

**REPORT OF THE
STATE CORPORATION COMMISSION**

**TO STUDY THE ADMINISTRATION OF
MOTOR CARRIER REGULATION AND
REVENUE COLLECTION**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 12

**COMMONWEALTH OF VIRGINIA
RICHMOND
1995**

COMMONWEALTH OF VIRGINIA

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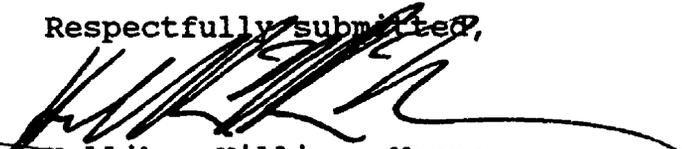
December 15, 1994

TO: The Honorable George Allen
 Governor of Virginia

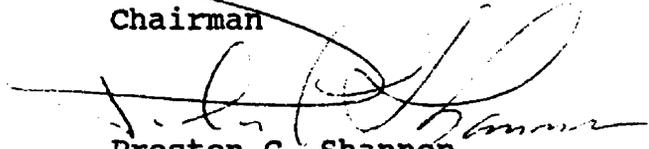
 The General Assembly of Virginia

We are pleased to transmit the report of the State Corporation Commission on the Administration of Motor Carrier Regulations, pursuant to House Joint Resolution 212 (1994).

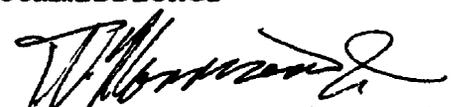
Respectfully submitted,



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Enclosure

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I. EXECUTIVE SUMMARY

Several years ago the General Assembly recognized that the programs regulating the motor carrier industry in the Commonwealth of Virginia were fragmented and in certain instances, duplicative, leading to inefficiency and a burden on the industry. Several studies have been conducted in recent years examining various aspects of the motor carrier industry. In 1994, the General Assembly passed HJR 212, which requested that the Motor Carrier Division of the State Corporation Commission (SCC) provide a comprehensive report on the service to the motor carrier industry, and recommend ways to simplify regulation to achieve "one-stop shopping".

It should be noted that running concurrently with the conduct of this study were reviews by the Governor's Commission on Government Reform and the Secretary of Transportation's Strategic Planning Committee, which examined the same or similar issues in attempting to address the "one-stop shopping" concept.

The SCC has consulted with many people from several agencies actively involved in some aspect of regulating the motor carrier industry - namely the Departments of Motor Vehicles, Transportation and State Police. Representatives from the motor carrier industry were also contacted and provided significant information to this study.

The SCC is well aware of the importance of trucking in Virginia, and realizes the current system lends itself to increased costs and inefficiency for both state government and the motor carrier industry. This study discusses the many aspects of the motor carrier industry and the agencies responsible for each program. It is clear that the Commonwealth of Virginia must see the motor carrier as a customer and adjust its programs to allow for the best customer service possible.

The SCC received some critical comments by the Virginia Trucking Association (VTA) on our interpretation of one-stop shopping. These comments indicated "that the trucking industry's concept of one-stop shopping consists of consolidating 'administrative' functions such as vehicle registration, permit issuance, road tax registration, etc. under one entity and police enforcement functions under a separate entity. The separation of these responsibilities ensures a system of checks and balances in the enforcement and administration of motor carrier regulations." The Department of State Police also supported this separation of functions, noting that enforcement should not be a part of one-stop shopping.

In developing recommendations for this document, the SCC carefully reviewed the concerns of the industry. Presumably, these were summarized by the VTA in their comments to the Governor's Commission on Government Reform. These comments indicate that there is no single agency with oversight authority to enforce regulations governing motor carrier operations. The report goes on to indicate that the VTA has received "complaints and inquiries about difficulties with local enforcement agencies in getting trucks put back 'in service' after safety defects that led to an 'out of service' order were repaired." They have also received complaints about local agencies seizing vehicle license plates and registrations as opposed to the

sticker procedure. Further, the VTA states that they hear concerns from members that citations are being issued for trivial violations, and motor carrier safety inspections are being used to meet "ticket quotas." Finally, the VTA states that "...motor carriers must often cope with different interpretations of regulations, different enforcement policies and practices, and duplicate enforcement activities...."

In light of these statements, the SCC is of the opinion that one-stop shopping ought to incorporate enforcement and compliance activities as well as administrative functions. To have administrative and enforcement functions in two separate entities would only lead to communication problems and discrepancies in the interpretation of regulations, exactly what the industry is trying to prevent. The SCC's recommendations and conclusions were therefore developed toward that end.

After careful review and analysis, the SCC is of the opinion that the Commonwealth should move toward a concept of one-stop shopping. Because the Motor Carrier Division deals with the motor carrier industry exclusively, it naturally follows that the SCC should be the focus of the "one-stop shopping" concept. An analysis of the motor carrier regulations reveals that the SCC is involved in every function of the motor carrier industry. Personnel at the SCC are well versed in motor carrier functions and requirements. Further, the SCC is currently in the process of implementing the International Fuel Tax Agreement (IFTA), a major component of motor carrier regulation. The SCC also has the added advantage of having the powers of a court of record, so that judicial orders can be issued without burdening the local court systems.

The following recommendations are designed to implement the "one-stop shopping" concept. This approach will create a more efficient, cost effective, customer service oriented atmosphere for the motor carrier industry.

1. A customer service unit should be created at each weigh station to serve the motor carrier industry.
2. The Commercial Vehicle Enforcement Officer program should be transferred from the Department of State Police to the State Corporation Commission.
3. The State Corporation Commission should be allowed to issue the overweight/overdimensional permit with Virginia Department of Transportation and Commonwealth Transportation Board approval.
4. The Department of Motor Vehicles should issue a unique license plate to commercial motor vehicles with a registered gross weight of 26,000 pounds or less.
5. The State Corporation Commission should become a limited branch Department of Motor Vehicles agent to service the motor carrier industry.
6. Virginia should raise the insurance limits for for-hire carriers to agree with the federal requirements.

7. All Virginia based private and for-hire Interstate Commerce Commission exempt carriers operating wholly in Virginia should be required to file certification of liability insurance with the State Corporation Commission.
8. All International Fuel Tax Agreement, International Registration Plan, and Single State Registration System audits, along with audits of bulk fuel used exclusively in subject motor vehicles, should be conducted by the State Corporation Commission.
9. The motor carrier safety compliance review program should be transferred from the Department of State Police to the State Corporation Commission.
10. Those localities listed under Code of Virginia §46.2-1001 (out of service authority) should be required to sign a memorandum of understanding with the Department of State Police to provide for uniform issuance of the Commercial Vehicle Safety Alliance nationally recognized decal.
11. Include the State Corporation Commission in Code of Virginia §46.2-1001 (out of service authority).
12. The collection of liquidated damages should be transferred from the Department of Motor Vehicles to the State Corporation Commission.

The SCC is pleased to report that based on the data available, all of these recommendations can be achieved without requiring a raise in taxes or identifying other additional revenue sources. One-stop shopping can be achieved.

