficult the ability of states to comply with the Maintenance of Effort (MOE) requirements of the MCSAP. Third, in most cases, the state agency currently receiving the UCR funding is not the lead MCSAP agency.

We clearly understand that any fee increase is painful given the current economic environment for the industry; however, the amount of the fee increase to the top carrier bracket, from \$37,500 to \$82,983, is a non-issue compared to what those fleets paid under the old SSRS program (more than \$300,000). In addition, an important point to note is that SAFETEA-LU does not allow for a "revenue windfall" if the total amount collected in any one year exceeds what is necessary to make the states whole relative to the level of revenue under the old SSRS. The statute requires that the UCR Board would have to adjust the fees down for the ensuing year.

We also take issue with your statement that the primary reason for the current shortfall of UCR revenue is lack of program enforcement by the states. The UCRA is a new program that has been operational for only 18 months. The states continue to register carriers in all three of the registration years, 2007, 2008, and 2009. They are engaging in aggressive enforcement while sharing “best practices” among the participating jurisdictions. At a recent teleconference meeting of the UCR Board on March 5 of this year, all of the participating states were polled as to the specific steps they were taking to enforce the program. A summary of the states’ activities in this regard is attached.

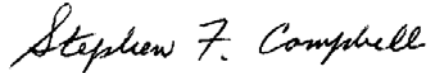
There are several reasons for the under-collection of revenue:

1. As stated earlier, this is an international program barely 18 months old. To get all of the jurisdictions up and running (which include the federal government) and all the various pieces of this program in place and to have it running as well as it has been nothing short of remarkable.
2. There has been a “retreat” factor for equipment since the law allows fleets to subtract vehicles operating in intra-state commerce only.
3. Based on census list provided by FMCSA when the first registration letters were sent out in late 2007, a universe of 435,000 subject entities was anticipated. After three mailings for the 2007, 2008 and 2009 years, the response rate has resulted in only 235,000 collections per year. The return rate on mailings sent out by the states has consistently been in the 25 percent range. This lack of accurate data is without a doubt the single most significant reason for the under-collection. While the initial effect of this has caused a problem in the short term, the upside of this is that for the first time ever we are beginning to get a better handle on the true universe of motor carriers. This will have multiple benefits in the future for all motor carrier safety and enforcement efforts.
4. At the request of industry, in July of 2008, the UCR Board voted to exclude trailers in determining the fleet size.
5. While the UCR revenue shortfall was apparent almost from the beginning, a decision was made not to increase fees for 2008 and 2009 for the benefit of industry. Because of this, as well as the items mentioned above, there has been an under-collection of approximately \$100 million. The states could no longer suffer any more loss of revenue, and the law requires that they be made whole, so the decision was made by the UCR Board to increase the fees for 2010.

We would like to point that the UCR program is much more than the collection of fees to make the states whole for the loss of SSRS revenues. It is to develop a more accurate and robust registration program and information system which will result in more efficiency and accuracy of motor carrier credentialing and safety programs across-the-board, as well as increased safety. ATA has long expressed concern about data accuracy issues associated with FMCSA’s Motor Carrier Management Information System (MCMIS). UCR is serving to assist in helping to clean up the database. In the long term this will help make sure accurate data is being maintained on motor carriers and their safety fitness and SafeStat scores are an accurate reflection of their demographic information and safety performance.

Lastly, UCR revenues directly support commercial vehicle safety and enforcement programs. Doing away with UCR would have a negative effect on safety, would lose jobs, and would cause states to look at alternative means with which to recoup the lost revenue. We do not think the industry would want this situation to occur.

Sincerely,



Stephen F. Campbell
Executive Director
Commercial Vehicle Safety Alliance



Robert Morris
President
National Conference of State Transportation Specialists



Charles D. Gray
Executive Director
National Association of Regulatory Utility Commissioners