



Unified Carrier Registration Plan
Board of Directors Meeting Minutes

June 4, 2019

Ramkota Hotel
Rapid City, SD

UNIFIED CARRIER REGISTRATION PLAN

MINUTES

PORTIONS OPEN TO THE PUBLIC

I. Welcome, Call to Order, and Introductions

Chair Avelino Gutierrez called the meeting to order and confirmed a quorum.

II. Verification of Publication of Meeting Notice

Operations Manager Jon Krueger confirmed that publication of notice for the meeting in the *Federal Register* occurred on May 20, 2019.

III. Review and Approval of Agenda and Setting of Ground Rules

A MOTION was MADE and SECONDED to adopt the proposed agenda for the June 4, 2019 Board meeting as presented. THE MOTION CARRIED.

IV. Approval of Minutes of the March 28, 2019 UCR Board Meeting

A MOTION was MADE and SECONDED to approve the minutes from the March 28, 2019 Board meeting. THE MOTION CARRIED.

V. Recommendations for Possible Board Action – Subcommittee Chairs

Designation of New UCR Chair of the Board

Mr. Gutierrez reminded the Board of his pending retirement and accompanying resignation from the Board as of June 30, 2019. Following discussion, a MOTION was MADE and SECONDED that the Board recommend to the Secretary of the U.S. Department of Transportation that Elizabeth Leaman serve as the new Chair of the UCR Board. THE MOTION CARRIED.

As of July 1, 2019, Ms. Leaman serves as Acting Chair until her appointment as Chair is made by the Secretary of the U.S. Department of Transportation.

PROCEDURES SUBCOMMITTEE REPORT

Direct Access to *Federal Register*

Chief Legal Officer Alex Leath reported to the Board on the successful effort to obtain direct access to the *Federal Register* for publication of meeting notices, noting that the Procedures Subcommittee recommends the Board ratify this action.

Following discussion, A MOTION was MADE and SECONDED to ratify the Chief Legal Officer's actions to obtain direct access to the *Federal Register* for publication of meeting notices. THE MOTION CARRIED.

UCR Agreement Amendment

Procedures Subcommittee Chair Adam Anderson reported that the Procedures Subcommittee voted to recommend to the Board a proposed amendment to the UCR Agreement addressing vacancies in the Chair and Vice Chair positions.

Following discussion, A MOTION was MADE and SECONDED to adopt the proposed amendment to the UCR Agreement addressing vacancies in the Chair & Vice Chair positions (see page 19 of [UCR Agreement](#)). THE MOTION CARRIED.

UCR Handbook Amendments

Mr. Anderson next reported that the UCR Handbook has been amended to address the policy approved by the Board in December 2018 for handling of school buses for UCR purposes (see page 32 of the [UCR Handbook](#)).

Vice Chair Bob Pitcher reported that he will develop proposed language for the UCR Handbook related to both the UCR refund procedure and the state carrier audit procedure for future consideration by the Procedures Subcommittee and the Board.

AUDIT SUBCOMMITTEE REPORT

Proposal for Addressing Non-Compliant Carrier Audit Reports

Audit Subcommittee Chair Mike Hoeme presented a proposal for how UCR should address non-compliant carrier audit reports submitted by participating states (see [Audit Compliance Policy](#)). After discussion, A MOTION was MADE and SECONDED to adopt the proposal from the Audit Subcommittee regarding handling of non-compliant carrier audit reports submitted by participating states. THE MOTION CARRIED.

FINANCE SUBCOMMITTEE REPORT

Proposal for Establishing Contingency Reserve

Finance Subcommittee Chair Scott Morris, with assistance from Depository Manager Dave Scholz, presented a proposal to the Board from the Subcommittee for establishing a new policy to address unplanned, nondiscretionary expenses incurred by UCR (see [Unbudgeted Expense Reserve Policy](#)). After discussion, A MOTION was MADE and SECONDED to adopt the proposal from the Subcommittee and establish a Contingency Reserve Fund to hold funds that could be used to defray unplanned, nondiscretionary expenses incurred by the UCR. The precise level of initial funding of the Contingency Reserve Fund will be determined at a future Board meeting.