II. INTRODUCTION

The 1994 General Assembly commissioned this study through passage of House Joint Resolution No. 212 (HJR 212), with the State Corporation Commission (SCC) serving as the lead agency. This resolution requested that the SCC Motor Carrier Division "determine the institutional, regulatory, and statutory changes necessary to improve state and motor carrier productivity," to include the following areas:

1. Consolidation, simplification and standardization of motor carrier regulation, enforcement and revenue collection to achieve one-stop shopping;
2. How Virginia would conform to the regulations of the International Fuel Tax Agreement and a timetable for joining this agreement;
3. The regulatory and statutory changes necessary to conform with the mandates of the federal Intermodal Surface Transportation Efficiency Act of 1991; and
4. Uniformity, simplification, and coordination of motor carrier safety enforcement and vehicle safety inspections, including the authority by the Department of State Police and several localities under §46.2-1001 of the Code of Virginia to remove unsafe vehicles.

This request was a result of two previously uncompleted studies - HJR 521 (1993) and HJR 98 (1992).

Representatives from the Departments of State Police, Motor Vehicles and Transportation and the State Corporation Commission were consulted on numerous occasions in preparing this report. In addition, representatives from the Virginia Trucking Association, Virginia Motorcoach Association, James River Bus Lines, Speed & Briscoe Auto Truck Stop and Arlington County were contacted.

Efficient and well-managed regulation of the trucking industry is vital to Virginia from both safety and economic viewpoints. Commercial vehicles utilized on our highways need to be properly maintained, insured, loaded and legally operated to ensure a level of safety to the motoring public. In addition, motor carriers evading federal and state regulations are able to reduce their operating costs, which creates an uneven competitive environment. Documentation of noncompliance, as well as compliance, with all regulations is mandatory in order to audit, assess, enforce and collect revenues due the Commonwealth. The creation of an environment where these functions can be effective while maintaining the Commonwealth's commitment to efficient, responsive and accountable government, is the paramount goal of motor carrier regulations.

Motor carrier activities are primarily administered by four state agencies. These agencies are the Departments of Motor Vehicles, State Police, Transportation, and the State Corporation Commission. The Department of Environmental Quality plays a small role in the permitting

process. A summary of the roles currently played by each agency is shown in the chart below. When a responsibility is shared by two or more agencies, a footnote explains the role played by each agency.

Chart 1. A Profile of Agency Responsibilities.

Functional Responsibility	Agency ¹				
	VDOT	DMV	DSP	SCC	DEQ
Registration/Regulation ²	X	X		X	X
Insurance Certificate Filing				X	
Rolling Stock Taxes				X	
Taxes/Auditing ³		X	X	X	
Enforcement/Safety ⁴			X	X	
Weigh Stations/Liquidated Damages ⁵	X	X	X	X	
Judicial and Legislative Powers				X	

- ¹VDOT - Virginia Department of Transportation
- DMV - Department of Motor Vehicles
- DSP - Department of State Police
- SCC - State Corporation Commission
- DEQ - Department of Environmental Quality

²VDOT issues overweight/overdimensional permits. DMV issues overload permits and intrastate and IRP license plates. SCC issues intrastate operating authority, SSRS receipts, motor fuel road tax permits and temporary IRP authority. DEQ issues hazardous waste transporter permits.

³Fuel purchases within Virginia are the basis for the fuel tax collected by DMV; motor fuel road tax is collected by the SCC based on fuel consumed within the Commonwealth. DMV conducts IRP and bulk fuel audits. The SCC conducts motor fuel road tax and SSRS audits. DSP performs motor carrier safety audits.

⁴SCC enforcement powers encompass economic regulation, operating authority, licensing, registration and the performance of safety inspections on vehicles. DSP performs safety inspections on vehicles and conducts hazardous materials inspections. Some localities may also perform safety inspections.

⁵VDOT is charged with building and maintaining the scale facilities. VDOT weighs vehicles crossing the scales. DSP uses the scale facilities to conduct safety inspections, issue overweight violations, and collect liquidated damages in certain instances. SCC utilizes the scale facilities to check for proper operating authority, conduct safety inspections and collect liquidated damages. All liquidated damages are remitted to DMV.

III. COMPONENTS OF MOTOR CARRIER REGULATION

A. REGISTRATION / REGULATION

Department of Transportation

The Commonwealth Transportation Board and local authorities of cities and towns in their respective jurisdictions, may currently issue overweight/overdimensional permits. VDOT administers the permitting process for vehicles exceeding size and weight limits established by the Code of Virginia. These limits address oversize and overweight vehicles traveling on the Commonwealth's highways to minimize damage to the highways and bridges and to ensure safe driving conditions for all. Occasionally, the commodities being transported are overweight, overlength, overheight or overwidth, thereby necessitating that an overweight permit or overdimensional permit be purchased from VDOT. The Commonwealth Transportation Board ultimately approves all overweight/overdimensional permits issued.

The motor carrier may purchase a "single trip" permit or a "blanket" permit. The single trip permit costs \$10, is route specific and expires thirteen days after issuance. Single trip permits are reviewed individually based on weight, dimension and route selected. Blanket permits are issued to the motor carrier based on established criteria and can be purchased for one year at a cost of \$30 or two years for \$60. "Superload permits" are a special type of single trip permit required for vehicles with unusually excessive loads, such as a gross weight in excess of 150,000 pounds (130,000 pounds for noninterstate travel); a width of over 14 feet or a length in excess of 150 feet. VDOT may conduct an engineering study prior to issuing superload permits. The cost of a superload permit is \$10.

VDOT estimates that 95% of the single trip permits are purchased through transmission (wire) services and the vast majority of blanket permit applications are mailed to VDOT's Richmond headquarters.

In addition to the overweight/overdimensional permits, permits are also issued under special circumstances to transport concrete mix, farm products, containerized cargo and solid waste. These permits, issued at no cost to the motor carrier, make up nearly 13% of the total permits issued.

In fiscal year 1994, VDOT issued 58,733 permits which generated \$1,044,606 in revenue for the Highway Maintenance and Construction Fund. Nearly 80% of the permits issued were single trip permits. Some of VDOT's operations are funded from these collections.

Department of Motor Vehicles

DMV issues overload permits to the owner/operator of a motor vehicle. The permit extends the single axle weight limit of 20,000 pounds, tandem axle weight limit of 34,000 and gross weight limit based upon axle spacing and number of axles. However, no DMV permit authorizes the operation of a motor vehicle whose gross weight exceeds 80,000 pounds nor does any DMV permit authorize an extension of the limitations of the interstate highways.

Permits may be purchased to extend the weight limits from one to five percent and are valid for one year. Chart 2 below shows the typical cost of these permits. Overload permits utilized by farm vehicles are sold at fifty percent of the normal fees.

Chart 2. Cost of Overload Permits by Percentage.

<u>Percentage Overload Permitted</u>	<u>Normal Fee For Permit</u>
1%	\$35
2%	\$75
3%	\$115
4%	\$160
5%	\$200

In fiscal year 1994, DMV received \$1,433,825 from the sale of 13,052 overload permits. The monies collected from the sale of these permits were deposited into the Highway Maintenance and Construction Fund.

Two additional permit fees are collected by DMV and are filed monthly on the same return with the Department. Transporters of overwidth mobile homes are required to pay \$1 per trip. Also, transporters of overweight equipment, which cannot be licensed by DMV due to excessive weight, are required to pay a fee of ten cents per mile for each mile traveled on the highways of this Commonwealth. In fiscal year 1994, DMV collected a total of \$162,023 from these two permit fees. These monies were deposited into the DMV Operating Fund. Enforcement of this function is not administered by DMV, but rather the SCC and DSP.

