



## Unified Carrier Registration Plan

### Board Attendance

Elizabeth Leaman, Chairwoman of the Board

Robert Pitcher, Vice Chairman of the Board

Ken Riddle

Scott Morris

Sandra Bowling

Chris Burroughs

Carol Fallin

Mike Hoeme

Monte Wiederhold

Terrence Mercer

William Debord

Crystal Stevens

Suzanne Stillwell

Tamara Young

### Others in Attendance

Avelino Gutierrez, UCR Executive Director

Alex Leath, Chief Legal Counsel

### Kellen Company:

Dave Scholz, Lori Barker-Cummings, Daniel Choppa, John Mazzaglia, Abiola Bankole-Hameed, Matt Mantione, Katherine Thurmond, Tom Gooding

### Seikosoft

Toby Piquet, Lori Lefai

### States in Attendance

AL, AK, CA, GA, IA, IL, IN, KS, KY, ME, MA, MI, MN, NC, NE, OH, PA, RI, TX, WA, WI

**UNIFIED CARRIER REGISTRATION PLAN  
BOARD OF DIRECTORS MEETING  
December 10, 2020**

**MINUTES**

- I. Welcome and Call to Order** – Elizabeth Leaman, UCR Board Chair  
The UCR Board Chair welcomed attendees, called the meeting to order at 12:05pm ET, called roll for the Board, confirmed the presence of a quorum, and facilitated self-introductions.
- II. Verification of Meeting Notice** – Avelino Gutierrez, UCR Executive Director  
The UCR Executive Director verified publication of the meeting notice on the UCR website and distribution to the UCR contact list via e-mail on November 5, 2020 followed by subsequent publication of the notice in the *Federal Register* in vol. 85 no. 236.
- III. Review and Approval of Board Agenda** – Elizabeth Leaman, UCR Board Chair  
The Agenda was reviewed, and the Board considered adoption.  
  
A MOTION was MADE and SECONDED to approve the agenda for the December 10, 2020 Board of Directors Meeting. The MOTION CARRIED unanimously.
- IV. Approval of Minutes from the November 5, 2020 UCR Board Meeting** – Elizabeth Leaman, UCR Board Chair  
Draft Minutes of the November 5, 2020 Board of Directors meeting were reviewed. The Board considered action to approve.  
  
A MOTION was MADE and SECONDED to approve the November 5, Board of Directors Meeting Minutes. The MOTION CARRIED unanimously.
- V. Report of FMCSA** – Kenneth Riddle, FMCSA Representative  
The Federal Motor Carrier Safety Administration (FMCSA) provided a report on any relevant activity.  
  
Suzanne Stillwell, Carol Fallin, Sandy Bowling, and Elizabeth Leaman were the four members reappointed to the Board of Directors.
- VI. Updates Concerning UCR Legislation** – Elizabeth Leaman, UCR Board Chair  
The UCR Board Chair did not have any updates regarding UCR legislation since the last Board meeting.
- VII. Discussion Regarding Development of Board Policy for the Mailing of Postcards** – UCR Executive Director  
The UCR Executive Director led a discussion regarding the need for states and the Board to mail postcards to unregistered carriers. Items considered included, defining the window of time for states/Board to mail postcards and require states to participate in solicitation campaigns. After discussing options, the Board decided to adopt a policy regarding the requirements for mailing postcards to unregistered carriers.

A MOTION was MADE and SECONDED to approve the Board Policy for the Mailing of Postcards with the Amendment of the addition of “Prior to or”. The MOTION CARRIED with one negative vote (Tamara Young).

**VIII. Potential Contract Extensions for AAG3 LLC and DSL Transportation Services, Inc. – Elizabeth Leaman, UCR Board Chair**

The UCR Board Chair led a discussion of the annual renewal of existing contracts with AAG3 LLC (Avelino Gutierrez) and DSL Transportation Services, Inc. (Dave Lazarides). The Board may decide to renew the contracts for an additional one-year term.

A MOTION was MADE and SECONDED to extend the contract of AAG3 LLC for another one-year term. The MOTION CARRIED with two negative votes (Monte Wiederhold and Tamara Young).

The decision surrounding DSL Transportation Services, Inc was moved to Agenda Item XI B.

**IX. Chief Legal Officer Report – Alex Leath, UCR Chief Legal Officer**

The UCR Chief Legal Officer provided an update on the status of the March 2019 data event, the Twelve Percent Logistics litigation, several cease and desist letters sent to third party permitting service providers, and other matters.