National Registration System Development Priorities

Mr. Morris next reported that development priorities for the National Registration System over the next 12 months include completion and implementation of the state audit tool and the permit agent module.

REGISTRATION SYSTEM SUBCOMMITTEE REPORT

Proposed Policy RE: Blocking Certain Carrier Payments with History of Problems

Registration Subcommittee Chair Scott Morris, with assistance from Depository Manager Dave Scholz, presented a proposed new policy, recommended by the Subcommittee, regarding the need to block specific payment methods utilized by carriers following multiple problems with that payment method (see [Suspended Payment Method Policy](#)). After discussion, A MOTION was MADE and SECONDED to adopt the policy. THE MOTION CARRIED.

Proposed Policy RE: Pending Payment Grace Period – Subcommittee Chair

Mr. Morris, with assistance from Mr. Scholz, next presented a proposed new policy, recommended by the Subcommittee, establishing a grace period after which carriers still having a payment pending in the National Registration System will have the registration transaction related to that pending payment deleted from the National Registration System (see [Pending Payment Grace Period Policy](#)). After discussion, A MOTION was MADE and SECONDED to adopt the policy. THE MOTION CARRIED.

Proposal from Seikosoft – Subcommittee Chair

Mr. Morris, with assistance from Toby Piquet, presented a proposal from Seikosoft for additional administrative support, increasing quarterly billing for admin support by \$31,250. Mr. Morris stated that the proposal is supported by the Subcommittee. After discussion, A MOTION was MADE and SECONDED to approve the proposal and authorize and direct the Chair or the Acting Chair to execute the amendment to the contract with Seikosoft to provide additional administrative support to the UCR and the National Registration System. THE MOTION CARRIED.

Ratification of Enforcement Delay to May 1, 2019

The Chief Legal Officer discussed with the Board the need to address the Subcommittee's recommendation to ratify the Chair's directive to postpone 2019 UCR enforcement to May 1, 2019. After discussion, A MOTION was MADE and SECONDED to ratify the Chair's directive to postpone 2019 UCR enforcement to May 1, 2019. THE MOTION CARRIED.

EDUCATION AND TRAINING SUBCOMMITTEE REPORT

Proposal for Strategic Direction

Subcommittee Chair Scott Morris, with assistance from Operations Manager Jon Krueger, presented a proposal, recommended by the Subcommittee, for Kellen to provide strategic direction to the new UCR education and training program, as well as execute on an 8-month timeline for delivering an initial program for a cost of approximately \$40,000 to 45,000. After discussion, A MOTION was MADE and SECONDED to approve the proposal and authorize the Chair or the Acting Chair to execute the related contract addendum with Kellen. THE MOTION CARRIED.

Updates Concerning UCR Legislation

Mr. Gutierrez called for any updates regarding UCR legislation since the last Board meeting. No updates were reported.

VI. Report of FMCSA

Alan Hanson with FMCSA reported that he expects pending UCR Board appointments to be reviewed and approved within a month or so.

VII. Contractor Reports

- **UCR Administrator (Kellen)**

The UCR Administrator provided its management report covering recent activity for the Depository, Operations, and Communications activities of the UCR. It was noted that a funding recommendation for the new contingency reserve fund will be ready for review in time for the next Board meeting.

- **DSL Transportation Services, Inc.**

Dave Lazarides with DSL Transportation reported that nearly \$838,000 has been collected to date by participating states through the FARs program in 2019.

- **Seikosoft**

Toby Piquet with Seikosoft provided an update on the status of development for the new audit tool in the National Registration System and noted that the tool would be reviewed by the Registration System Subcommittee at its meeting in August.

VIII. Subcommittee Reports – Subcommittee Chairs

*Note: The Dispute Resolution Subcommittee is awaiting appointment of a new Subcommittee Chair, so not included in this agenda.

If necessary, Subcommittee Chairs will provide brief reports (2-3 minutes) on any activity not previously covered on the agenda related to their Subcommittees.