In addition to the permits noted above, DMV is responsible for some of the credentials necessary for a motor carrier to legally operate in the Commonwealth. DMV provides either an intrastate license plate or, if the motor carrier engages in interstate travel, an International Registration Plan (IRP) plate. Under the IRP, a new motor carrier or an existing carrier

preparing to begin interstate travel for the first time estimates the amount of travel that will be accrued in each jurisdiction during the current registration year. DMV prorates the license fee by multiplying the motor carrier's previous percentage of travel in each jurisdiction (or anticipated travel for a new carrier) by the corresponding license fee charged by each particular jurisdiction. DMV then remits the appropriate fees to the other jurisdictions, who in turn remit the applicable license fees to DMV. Typically, DMV keeps 20% of license fees to offset its expenses. However, all Virginia apportioned licensing fees collected through the IRP program are deposited into the Highway Maintenance and Construction Fund.

Chart 3 below shows the calculations required to determine the fees due on a first-time IRP application. The example assumes an 80,000 pound tractor trailer is being licensed for use by a for-hire motor carrier.

Chart 3. IRP license fee calculation & distribution.

<u>State</u>	<u>Est. Travel</u>	<u>Jurisdiction License Fee</u>	<u>Prorata Share</u>
VA	40%	\$1,218.00	\$487.20
NC	30%	963.00	288.90
MD	20%	1,280.00	256.00
WV	<u>10%</u>	1,131.25	<u>113.13</u>
TOTALS	100%		\$1,145.23
Total IRP Fee		\$1,145.23	
Inspection Fee		1.50	
Processing Fee per Fleet		<u>1.00</u>	
TOTAL FEE DUE DMV		\$1,147.73	

DMV issues and renews approximately 30,000 IRP plates and transfers over \$30 million in revenue to the Highway Maintenance and Construction Fund annually.

The Virginia Commercial Driver's License (CDL) program is designed to promote highway safety by testing drivers on their skills to operate commercial vehicles in a safe manner, to prevent drivers from having more than one operator's license and to remove problem drivers from the highway. CDL's are issued exclusively by DMV.

There are three classes of Commercial Driver's Licenses available to drivers of commercial motor vehicles.

Class A - Any combination of vehicles with a Gross Combination Weight Rating (GCWR) of 26,001 pounds or more, provided the Gross Vehicle Weight Rating (GVWR) of the vehicle being towed is more than 10,000. Examples: Tractor trailer, tractor with twin trailers, combination bus.

Class B - A single vehicle with a GVWR of 26,001 pounds or more, or any such vehicle towing a vehicle with a GVWR of 10,000 or less. Example: Dump truck, most buses.

Class C - Any single vehicle with less than 26,001 pounds GVWR or any such vehicle towing a vehicle with a GVWR of 10,000 pounds or less. This class is for vehicles that must be placarded for hazardous materials or made to carry 16 or more persons, including the driver. Examples: Passenger van, pick-up trucks and other small vehicles carrying hazardous materials or passengers.

An individual that holds a Class A license can also drive Class B and C vehicles as long as the operator has the proper endorsement(s). Likewise, an individual with a Class B license can also drive Class C vehicles as long as the operator holds the proper endorsement(s).

State Corporation Commission

Currently, the SCC exercises economic regulation over the following common carriers and restricted common carriers (date shown is the year economic regulation went into effect):

- Common Carriers of Passengers and Property (1936)
- Common Carriers of Household Goods (1948)
- Common Carriers of Petroleum (1952)
- Common Carriers of Special or Charter Parties (1960)
- Common Carriers of Restricted Parcels (1970)
- Common Carriers by Motor Launch (1983)
- Common Carriers of Sight-seeing by Boat (1968)

With the passage of the Federal Aviation Administration Authorization Act of 1994, federal law preempts state regulation of motor carriers of property with regard to price, route, or service effective January 1, 1995. The legislation allows for continued regulation of household goods carriers, and regulation with regard to safety and minimum amounts of financial responsibility relating to insurance requirements. The legislation in effect eliminates economic regulation of common carriers of property, petroleum tank truck carriers, and restricted parcel carriers.

The Bus Regulatory Reform Act of 1982 enacted by Congress afforded common carriers of passengers the opportunity to apply to the Interstate Commerce Commission (ICC) for

intrastate authority over interstate routes. They were given the right to appeal any state action to the ICC with regard to abandonment of intrastate routes or increases in intrastate passenger rates. With the passage of the Trucking Industry Regulatory Reform Act of 1994, the Interstate Commerce Commission Act was amended to further preempt state regulation of intrastate passenger rates over interstate routes.

The scope of the SCC's economic regulation of those carriers that are unaffected by federal preemption is determined by the form of authority sought by the motor carrier. A motor carrier applying as a common carrier or restricted common carrier is required to obtain a Certificate of Public Convenience and Necessity. The Code of Virginia requires a public hearing on all applications for common carrier and restricted common carrier authority. The primary issue at the hearing is whether the application is justified by the public convenience and necessity. The public convenience and necessity test requires that there must be a need for the proposed service before the SCC can issue a certificate. The test of need does not present an insuperable entry barrier as SCC records reveal that the majority of applications are granted.

In addition to Certificates of Public Convenience and Necessity, the SCC issues certificates, permits, and licenses that are not subject to economic regulation.

Certificates are issued to limousine and executive sedan carriers. The procedure for issuance of these certificates does not normally require a hearing for approval. The applicant is required to provide notice of application to affected carriers, publication and proof of notice. In determining whether a certificate should be granted, the SCC considers the applicant's experience, fitness and ability to render the service. If the SCC deems it necessary, a hearing is scheduled.

Motor carriers desiring to obtain a permit need only file an application, remit a \$50 filing fee and file proof of adequate insurance. The SCC is authorized to issue four types of permits:

Contract Carrier Permits - Authorizes the transportation of property between all points in Virginia. The permit is subject to three restrictions: (1)* the carrier cannot transport property of more than two consignors on any one vehicle at the same time; (2) cannot transport household goods for more than 30 road miles; and (3)* cannot transport petroleum products exceeding 2,500 gallons for any distance more than 15 road miles.

*Restrictions (1) and (3) will be eliminated effective January 1, 1995 with federal preemption of state regulation.

Rental Permits - Issued to rental companies for insurance and motor fuel road tax purposes to cover daily rentals of 3 axle trucks and tractors.

Employee Hauling Permits - Authorizes the transportation of bona fide employees directly to and from factories, plants, offices or other places of like nature where they are employed and accustomed to work.

Taxicab Permits - Authorizes the provision of taxicab service between all points in Virginia. Restricted to six passengers plus the driver. Taxicab operations must comply with local ordinances regulating taxicabs.

The SCC issues licenses to brokers of passengers or property. The license authorizes the holder to provide, procure, furnish, or arrange for transportation. A hearing is required to obtain a license; however, market entry is extremely liberal. The primary issue is whether the application is proper and in the public interest.