A MOTION was MADE and SECONDED to empower the Board Chair to decide whether to appeal the decision of the court concerning the award of attorney’s fees in the Twelve Percent Logistics litigation after consultation with the Vice Chair, Executive Director and Chief Legal Officer. The MOTION CARRIED with one abstention (Ken Riddle) and one negative vote (Monte Wiederhold).

**X. Update on the RSM Security Assessment Pertaining to the NRS Audit – Tom Gooding, UCR Technology Director**

Tom Gooding, The UCR Technology Director, provided an update on the security assessment deliverables from RSM’s security team pertaining to the NRS Audit.

- AWS Security Assessment
- Cloud Vulnerability and Configuration Review Sample
- RSM Sample Penetration Testing Report

**XI. SUBCOMMITTEE REPORTS**

**Audit Subcommittee – Mike Hoeme, UCR Audit Subcommittee Chair**

**A. Next Steps Regarding the 2019 Audit Deficiencies by Idaho and Utah – Mike Hoeme, UCR Audit Subcommittee Chair**

The UCR Audit Subcommittee Chair discussed the next steps regarding the 2019 Audit Deficiencies by Idaho and Utah. The Board may authorize additional action to be taken against Idaho and Utah.

A MOTION was MADE and SECONDED to send a letter regarding the 2019 Audit Deficiencies to the agency heads of Idaho and Utah. The MOTION CARRIED unanimously.

**B. Consideration of the Addition of a UCR Auditor/Enforcement Manager – Mike Hoeme, UCR Audit Subcommittee Chair**

The UCR Audit Subcommittee Chair will lead a discussion considering the potential addition of a UCR Auditor/Enforcement Manager to provide mentoring and other audit assistance to participating states. The Board may take action to add a UCR Auditor/Enforcement Manager and include that position in the budget for fiscal year 2021.

A MOTION was MADE and SECONDED to hire a UCR Auditor/Enforcement Manager. The MOTION CARRIED with two negative votes (Monte Wiederhold and Tamara Young) and one abstention (Ken Riddle).

A MOTION was MADE and SECOND to amend the DSL Contract to include the Auditor/Enforcement Manager position and the additional funds required. The MOTION CARRIED with one negative vote (Monte Wiederhold).

**C. Discuss the Possible Requirement for the States to Declare in Writing Their Audit Policy with Respect to UCR** – Mike Hoeme, UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair led a discussion of the possibility of requiring the states to formally declare, in writing, certain goals, objectives, and procedures regarding their UCR audit policy. In addition, the Board discussed a desire to maintain a system to better monitor state(s) when turnover in staff leads to UCR audit and enforcement deficiencies.

**D. Independent Auditor’s Final Report (2017-2018)** – Dave Scholz, UCR Depository Manager

The UCR Depository Manager discussed the outcome of the financial statement audits of the Depository for each of the 12- month periods ended December 31, 2018 and 2017.

**E. Consideration of an Audit Contract of the NRS by RSM** – Avelino Gutierrez, UCR Executive Director

The UCR Executive Director led a discussion around the consideration and possible approval of an audit contract of the NRS by RSM. The Board discussed a desire to approve an audit contract between the Board and RSM.

A MOTION was MADE and SECONDED to approve an Audit Contract of the NRS by RSM. The MOTION CARRIED unanimously.

**F. FARs Audit Procedure for Motor Carriers in Foreign Jurisdictions and Non-participating States** – Mike Hoeme, UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair led a discussion on the unique issues regarding Focused Anomaly Reviews (FARs) of non-United States based motor carriers and motor carriers based in non-participating states. The Board took action to adopt new FARs audit procedures to be utilized by participating states for these motor carriers.

A MOTION was MADE and SECONDED the approval of the Audit Procedure for Motor Carriers in Foreign Jurisdictions and Non-participating States. The MOTION CARRIED unanimously.

**G. Discussion of Vehicles Conducting Emergency Operations** – Mike Hoeme, UCR Audit Subcommittee Chair

The UCR Audit Subcommittee Chair discussed exempting electric utility and other businesses operating vehicles interstate only when responding to an emergency or natural disaster from UCR requirements in accordance with 49 C.F.R. Part 390.23, unless the states involved in its interstate travel have waived those requirements. The Board took action to exclude these carriers from the definition of the term “motor carrier” and therefore exempt from registration

under the Unified Carrier Registration Act. This vote required a  $\frac{3}{4}$  vote of all Directors present at the meeting to pass under 49 U.S.C. § 14504a(d)(4)(C).