- **Audit Subcommittee**
Following discussion, the Board instructed the Audit Subcommittee to develop a proposal for amending the refund procedure to address the need for refunds identified during state audits.
- **Finance Subcommittee**
No additional report.
- **Registration System Subcommittee**
No additional report.
- **Education and Training Subcommittee**
No additional report.
- **Procedures Subcommittee**
No additional report.
- **Industry Advisory Subcommittee**
No report.

PORTIONS CLOSED TO THE PUBLIC

The Chief Legal Officer advised that the Board may close these portions of this meeting pursuant to Government in the Sunshine Act exemptions (9)(B) and (10). By approving this action, the Board determines that public participation would likely disclose information for which premature disclosure would likely frustrate implementation of a proposed agency action and/or specifically concern the discussion of information, the premature disclosure of which would likely negatively impact the agency's participation in an ongoing civil action or proceeding. Therefore, by approving this action, the Board is invoking Exemptions (9)(B) and (10) to close these portions of the meeting (5 U.S.C. § 552b(c)(9)(B) and (10)).

A MOTION was MADE and SECONDED to approve closing Agenda Items X, XI, and XII of the meeting pursuant to the Government in the Sunshine Act at 5 U.S.C. § 552b(d)(1). *A copy of the votes on the closure of these two portions of this meeting is available on the Unified Carrier Registration Plan website (<https://plan.ucr.gov>).*

X. Inform Board RE: Data Investigation

Mr. Leath provided a report concerning a data investigation initiated since the last Board meeting. Mr. Leath also reported that the Finance and Registration System Subcommittees both voted to recommend to the Board the execution of a contract for services with Kroll Cyber Security, LLC, an information security and computer forensic company, to notify those affected and provide an offer of credit monitoring.

Following discussion, A MOTION was MADE and SECONDED to engage Kroll Cyber Security, LLC to notify those affected and offer credit monitoring using Kroll's "Essential" level service offering. THE MOTION CARRIED.

Following further discussion, A MOTION was also MADE and SECONDED to authorize the Acting Chair and the Chief Legal Officer to take such additional steps with Kroll Cyber Security, LLC as they, in their sole and absolute discretion, should deem necessary or desirable. THE MOTION CARRIED.

Following further discussion, A MOTION was also MADE and SECONDED to authorize and direct the Acting Chair and the Chief Legal Officer to evaluate the efficacy of filing insurance claims against any and all parties determined to be responsible for the data incident that was the subject of the Chief Legal Officer's report. THE MOTION CARRIED.

Following further discussion, A MOTION was also MADE and SECONDED to authorize and direct Scott Morris, UCR Administrative Staff and the Chief Legal Officer to develop a proposed policy for data incident response and investigate liability insurance related to cybersecurity. THE MOTION CARRIED.

XI. Ratification of Execution of Contract for Info Security & Computer Forensics Services

A MOTION was MADE and SECONDED to ratify the Chair's expedient execution of a contract with Kroll Cyber Security, LLC to provide information security and computer forensic services in connection with the data incident that was the subject of the Chief Legal Officer's report to the Board. THE MOTION CARRIED.

XII. Update on Twelve Percent Logistics Litigation

Mr. Leath provided a report on the ongoing litigation between UCR and Twelve Percent Logistics, Inc. and answered questions from the Board.

A MOTION was MADE and SECONDED to adjourn the closed portion of the meeting. THE MOTION CARRIED.

PORTIONS OPEN TO THE PUBLIC

XIII. Old/New Matters

The Chair called for any business requiring possible Board action for inclusion on the June 4, 2019 Board agenda.

Following discussion, a MOTION was MADE and SECONDED to authorize the Chair or Acting Chair to cover meeting-related expenses incurred by the UCR in connection with this meeting and the NCSTS Annual Meeting up to the amount of \$4,100. THE MOTION CARRIED.

XIV. Future UCR Meetings

The Chair next reviewed the schedule for upcoming meetings of the Board and its Subcommittees, noting that the next Board meeting is scheduled for August 1, 2019.

XV. Adjourn

The Chair then adjourned the meeting.