The SCC administers the Single State Registration System (SSRS), which in calendar year 1994 received \$5,128,486 in fees from motor carriers. Under this program motor carriers file proof of insurance with their base state to ensure that the carrier has the minimum amount of coverage, as set forth by the Interstate Commerce Commission. In addition to the insurance filing, the motor carrier is also required to pay a registration fee to the base state for each vehicle operated in any given state. The base state distributes these fees to the appropriate individual states. The motor carrier, in turn, is issued a receipt identifying the number of vehicles the carrier has registered to operate in each state. The original receipt is to be maintained in the office of the motor carrier and a photocopy of the receipt must be carried in the cab of each vehicle, as evidence that the proper registration fees have been paid to each state.

Motor carriers which do not transport property intrastate and do not have ICC authority are issued fuel permits at a cost of \$10 per vehicle. In fiscal year 1994, the SCC collected approximately \$1.5 million in revenue from the issuance of fuel permits. Fuel permits establish tax accounts for these entities for motor fuel road tax purposes. Temporary permits may be purchased at a cost of \$20, and are valid for 10 days. In fiscal year 1994, the SCC collected \$500,000 from the issuance of temporary permits.

The SCC issues temporary IRP authority valid for 10 days at a cost of \$15. The SCC issues approximately 8,000 temporary authorities annually.

Department of Environmental Quality

DEQ issues hazardous waste transporter permits. These permits are good for ten years and are issued at a cost of \$80 for Virginia based carriers and \$120 for non-Virginia based carriers. Permits are required only for motor carriers of hazardous waste generated in and/or terminating in the Commonwealth. Motor carriers that merely transport hazardous waste through the Commonwealth are not required to purchase a permit. In fiscal year 1994, \$5,920 in fees was generated by DEQ by issuing 53 permits. DEQ does not reference any other state agencies' data bases prior to issuing the hazardous waste transporter permit. The DSP and any local police personnel that qualify under federal standards can enforce these requirements.

B. INSURANCE CERTIFICATE FILING

State Corporation Commission

For-hire carriers of property and passengers are required to file proof of liability insurance coverage with the SCC. Property carriers are also required to file cargo insurance if they are not hauling commodities in bulk. The limits of insurance are as follows:

Virginia intrastate property carriers are required to carry \$350,000 liability insurance. Passenger carriers with a seating capacity of 12 passengers or less are required to carry \$350,000 combined liability insurance. Carriers with a capacity of thirteen passengers or more are required to carry \$550,000 combined liability insurance. The Virginia limit for taxicab operators is \$125,000 combined liability.

For interstate carriers, the United States Department of Transportation requires \$750,000 liability insurance for property carriers, and \$1,000,000 for vehicles transporting oil, hazardous waste, hazardous materials, and hazardous substances. They are also required to file \$5,000,000 liability insurance for vehicles transporting Class A or B explosives and poisonous gasses or radioactive materials.

The federal minimum insurance limits for passenger vehicles are \$1,500,000 for any vehicle with a seating capacity of 15 passengers or less, and \$5,000,000 for any vehicles with a seating capacity of 16 passengers or more.

C. ROLLING STOCK TAXES

State Corporation Commission

Rolling Stock Tax is assessed by the SCC on those carriers holding a common carrier certificate which grants the carrier regular route authority. Rolling Stock Tax is calculated by the SCC at a statutory rate of \$1 on each \$100 of assessed value. This is significantly less than the personal property tax assessed by the localities. As part of this assessment process, each motor carrier is required to report total miles and total Virginia miles traveled annually. Motor carriers are required to breakdown Virginia miles to those localities (counties, cities or incorporated towns) through which these vehicles travel.

After all payments have been received and processed, the SCC certifies to the State Treasurer a listing of cities, counties and incorporated towns, indicating the respective amounts due each political subdivision. In fiscal year 1995, a total of \$868,869 was certified for distribution to the localities.

After January 1, 1995, as a result of federal preemption of economic regulation of certain intrastate motor carriers of property, the rolling stock tax benefit will no longer be available to certificated common carriers operating over regular routes.

D. TAXES / AUDITING

Department of Motor Vehicles

DMV is charged with collecting fuel taxes on gasoline and all "special fuels". Special fuels include diesel, gasohol, LP gas and propane. Motor carriers that purchase all of their fuel at truck stops and other over-the-road vendors would never have any direct contact with DMV regarding fuel taxes, because the truck stop owner or fuel vendor pays the taxes at the time the fuel is purchased and then passes those charges onto the motor carrier in the purchase price of the fuel at the pump.

Motor carriers that have a bulk tank in the Commonwealth must file a monthly report with DMV. Those motor carriers that pay the state fuel tax directly to their fuel supplier file a "Bulk User's Report" listing all bulk purchases made during the month. Motor carriers that elect not to pay the state fuel tax to their vendor at the time of purchase are required to file a monthly "Supplier's Report" detailing all purchases made during the month, along with disbursements made into vehicles which operated on the Commonwealth's highways during the month. The motor carrier remits a check with the Supplier's Report for payment of fuel taxes owed on the number of gallons placed in vehicles traveling on Virginia's highways. DMV retains 1% of the total fuel tax dollars collected to offset operating expenses.

DMV conducts an audit of the Virginia licensed motor carrier's mileage records for IRP purposes to confirm the apportionment of miles among the jurisdictions. If the motor carrier were to also have a bulk fuel tank in the Commonwealth, it could be subject to an additional audit to verify the appropriate state fuel tax has been paid on the motor fuel pumped from the carrier's bulk tank and placed into highway vehicles. DMV conducts a relatively small percentage of IRP audits.

Both the IRP and International Fuel Tax Agreements (IFTA) require the Commonwealth to audit a minimum of 15% of the carriers domiciled in Virginia over any five year period.

State Corporation Commission

Unlike fuel tax, motor fuel road tax is applicable only to operators of heavy trucks and all tractor units. Each motor carrier with operating authority to travel the highways of the Commonwealth must file a quarterly motor fuel road tax report with the SCC detailing the total miles traveled, the total fuel placed in the supply tank of the subject vehicles, the corresponding mile-per-gallon figure, the mileage accumulated in the Commonwealth, the amount of fuel consumed in Virginia and the amount of fuel purchased in the Commonwealth on which the fuel tax has been paid. The current road tax rate is 19.5 cents per gallon on fuel consumed in the Commonwealth. A credit of 16 cents per gallon on fuel purchases made in the Commonwealth is available to the carrier toward its motor fuel road tax liability. All monies remitted with the motor fuel road tax returns are deposited into the Highway Maintenance and Construction Fund or Highway Trust Fund. The SCC currently does not retain any of the motor fuel road tax

dollars it collects. Chart 4 below shows the motor fuel road tax dollars collected over the past three fiscal years.

Chart 4. Gross Motor Fuel Road Tax Collections.

<u>Fiscal Year</u>	<u>Motor Fuel Road Tax</u>
1992	\$27,724,749
1993	\$28,160,556
1994	\$27,887,118

Presently, the SCC audits documents related to a motor carrier's motor fuel road tax reports. These records include mileage records, driver logs, shipping papers, toll receipts, lease agreements, maintenance records, licensing data and fuel purchase information. Approximately, 80% of all vehicles operating in the Commonwealth would also be subject to a Single State Registration System (SSRS) audit by the SCC, which would be performed in conjunction with the motor fuel road tax audit. The SSRS audit is necessary to verify that the motor carrier has paid the appropriate fees to correspond with the number of vehicles operated in the Commonwealth. The SCC audits on average 1,000 accounts per year or approximately 5% of the total active accounts.

