



## Clarification of Existing Regulations for Passenger Carriers in Interstate Commerce

### Understanding Commercial Regulations

Several factors go into determining the Federal regulations that apply to passenger carriers.

**Two key factors that determine whether passenger carriers are subject to commercial regulations are interstate commerce and for-hire transportation.**

### Interstate Commerce

Title 49 section 13501 of the United States Code provides for Federal jurisdiction over motor carriers engaged in interstate commerce. A passenger carrier is in interstate commerce when it transports passengers:

- Across state lines – from one state to another or to a location in the same state when the vehicle passes through another state; **or**
  - Between the United States and a U.S. territory or possession; **or**
  - From one place in the United States through a foreign country to another place in the United States; **or**
  - From the United States to another country.
- Obtain and file minimum levels of financial responsibility (insurance): \$1.5 million for operating vehicles of 15 or fewer passengers including the driver; \$5 million for operating vehicles of 16 or more passengers including the driver; and
  - Designate a process agent, a representative that can be served with court papers in any legal proceeding brought against a motor carrier.

In some cases, transporting passengers entirely within one state may be interstate commerce if the passengers began or will conclude their trip outside the state.

### For-Hire Versus Private Carriers

Any time a passenger carrier receives compensation for transporting passengers, it is considered for-hire. Unless subject to an exemption, **all for-hire passenger carriers in interstate commerce must:**

- Obtain FMCSA operating authority registration (no matter how small or light the vehicles used);

### Tips for For-Hire Status

- A not-for-profit organization can be a for-hire passenger carrier if the organization receives compensation.
- For-hire does not require the transportation to be available to the public.
- If a trip includes both private passengers and passengers providing compensation, it is a for-hire trip.

**Indirect payment is compensation involving a total package charge.** Examples of businesses receiving indirect payment for passenger transportation include hotels and car rental agencies operating shuttle bus services, and outdoor recreation operations such as whitewater rafters transporting patrons to or from recreation sites.

***To be considered private, an organization can accept no form of compensation for transportation - including donations, gifts, gas money, etc.***



**All for-hire passenger carriers engaged in interstate commerce are subject to Federal commercial regulations** unless they have a specific exemption. Neither vehicle size nor passenger capacity affect whether a motor carrier is subject to these regulations.

### **Understanding Safety Regulations**

All passenger carriers -- both for-hire and private -- generally are under Federal safety jurisdiction if their vehicles are operating in interstate commerce and meet the definition of a commercial motor vehicle (CMV).

A vehicle that meets one or more of the following criteria is a CMV:

- Has a gross vehicle weight (GVW) or gross vehicle weight rating (GVWR) of 10,001 pounds or more; **or**
- Is designed or used to transport 9 or more passengers (including the driver) for compensation; **or**
- Is designed or used to transport 16 or more passengers, including the driver, regardless of whether it is used to transport passengers for compensation.

### **Commercial Driver's License (CDL) Requirements**

Additionally, **drivers operating a vehicle** that meets one or more of the following criteria **must have a CDL with the appropriate endorsement(s)**:

- Has a GVW or GVWR of 26,001 pounds or more; **or**
- Is designed to transport 16 or more passengers including the driver; **or**
- Is of any size and is used to transport hazardous materials.

**A CDL driver must be drug and alcohol tested through an employer program.**

### **Special Circumstances and Exemptions**

Depending upon your type of operation, you may not be required to comply with certain regulations due to an exemption or exception. See FMCSA's tip sheets to learn more about your specific situation.

### **Available tip sheets**

- Hotel Related Transportation (<https://www.fmcsa.dot.gov/regulations/hotel-related-transportation>)
- Employer Related Transportation (<https://www.fmcsa.dot.gov/regulations/employer-related-transportation>)
- Education Related Transportation (<https://www.fmcsa.dot.gov/regulations/education-related-transportation>)
- Faith-Based Organization Related Transportation (<https://www.fmcsa.dot.gov/regulations/faith-based-organization-related-transportation>)
- Multi-Modal Passenger Transportation (<https://www.fmcsa.dot.gov/regulations/multi-modal-passenger-transportation>)

### **For More Information**

FMCSA has a website with information about Federal regulations for passenger transportation. You can get additional assistance by:

- Calling the FMCSA Information Line at **1 (800) 832-5660**
- Contacting your local FMCSA field office [www.fmcsa.dot.gov/mission/field-offices](http://www.fmcsa.dot.gov/mission/field-offices)

**Email questions via:**

<https://ask.fmcsa.dot.gov/app/ask/>

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