A MOTION was MADE and SECONDED to provide a UCR exemption to the definition of the term “motor carrier” to the proposed carriers. The MOTION CARRIED with  $\frac{3}{4}$  of Board Members present voting in the affirmative (11 votes), two negative votes (Robert Pitcher, and Chris Burroughs) and one abstention (Kenneth Riddle).

**H. Update on the Audit Functionality in the National Registration System** – Toby Piquet, Seikosoft

Seikosoft provided updates on the NRS Audit Module, solicitation campaigns (new entrant, unregistered, non-universe motor carriers, etc.), and other relevant topics for the Board.

**Finance Subcommittee** – Scott Morris, UCR Finance Subcommittee Chair

**A. Discussion Regarding the Board to Self-Insure Against the Risk of Directors and Officers Liability Claims** – Alex Leath, UCR Chief Legal Officer and Dave Scholz, UCR Depository Manager

The UCR Chief Legal Officer and the UCR Depository Manager led a discussion regarding the purpose for Officers and Directors liability insurance and discussed the cost effectiveness of the option to self-insure rather than procure insurance from a third party.

A MOTION was MADE and SECONDED to approve and authorize the establishment of a self-insurance fund to provide a financial reserve up to \$1 million for potential directors and officers liability claims. The MOTION CARRIED unanimously.

**B. Review UCR Bank Balance Summary Report** – Dave Scholz, UCR Depository Manager

The UCR Depository Manager reviewed the UCR Bank Balance Summary Report as of November 30, 2020 and answered questions from the Board.

**C. Review 2020 Administrative Expenses Through November 30, 2020** – Dave Scholz, UCR Depository Manager

The UCR Depository Manager presented the administrative costs incurred for the period of January 1, 2020 through November 30, 2020, compared to the budget for the same time-period, and discussed all significant variances.

**D. Presentation of the proposed 2021 Administrative Expenses Budget** – Dave Scholz, UCR Depository Manager

The UCR Depository Manager presented the proposed administrative expenses budget for calendar year 2021 to the Board.

A MOTION was MADE and SECONDED to approve the 2021 budget as presented. The MOTION CARRIED.

**E. Status of 2020 and 2021 Registration Years Fee Collections and Compliance Percentages** – Dave Scholz, UCR Depository Manager

The UCR Depository Manager provided updates on the results of collections and registration compliance rates for the 2020 and 2021 registration years.

**Education and Training Subcommittee** – Carol Fallin, UCR Education and Training Subcommittee Chair

**Update on Basic Audit Training Module and Flow Chart/Decision Tree** – Carol Fallin, UCR Education and Training Subcommittee Chair

The UCR Education and Training Subcommittee Chair, provided an update on the development of the Basic Audit Training Module and Flow Chart/Decision Tree.

**XII. Contractor Reports** – Avelino Gutierrez, UCR Executive Director

- **UCR Executive Director Report** – Avelino Gutierrez  
The UCR Executive Director provided a report covering recent activity for the UCR Plan.
- **DSL Transportation Services, Inc.** – Dave Lazarides  
DSL Transportation Services, Inc. reported on the latest data from the FARs program, discuss motor carrier inspection results, and other matters.
- **Seikosoftware** – Toby Piquet  
Seikosoftware will provide an update on recent/new activity related to the NRS.
- **UCR Administrator Report (Kellen)** – Lori Cummings, UCR Operations Director and Dave Scholz, UCR Depository Manager  
The UCR Administrator provided its management report covering recent activity for the Depository, Operations, and Communications.

**XIII. Public Comment** – James Lamb, Executive Director of Small Business in Transportation Coalition  
Mr. Lamb, the Executive Director of Small Business in Transportation Coalition, was allotted five (5) minutes to address the UCR Board regarding several issues of concern to the SBTC.

**XIV. Other Business** – Elizabeth Leaman, UCR Board Chair  
The UCR Board Chair called for any business, old or new, from the floor.

**XV. Adjournment** – Elizabeth Leaman, UCR Board Chair  
The UCR Board Chair adjourned the meeting at 3:18pm ET.