With the implementation of IFTA, the scope of each audit will be expanded to include the operations in all jurisdictions. Under IFTA, the SCC auditors will verify the miles traveled, fuel purchased, fuel consumed, tax paid purchases and quarterly fuel tax liability for each jurisdiction. When audit corrections result in adjustments to the taxpayers reported figures, the SCC will assess or refund the additional taxes on behalf of the other jurisdictions. The other jurisdictions, likewise are required to review operations of the motor carriers based in their state or province and collect the appropriate taxes due all jurisdictions.

Department of State Police

Changes in the safety audit program are currently being implemented by DSP. "Safety Reviews" previously performed by Motor Carrier Safety Troopers could result in monetary penalties through the civil process, which were collected by the Federal Highway Administration. Under the new system, "Compliance Reviews" will be performed which may carry monetary penalties for any violations detected. Once compliance reviews have been implemented, monies collected from interstate motor carriers will go to the Federal Highway Administration, while monies collected from intrastate operators will be deposited into the Literary Fund. During the course of a compliance review, Motor Carrier Safety Troopers will review driver logs, shipping papers, insurance coverage, licensing information and will confirm repairs have been made on vehicles previously placed out of service. These audits take place at the motor carrier's place of business.

E. ENFORCEMENT/SAFETY

Department of State Police Commercial Vehicle Enforcement Officers (CVEOs)

DSP employs approximately 55 CVEOs who are assigned to permanent weigh stations located across the state. Their primary duty is to enforce the weight and size regulations of trucks. Violations cited by the CVEO for weight violations are civil in nature, and payable to DMV unless the case is contested in a general district court.

CVEOs enforce violations coming to their attention, including federal motor carrier safety violations. CVEOs do not perform the more typical functions of a Trooper, such as enforcing the speed limit, working radar or investigating accidents.

Unlike Troopers, funding for the CVEOs comes from VDOT rather than the general fund. This \$2.8 million funding is derived from the VDOT's 601 Ground Transportation Regulation Fund. The CVEO program does use DSP resources for time management, recruitment, discipline, training and administrative matters. CVEOs are trained to meet the law enforcement officer certification requirements of the Department of Criminal Justice Services. The CVEOs are law enforcement officers with the same powers as agents, inspectors or investigators and officers of the DSP, but limited to intra and interstate commerce at permanent and portable scale facilities throughout the Commonwealth. They cannot assist or participate in the collection of motor fuel road taxes and penalty collections, and are restricted administratively in the collection of DMV liquidated damages. In addition, they do not conduct investigations to determine proof of operation of vehicles in Virginia for motor fuel road tax purposes.

Department of State Police and Localities

DSP Troopers and law enforcement officers of the City of Alexandria, City of Fairfax, City of Falls Church, City of Norfolk, City of Virginia Beach, Arlington County, Chesterfield County, Fairfax County and any city contiguous thereto, Henrico County, Loudoun County and Prince William County are performing motor carrier safety inspections and enforcement functions. The DSP is the lead agency for the federal Motor Carrier Safety Assistance Program (MCSAP). Vehicles inspected and found to be defect free by the DSP are issued decals to identify their defect free status and are not subject to routine inspection nationally for 90 days. Authorized local police agencies have developed an identification decal for vehicles found to be defect free. This decal is not recognized beyond Virginia's boundaries. The DSP utilizes a nationally recognized decal provided by the Commercial Vehicle Safety Alliance (CVSA) to identify defect free vehicles. Membership in CVSA is limited to state agencies with specific law enforcement authority. Localities are permitted to sign a memorandum of understanding with the MCSAP agency to participate in the CVSA inspection and decal program. Presently, no Virginia locality has signed such a memorandum of understanding.

Once vehicles are inspected by DSP, the information gathered is entered into the national SAFETYNET data system, which is used for enforcement purposes. Information on vehicles inspected by the localities and the SCC is not entered into this system. Only the DSP and the localities listed above are permitted to place dangerously defective vehicles out of service.

State Corporation Commission

The SCC employs twenty sworn Special Agents who are assigned throughout the Commonwealth. Their primary duty is to ensure proper registration of motor carriers and full payment of applicable motor fuel road taxes. This is carried out by use of enforcement functions and the documentation of vehicle operations.

Special Agents enforce commercial vehicle insurance requirements, which include the removal of uninsured regulated motor vehicles from Virginia highways, and the revocation of operating authority. They also primarily enforce Code of Virginia Title 56, §52-8.4 and criminal violations coming to their attention in dealing with the motor carrier industry. They collect fees for permits and licenses and under statutory authority require payment for SCC adjudicated penalties and DMV liquidated damages.

A unique role fulfilled by SCC Special Agents is the enforcement of rules and regulations of the SCC dealing with the motor carrier industry. These areas of regulation include passenger transportation by bus, limousine, executive sedan and taxi. They also include charter party carriers by boat, the regulation of household goods transportation, the SSRS program and vehicles operated under various lease agreements.

Special Agents document vehicle operations for motor fuel road tax collections and conduct surveillance operations. They also assist commercial vehicle operators in complying with the registration process and regulations.

Administratively, SCC Special Agents do not enforce speed limits, work radar or routinely investigate motor carrier accidents. SCC Special Agents are trained to meet all of the law enforcement officer certification requirements of the Department of Criminal Justice Services.

The SCC Special Agents are funded through the fees generated by the registration of regulated motor carriers.

F. WEIGH STATIONS / LIQUIDATED DAMAGES

Virginia Department of Transportation

VDOT is charged with building and maintaining all scale facilities in the Commonwealth. Presently, there are 13 permanent scale facilities located throughout the state. Seven of the scale facilities are located on interstate highways, with the remaining six on other Virginia

roadways. In addition to the permanent scale facilities, there are eleven mobile crews which can setup weigh facilities at various locations throughout the state. The Weight Party Technician that actually weighs the truck is a VDOT employee.

Department of State Police

DSP has Commercial Vehicle Enforcement Officers (CVEOs) assigned to each permanent scale facility. The CVEO's primary responsibility is to issue the carrier overweight violations. These violations result in penalties (liquidated damages) which are to be remitted to DMV within 21 days of the violation.

Delinquent liquidated damages are also subject to collection by a CVEO, if the penalty is \$200 or more and payment is not in cash. When a motor carrier with outstanding violations of \$200 or more has a vehicle at the scales, the Code of Virginia provides that the CVEO is to detain the vehicle for a reasonable amount of time until the monies are paid in full. If the driver is unable to pay the violations, the Code requires the CVEO to leave the weigh station and apply to the local magistrate to obtain an attachment summons.

DSP conducts safety inspections, hazardous material enforcement and other law enforcement duties at the scale facilities.

State Troopers, not CVEOs, are usually assigned by DSP to work with VDOT personnel on mobile scale checks. These duties are scheduled in advance with a Trooper assigned to that specific duty. However, State Troopers working the mobile scale detail may have to be called away to investigate traffic accidents or perform other police functions. Therefore, the mobile scale facilities are not utilized as effectively as the permanent scales.

State Corporation Commission

The SCC utilizes the scale facilities to check for proper operating authority and to conduct safety inspections.

