

DDH Notes

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FEDERAL & STATE UPDATES

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION - FMCSA

The Electronic Logging Devices are going to be required for any truck that operates over 100 air mile radius and have a single or combined gross weight rating over 10,000 pounds. The FMCSA is working on the final requirements for the devices. Carriers that select a device must allow months to learn the system and to train their drivers and employees. Carriers have to be careful to make sure the devices meet the FMCSA regulations and meet the requirements for IFTA and IRP. The deadline for having the vehicles equipped with an ELD is December 17, 2017

We offer an Electronic Log system through Geotab. This system is compliant with both the Department of Transportation (DOT) and with the record keeping requirements of IFTA & IRP. You will no longer have to collect and keep trip reports and paper log books from your drivers.

We offer the ELD with a no-contract and a low monthly fee per unit for electronic logs and mileage tracking. There is a one time setup fee per unit which includes database, user and vehicle set up. There are many reports and alerts available to track and improve drivers habits.

The unit plugs into the OBM port and the electronic logs are run on your smart phone or a tablet with a data plan.

For more information visit our website and click on ELD.

We also offer a plan that does not include electronic logs at a low monthly rate per unit per month along with the one time setup fee. You would be able to track all of your vehicles on the map and all mileage would be recorded.

INTERNATIONAL REGISTRATION PLAN - IRP

Passenger carriers that operate power units with "Bus" listed on the title of vehicle and are over 26,000 GVW or have 3 or more axles that travel outside their base state must have the IRP Bus Plates.

U.S. DEPARTMENT OF TRANSPORTATION - USDOT

All companies that transport motor vehicles or equipment with oil and/or fuel in them will need to be reclassified as a hazardous material carrier with the USDOT. All carriers must have their minimum insurance requirement raised to \$1,000,000 and for-hire carriers must have their insurance filed with the FMCSA at that level. Motor vehicles contain gas, oil, fluids and antifreeze which are classified as hazardous by the federal government. The reclassification for this type of operation does not require a CDL hazmat endorsement. For additional details contact our office.

The Motor Carrier Identification Report (MCS-150) must be filed by all carriers every two years. The

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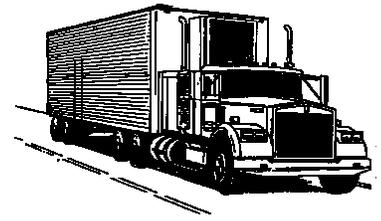
Drug & Alcohol Testing Consortium

The drug and alcohol random testing for commercial drivers has been in existence for 21 years now. The percentages of drivers that must be randomly tested for alcohol and drugs was reduced for the first time in 2017. The known usage of drugs by drivers has dropped over the years.

All carriers that employ drivers with CDL's must have a comprehensive drug and alcohol testing program. They must randomly test 10% of their drivers for alcohol and 25% for drugs each year. Also, companies are required to conduct pre-employment (drug only), post accident, reasonable suspicion, return-to-duty and follow up tests. The trucking industry drug use rate is less than half that of other safety sensitive workers who must be tested.

Our office provides a drug and alcohol testing consortium that meets the DOT requirements. The pool consists of drivers from the U.S. and Canada. Our testing is being conducted by Alere Toxicology Services, Inc. and Quest Diagnostics. The cost is \$115 annually for each driver enrolled and covers all the random drug or drug and alcohol collections for a year. Included are collection site, lab testing, and MRO fees. The required pre-employment drug testing can also be arranged. We have collection sites available nationwide and in Canada.

Carriers can enroll their drivers by providing our office with their names and social security numbers. Once the fee has been paid, the drivers are added to the pool.



FEDERAL & STATE UPDATES

USDOT will be sending out the forms under the following formula: If the carrier's USDOT number's second to last digit is odd, the form is to be filed on the odd number years. The last digit will define what month the form is to be filed in. The filings are due the first 10 months, 1 being January and 0 being October. A carrier with a USDOT number ending in 10 will be required to have their report filed by October 31, 2017. Carriers from the states that are in the PRISM program will be required to update the USDOT annually. CSA information must be kept current for your monthly CSA scores to be accurate. MCS-150 should be updated if there are any changes in your number of drivers or trucks. Please send us your USDOT update letter when you receive it.

The federal hazmat registration fee for transporting hazardous materials will remain the same for the 2017-2018 year starting July 1st for all carriers, brokers and producers. The registration fee is \$275 for "small" businesses for each type of registration. Any business deemed "large" will pay \$2,600. "Small" long haul carriers (defined by the SBA - Small Business Administration) are those with annual revenues of less than \$25.5 million (NAICS Codes 484110 to 484230). All companies must supply their North American Industry Classifications System code that represents their major business activity. Companies that transport hazardous freight, arrange for the transportation of hazardous freight (freight brokers) or shippers of hazardous freight that require placarding are required to register and/or renew their licenses by July 1, 2017. Contact our office to apply for or renew your federal hazmat license.

Repeat offenders of the USDOT safety regulations will see an increase in fines. Any acute violation within six years of a closed case will result in higher fines. Hazmat carriers could face fines up to \$55,000 per occurrence. Out-of-service violations are up to \$2,100 for the driver and \$16,000 for the company. Other fines are: failing to maintain proper records - \$10,000, falsifying records - \$11,000 and failing to maintain proper insurance - \$16,000. Repeat fines used to be based on "three strikes and you are out", now you only have "two strikes and you are out."

INTERNAL REVENUE SERVICE

The IRS is no longer mailing out HVUT (Form 2290) Heavy Vehicle Use Tax forms to taxpayers. The IRS took this step due to continued growth in electronic filing and in an effort to reduce costs. Carriers should be aware that they still must file, even though they no longer receive the form in the mail.

The HVUT must be paid by the owner of any vehicles that are purchased during the year. Payment is due for the remaining part of the tax year ending June 30th. You may no longer use a stamped copy of the tax return from the previous owner as proof of payment. Each owner must pay their own tax. Upon selling a unit the previous owner may apply for a credit for the unused portion of the tax and apply it to any new vehicle or apply for a refund after the tax year ends. The tax return for the July 1, 2017 - June 30, 2018 year must be filed and paid by August 31, 2017. We are filing all HVUT 2290 returns electronically.

INDIANA

Effective July 1, 2017 the state's diesel fuel tax will be increased by 10 cents per gallon along with an increase of 10 cents for the fuel surcharge the state imposes commercial vehicles. The new diesel tax will be 26 cents and the fuel surcharge will be 21 cents or a total of 47 cents per gallon.

OHIO

Carriers with Ohio Intrastate Authority may have to renew their authority annually depending on their UCR filing. The state still issues intrastate authority and requires that the proper insurance remain on file. The authority expires on June 30th of each year. There is a grace period until July 15th each year.

PUCO Tax Receipts are issued for all vehicles regardless of the type of vehicle, number of axles or weight of the vehicle that operates intrastate. The PUCO Tax Receipts are \$30 for tractors, buses and tow trucks and \$20 for any two axle vehicles, straight trucks, cars, vans, or pickups. Carriers that paid for their intrastate vehicles under the UCR will not be required to file and pay for the 2017-2018 PUCO receipts. All carriers that operate Ohio intrastate only or transport household goods must only renew their Ohio intrastate authority.

PERMITS THAT EXPIRE JUNE 30, 2017

- ◆ Ohio Intrastate Operating Authority
- ◆ Ohio PUCO Tax Receipts
- ◆ USDOT Hazardous



Please contact our office for any additional information or if we may be of any assistance to you. Have a great summer!

Dave