

**MAP-21 QUESTIONS AND ANSWERS UPDATES FOR BROKERS,
FREIGHT FORWARDERS AND MOTOR CARRIERS**

Question 1: What is the policy on prohibition of coercion? (Sec. 32911)

Answer 1: An operator of a commercial motor vehicle is not coerced by a motor carrier, shipper, receiver, or transportation intermediary to operate a commercial motor vehicle in violation of the regulations.

Question 2: What is the date change for the Motor Carrier Safety Advisory Committee? (Sec. 32912)

Answer 2: The Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users is amended to the date of September, 30, 2013 instead of June 30, 2012.

Question 3: What is the timeframe in which FMCSA has to complete the review of financial requirements for motor carriers, motorcoaches, freight forwarders and brokers? (Sec. 32104)

Answer 3: 180 days

Question 4: Is there a new provision that requires motor carriers, freight forwarders and brokers to update their registration information. (Sec. 32107)

Answer 4: Yes. The registration information is to be updated annually and within 30 days of certain essential information changes.

Question 5: Is a motor carrier allowed to arrange transportation for shipments when it does not have broker authority? (Sec. 32915)

Answer 5: No. The motor carrier is prohibited from brokering shipments when it does not have broker authority. A motor carrier must apply for broker authority to broker shipments.

Question 6: Are the new registration requirements for freight forwarders and brokers the same? (Sec. 32916)

Answer 6: Basically yes. Registration requirements for both include that the person must have sufficient experience to qualify to act as a freight forwarder or broker; and is fit to act as a freight forwarder or broker. Each shall employ, as an officer, an individual who: 1) has at least 3 years of relevant experience; and 2) provides satisfactory evidence of the individual's knowledge of related rules, regulations, and industry practices. Also, the freight forwarder and the broker must register separately as a motor carrier to provide transportation services as a motor carrier.

Question 7: What are the effective periods of registration? (Sec. 32917)

Answer 7: Each registrant shall have an effective date as specified by the Secretary and shall remain in effect as the Secretary determines appropriate by regulation. A freight forwarder or broker shall require registration renewal not later than 4 years after the date of enactment of the Commercial Motor Vehicle Safety Enhancement Act of 2012. The effective period is not to be later than 5 years after the date of renewal.

Question 8: What is the financial security for brokers and freight forwarders? (Sec. 32918)

Answer 8: The security amount is \$75,000 to be used to pay any claim arising from the failure to pay freight charges under a contract, agreement, or arrangement for transportation. This amount will be evaluated every 5 years.

Question 9: Is a group Surety Bond, Trust Fund or other Surety acceptable to satisfy the financial security requirements for brokers and freight forwarders? (Sec. 32918)

Answer 9: Yes. A group Surety Bond, Trust Fund or other Financial Security may be acceptable only if they consist of assets readily available to pay claims without resorting to personal guarantees or collection of pledge accounts receivable.

Question 10: What is the response of surety providers to claims submitted? (Sec. 32918)

Answer 10: When a surety provider receives a claim it shall respond to the claim on or before the 30th day following the date on which the notice was received. If the claim is denied, a written reason for the denial must be provided to the claimant by the surety provider.

Question 11: What is the notification process when financial security is cancelled?

Answer 11: When a financial security is cancelled the holder of the financial security shall provide electronic notification to the Secretary not later than 30 days before the effective date of the cancellation.

Question 12: What happens if a broker's or freight forwarder's financial security falls below \$75,000?

Answer 12: The broker or freight forwarder will have their registration suspended.

Question 13: What steps does the Surety Provider take when a broker or freight forwarder experience financial failure or insolvency?

Answer 13: The Surety Provider shall: 1) submit a notice to the Administrator to cancel the financial security; 2) publicly advertise for claims for 60 days beginning on the publication date of notice to cancel the Financial Security by the Secretary; and 3) pay claims not later than 30 days after the expiration of the initial 60 days.

Question 14: What is the penalty of a Surety Provider that violates the financial security regulations?

Answer 14: The Surety Provider shall be liable to the United States for a civil penalty not to exceed \$10,000. Also, the Surety Provider shall be ineligible to provide Financial Security for 3 years.

Question 15: What is unlawful brokerage activity? (Sec. 32919)

Answer 15: Activity when an individual arranges transportation services and they are not registered as a broker with FMCSA. All brokers must be registered and have approved financial security on file to arrange for transportation services. There is also a penalty for brokering without operating authority.

Question 16: What are some of the additional requirements for household goods motor carriers? (Sec. 32921)

Answer 16: An applicant seeking to register as a household goods motor carrier must successfully pass an examination to demonstrate knowledge and intent to comply with all applicable Federal laws relating to consumer protection.

Question 17: When is the consumer protection standards review done for a household goods motor carrier? (Sec. 32921)

Answer 17: The first 18 months after the household goods motor carrier begins operations.

Question 18: Does the Secretary consider the effects on small businesses regarding the consumer protection standards review?

Answer 18: Yes. The Secretary offers alternate locations where such reviews may be conducted for the convenience of small businesses.

Question 19: What relief is available to a consumer when their shipment is held hostage? (Sec. 32922)

Answer 19: The Secretary shall assign all or a portion of the penalty to an aggrieved shipper.

Question 20: What are the changes in settlement authority? (Sec. 32923)

Answer 20: The Secretary is authorized to structure settlements of civil penalties by accepting lesser amounts of money, suspension of penalties, payment of penalties over time or investment in training or other activities or equipment to improve regulatory compliance.