Liquidated damages account information is transmitted to the SCC for enforcement purposes. Liquidated damages are collected by SCC Special Agents in any amount and in any form of payment.

Department of Motor Vehicles

Overweight fees are ultimately collected and distributed by DMV directly to the Highway Maintenance and Construction Fund. Additionally, DSP receives \$2 for weighing the vehicle, the Literary Fund receives \$25 in civil damages and DMV receives a \$20 processing fee. If the overweight citation is not paid within the 21 day time frame, DMV imposes an additional

\$30 reinstatement fee. DMV estimates that they process 61,000 citations annually, resulting in \$3.0 million deposited into the Highway Maintenance and Construction Fund, \$1.5 million to the Literary Fund in civil penalties, \$1.2 million to DMV and \$120,000 to DSP.

G. JUDICIAL AND LEGISLATIVE POWERS

The SCC is unique among Virginia departments in that it was established by the State Constitution and given the powers of a court of record. (See Constitution of Virginia, Article IX, §3 and §12.1-13 of the Code of Virginia.) As such, judicial decisions of the SCC have the same effect as a court of record judgment concerning all matters falling under the SCC's purview. Any party feeling aggrieved by an SCC decision may appeal directly to the Supreme Court of Virginia as a matter of right.

Presently, all applications for certificates of public convenience and necessity as common carriers and restricted common carriers are heard according to the procedural rules of the SCC and findings of fact and law are made. The SCC also conducts trials of all cases concerning motor fuel road tax, as well as cases where violations of motor carrier laws or regulations are alleged. Staff attorneys represent the Motor Carrier Division in all judicial proceedings.

Further, Code of Virginia §56-304.15 gives the SCC the power to promulgate regulations implementing requirements of any programs established under federal law relating to motor carrier laws addressing registration, identification or punishable offenses. In the recent history of such programs, the states have been mandated to enact these requirements in a time frame in which it would be difficult for the legislature to act. Likewise, local courts could not enter penalties for violations of these regulations without significant statutory change.

IV. COMPLIANCE WITH ISTEА AND IFTA

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), among other things, requires all states to become a member of the International Fuel Tax Agreement (IFTA) and the International Registration Plan (IRP) by September 30, 1996, or risk the loss of ability to collect a motor fuel road tax.

The Commonwealth became a member of the IRP in March of 1975. For the 1993 registration year, 6,380 carriers and 31,764 vehicles were registered with Virginia under the IRP plan. Forty-four other states and two Canadian provinces are presently members of IRP. New Jersey, Delaware and Rhode Island are the only three of the 48 contiguous states not yet in the IRP plan.

In August of 1994, the SCC submitted the Commonwealth's ballot to join IFTA. The ballot requests a January 1, 1996, implementation date. Once Virginia joins IFTA, motor carriers will be able to file one tax return with their base state for all jurisdictions participating in the plan. Likewise, motor carriers need only register with their base state for fuel tax purposes to travel in all IFTA jurisdictions. Virginia, as a major bridge state for travel along the East Coast, will lose approximately \$1.1 million annually in registration revenues from non-Virginia based carriers upon joining IFTA.

Under IFTA, the definition of a subject motor vehicle will be expanded to include all vehicles with a registered gross weight in excess of 26,000 pounds. Under this broader definition, some two-axle trucks currently exempt from motor fuel road taxes in the Commonwealth will become subject to tax. Also, buses which have been exempt from motor fuel road tax since April 1, 1979, will become subject to taxation. The SCC has worked with the Virginia Trucking Association and the Virginia Motorcoach Association to furnish information to their membership of this upcoming change.

Presently, there are twenty-six states and one Canadian province that belong to IFTA. The SCC has a timetable for implementation of IFTA. The major milestones are noted below:

August 1994	SCC submitted the ballot on behalf of the Commonwealth of Virginia to join IFTA.
August 1994	Concurrence by the IFTA Project Steering Committee regarding the approach for IFTA and other systems technology and implementation.
August 1994	Approval by the SCC for the project approach.
September 1994	Initiation of contract negotiations with Lockheed IMS.
September 1994	Initiation of project definitions for non-IFTA systems.

Oct./Nov. 1994	Initiation of pre-implementation planning for the Vehicle Information System for Tax Apportionment (VISTA).
December 1994	Determination of interim equipment/software needs for user testing.
January 1995	Commitment on approach/schedule for non-IFTA systems.
February 1995	Development of project plan and initiation of project activities for non-IFTA systems required in the 1995-1996 time frame.
February 1995	Determination of long term equipment/software needs and development of installation schedule.
March 1995	Installation of interim equipment/software.
March/April 1995	User testing of VISTA (Vehicle Information System for Tax Apportionment) begins.
March/April 1995	Identification of conversion requirements and current systems modification needs.
April 1995	Checkpoint for evaluation/re-evaluation of post-IFTA systems development requirements and schedule.
April/May 1995	Initiation of conversion/current systems modifications activities.
May 1995 (or sooner?)	Carrier notification and training.
Sept./Oct. 1995	IFTA carrier registration/issuance of credentials.
December 1995	Intrastate registration renewals.
January 1996	Virginia SCC gains membership in IFTA.
March 1996	Mail 1st quarter 1996 IFTA/Intrastate tax reports.
April 1996	Begin processing 1996 tax reports.

In addition, several changes to the Code of Virginia must be made to implement IFTA by the SCC. These changes are drafted and will be presented to the 1995 session of the General Assembly. No other agencies are involved in the implementation of IFTA.

In addition to IRP and IFTA requirements, the ISTEA legislation also required all states issuing operating authority to Interstate Commerce Commission (ICC) regulated carriers to replace that system, by January 1, 1994, with a base state insurance filing program, known as the Single State Registration System (SSRS). The SSRS program has been fully implemented by the SCC, with the first receipts being issued on November 15, 1993.

V. RECOMMENDATIONS

The SCC has carefully evaluated the regulation of the motor carrier industry. After this review, it is recommended that many components of the regulatory scheme should be shifted to one entity, the State Corporation Commission, to achieve one-stop shopping. The SCC is ideally suited for administration of motor carrier and enforcement functions. The SCC currently has primary responsibility for these functions, and the recommendations that follow will enhance the SCC's ability to achieve the one-stop shopping concept.

RECOMMENDATION 1: A customer service unit should be created at each weigh station to serve the motor carrier industry.

Rationale

In order to facilitate the "one-stop shopping" concept, customer service units need to be established at each weigh station within the Commonwealth. These units would be designed to aid the motor carrier in obtaining permits, licenses, plates, and safety inspections, and in paying any fees, taxes, penalties, or damages owed by the carrier.

The weigh station would become a center of information for the motor carrier industry and will be a place where motor carriers can go for assistance. Data linkages to the SCC, DMV, and other involved agencies would be necessary for on-line processing.

VDOT advised that there are no additional weigh stations planned, although they recognize the need to upgrade current facilities.

VDOT and DSP have stated concerns indicating that the scale facilities are not conducive to solicit customers for reasons other than enforcement of violations. The VTA has commented that weigh stations are not appropriate locations for customer service centers. It should be noted that the vast majority (well over 95%) of the business the SCC does with motor carriers is by mail or electronic transmission. Other involved agencies have also indicated that a majority of their business is by mail. The "customers" the SCC serves in person are usually carriers who have special needs, are unaware of the regulatory requirements, or are out of compliance due to poor business practices. These are the customers who will utilize compliance assistance at the weigh stations.

This study did not identify and no other department suggest facilities which would be more "conducive" to serving customers than the weigh stations. In addition, the Motor Carrier Division believes it is feasible, with cooperation of truck stop operators, to provide customer service centers at truck stops operated throughout the Commonwealth.

RECOMMENDATION 2: The Commercial Vehicle Enforcement Officer program should be transferred from the Department of State Police to the State Corporation Commission.

Rationale

In order to optimize manpower and efficiently regulate the motor carrier industry, it is necessary to combine the CVEO and Special Agent programs. Since the SCC is a regulatory agency with police authority, both programs should be combined under the SCC to serve the motor carrier industry exclusively.

In addition, State Police Troopers should be relieved of the responsibilities at weigh stations and mobile scales in order to focus more attention on crime prevention.

The benefits of this restructuring are:

- 1) The regulatory process will be more efficient, responsive and accountable under the "one-stop shopping" concept;
- 2) The CVEO's involvement as a customer service agent will serve as a point of contact for the industry;
- 3) It will provide greater efficiency, service and more avenues of accessibility for the motor carrier industry;
- 4) It will enhance the collection and regulatory processes; and
- 5) The DSP will be relieved of the regulatory responsibilities associated with the permanent and mobile scale operations.

RECOMMENDATION 3: The State Corporation Commission should be allowed to issue the overweight/overdimensional permit with Virginia Department of Transportation and Commonwealth Transportation Board approval.

Rationale

In order to facilitate the "one-stop shopping" concept, the motor carrier should be able to receive an overweight/overdimensional permit at the SCC. The permit application could then be communicated to VDOT for verification of route approval. The SCC will have ready access to the federal identification number and can also check on the carrier's other areas of licensing, registration and tax reporting prior to issuing the permit.

In order to facilitate the issuance of these types of permits, it is recommended that VDOT move forward with construction of a Geographic Information System (GIS), in order to automate the process of issuing "superload permits". The responsibilities for assigning routes to overweight/overdimensional vehicles should continue to include VDOT, since this agency is the most knowledgeable in terms of the specific weight bearing capacities of each highway, and dimensional barriers that may be encountered by motor carriers.

In addition, Virginia needs to explore the idea of a multi-state permit, which is currently in a pilot program in a few states.

In order to further streamline this process and facilitate one-stop shopping, the carrier should be required to obtain one overweight or overdimensional permit from the Commonwealth. Currently, carriers may be required to obtain an additional locality permit.

RECOMMENDATION 4: The Department of Motor Vehicles should issue a unique license plate to commercial motor vehicles with a registered gross weight of 26,000 pounds or less.

Rationale

To prevent law enforcement officers from needlessly detaining vehicles not subject to IFTA or IRP, DMV should issue a unique license plate to commercial motor vehicles with a registered gross weight of 26,000 pounds or less. This license plate should be designed to be readily recognizable to law enforcement personnel both within and outside the Commonwealth. The new plate should allow the driver of a Virginia licensed light weight truck to travel out-of-state without being stopped for not having an IRP plate on the vehicle. Since an IRP plate and IFTA decals are only required on vehicles with a registered gross weight in excess of 26,000 pounds, this new plate will allow officers to more efficiently utilize their time by only stopping those vehicles subject to the IFTA and IRP programs.

This new tag would have the same effect as a regular automobile tag, and therefore the responsibility should remain with DMV.

RECOMMENDATION 5: The State Corporation Commission should become a limited branch Department of Motor Vehicles agent to service the motor carrier industry.

Rationale

In order to enable the Virginia based motor carrier to purchase all credentials at one point of contact, DMV should empower the SCC to issue license plates to motor carriers. The SCC will collect and remit the fees on behalf of DMV, much the way car dealers currently provide registrations for new car owners.

RECOMMENDATION 6: Virginia should raise the insurance limits for for-hire carriers to agree with the federal requirements.

Rationale

Because limits on insurance are lower for intrastate carriers than for interstate carriers, it creates an uneven playing field for competition. In order to simplify the administration and enforcement of motor carrier insurance requirements and create a truly competitive environment, insurance coverage requirements should be the same for all motor carriers.

The combined liability requirements for taxicabs should be raised to \$350,000.

The Virginia Code allows the SCC to impose cargo limits up to \$10,000 currently and regulations should be promulgated by the SCC to raise cargo to this upper limit.

Of the 10,088 motor carriers involved, approximately 6,900 will have their limits raised. However, they operate a small percentage of the approximately 47,000 total vehicles involved.

RECOMMENDATION 7: All Virginia based private and for-hire Interstate Commerce Commission exempt carriers operating wholly in Virginia should be required to file certification of liability insurance with the State Corporation Commission.

Rationale

Currently, private and for-hire Interstate Commerce Commission (ICC) exempt carriers are not required to file proof of insurance either directly with the SCC or through the carrier's base state.

The public deserves the same protection, whether the vehicle is private or in a for-hire operation. The ICC has for decades regulated the for-hire carrier in terms of insurance requirements. In the interest of public safety, the SCC should place the same requirements on all Virginia based private and for-hire ICC exempt carriers, operating intrastate.

RECOMMENDATION 8: All International Fuel Tax Agreement, International Registration Plan, and Single State Registration System audits, along with audits of bulk fuel used exclusively in subject motor vehicles, should be conducted by the State Corporation Commission.

Rationale

The SCC and DMV both perform audits on motor carriers' mileage and fuel records. The IRP audits presently conducted by DMV cover only one registration year. The motor fuel road tax audits performed by the SCC can cover up to 15 quarters. The IFTA audit period will cover up to 16 quarters. The scope of the SCC's audit is broader and more comprehensive than those performed by DMV, because DMV does not correlate fuel used and miles traveled.

The benefits of the SCC performing all audits are:

- 1) The motor carrier needs to prepare only once for all audits;
- 2) Assures uniform audit procedures;
- 3) Assures uniform instructions for record keeping are given to motor carriers;
- 4) With the powers of a court of record, the SCC can enter judgments against motor carriers for unpaid taxes, impose penalties, and when appropriate, deny access to the highways of the Commonwealth to motor carriers that owe additional taxes or licensing fees; and
- 5) The SCC has the legal means to collect unpaid judgments and taxes, such as issuance of fieri facias writs to seize and sell the debtor's vehicles to satisfy the tax liability.

RECOMMENDATION 9: The motor carrier safety compliance review program should be transferred from the Department of State Police to the State Corporation Commission.

Rationale

The transfer of this program will also eliminate the need for duplicate audits by the Commonwealth. Financial and safety audits should be conducted by only one entity which will reduce the number of intrusions upon motor carriers based in the Commonwealth. This will also allow flexibility to determine the type of audit(s) necessary for the targeted motor carrier. This will allow the Department of State Police Motor Carrier Safety Troopers to concentrate on vehicle inspections rather than on the regulatory function of an audit.

RECOMMENDATION 10: Those localities listed under Code of Virginia §46.2-1001 (out of service authority) should be required to sign a memorandum of understanding with the Department of State Police to provide for uniform issuance of the Commercial Vehicle Safety Alliance nationally recognized decal.

Rationale

This coordination of motor carrier safety enforcement and safety inspections will result in a uniform, consistent and simplified program, greatly reducing the burden on the trucking industry. All law enforcement agencies inspecting commercial vehicles would be utilizing identical inspection procedures. This agreement should also require participating localities to submit safety inspection reports to the DSP for entry into SAFETYNET (national database for motor carrier safety inspections) and require DSP to accept them.

The Virginia Trucking Association (VTA) comments received on this recommendation indicate that a CVSA-type sticker system for use by localities already exists. Their concern is that some localities do not recognize or issue the sticker when appropriate, and that the SCC's recommendation would do nothing to solve this problem. While there has been a sticker developed and all localities agreed in writing to its use, it appears that this is not being accomplished. Further, the sticker currently in use is meaningless on trucks running interstate routes. The CVSA sticker, and the inspection procedures, are recognized nationally, making it a far more effective procedure.

RECOMMENDATION 11: Include the State Corporation Commission in Code of Virginia §46.2-1001 (out of service authority).

Rationale

This change will allow the SCC to join with the DSP in providing uniform safety inspection and enforcement statewide. It will also require the DSP to accept vehicle inspection reports from the SCC for entry into the SAFETYNET program. This change will also allow the SCC to utilize the CVSA decal on defect free vehicles, and to remove unsafe vehicles from the highway.

RECOMMENDATION 12: The collection of liquidated damages should be transferred from Department of Motor Vehicles to the State Corporation Commission.

Rationale

Efficiency and allocation of available resources suggest that the collection of liquidated damages would be most cost effective and provide a greater service to the industry and the Commonwealth if placed under the jurisdiction of the SCC.

The International Fuel Tax Agreement program, administered by the SCC, mandates that all carriers provide their federal identification number during their registration process. Identifying the carrier is an integral part of the motor fuel road tax and liquidated damage collection process. This program will position the SCC to track more accurately motor fuel road tax and liquidated damage violators operating in the Commonwealth.

Currently, the CVEOs and SCC Special Agents work from the biweekly publication provided by DMV and the "red list" compiled by the SCC, to apprehend operators and collect these outstanding penalties and judgments. Neither of these officers are employed by DMV.

The transfer of the liquidated damage function to the SCC will streamline the collection process and promote the one-stop shopping concept requested by the industry.

VI. COST ANALYSIS

The SCC is of the opinion that a thorough evaluation of the regulatory and enforcement activities dealing with the motor carrier industry would not be complete without an analysis of the revenues and costs of the various programs in the state agencies responsible for administration. Although revenue figures were readily available for virtually all programs, cost figures were not, and are so noted.

Further, the SCC also reviewed the estimated revenues and costs of each recommendation. Especially with system costs, certain assumptions had to be made to develop rough-order-of-magnitude estimates. These estimates, in all cases, are preliminary, and detailed study and analysis will be required for budgeting purposes.

CURRENT STRUCTURE:

Revenue Collected by Other Agencies

<u>Department of Transportation</u>	<u>FY 93-94</u>
Overweight/Overdimensional Permits	\$ 1,044,606
<u>Department of Motor Vehicles</u>	<u>FY 93-94</u>
Overload Permits	\$ 1,433,825
Special Permits	162,023
IRP Plates	33,654,458
Liquidated Damages	5,982,489
<u>Department of Environmental Quality</u>	<u>FY 93-94</u>
Hazardous Waste Transporter Permits	\$ 5,920

Overweight/Overdimensional Permit fees remain at VDOT to fund operations.

Overload Permit fees collected by DMV go to the Highway Maintenance and Construction Fund.

Special Permit fees are used for DMV operations.

IRP Plate fees collected by DMV go to the Highway Maintenance and Construction Fund.

Liquidated damages fees are divided among the Highway Maintenance and Construction Fund, the Literary Fund, DMV, and the Department of State Police.

Hazardous Waste Transporter Permit fees collected by DEQ go to a special fund used for DEQ operation expenses.

Expenditures of Other Agencies

Department of Transportation

Overweight/Overdimensional Permits Costs Not Available.

Department of Motor Vehicles

Overload Permits Costs Not Available.

Special Permits Costs Not Available.

IRP Plates Costs Not Available.

Liquidated Damages Costs Not Available.

Department of Environmental Quality

Hazardous Waste Transporter Permits FY 93-94

\$ 52,948

Department of State Police

Commercial Vehicle Enforcement Officer FY 93-94

(CVEO) Program \$ 1,947,414

Safety Compliance Reviews Costs Not Available

Revenue Collected by the SCC

<u>Source</u>	<u>FY 91-92</u>	<u>FY 92-93</u>	<u>FY 93-94</u>
Motor Fuel Road Tax (Gross)	\$27,724,749	\$28,160,556	\$27,887,118
Registration Fees	6,981,339	7,208,310	6,733,057
SSRS*			
Rolling Stock Taxes	753,852	746,835	859,837
IRP Temporary Permits	118,875	114,075	120,825
Audit Assessments Paid	1,443,714	693,549	1,081,655
Liquidated Damages	52,831	54,244	45,648
Penalties Assessed in			
Court Cases	419,232	373,236	376,726
DMV License Fees	51,877	89,705	59,312

*Fees for SSRS were collected for the first time in 1994, replacing the bingo stamp registration fees. Collections for 1994, as of December 6, 1994, total \$5,128,486 for Virginia and \$3,585,922 for other states.

All motor fuel road taxes collected go to the Highway Maintenance and Construction Fund and Transportation Trust Fund.

Registration fees and SSRS fees remain at SCC for operating expenses.

IRP Temporary Permit fees go to DMV.

Audit Assessments Paid go to the Highway Maintenance and Construction Fund.

Liquidated Damages go to DMV.

Penalties Assessed in Court Cases go to the Literary Fund.

DMV License fees go to DMV.

Expenditures of the SCC

<u>Section</u>	<u>FY 93-94</u>
Operations	\$ 1,589,361
Audit	1,138,490
Rates and Tariffs	97,727
Enforcement	1,490,831
Administration	<u>1,143,654</u>
TOTAL	\$ 5,460,063 *

* Does not include building construction debt service.

REVENUE AND COSTS OF RECOMMENDATIONS:

Recommendation 1: A customer service unit should be created at each weigh station to serve the motor carrier industry.

The SCC anticipates that the CVEOs currently assigned to the scales could, with training, provide the necessary services at the scales. Some additional personnel may need to be added during peak days and hours, but a study of traffic and usage would need to be made before making that recommendation. Many of the scale facilities would also need to be upgraded.

Anticipated Revenue: None.

Anticipated Costs: \$280,800.
Estimate is based on a minimum of 2 workstations to provide computer access and printing capabilities for 13 permanent scale facilities, including one-time costs.

NOTE: There is federal money available to upgrade scale facilities.

Recommendation 2: The Commercial Vehicle Enforcement Officer program should be transferred from the Department of State Police to the State Corporation Commission.

Anticipated Revenue: Approximately \$2.8 million goes to DSP from VDOT to fund this program. This money would need to be diverted to the SCC.

Anticipated Costs: 55 CVEOs at range 9, step 7
with benefits \$ 1,896,180

Recommendation 3: The State Corporation Commission should be allowed to issue the overweight/overdimensional permit with Virginia Department of Transportation and Commonwealth Transportation Board approval.

The SCC would need additional personnel to assist in the processing of these applications, up to several hundred per day.

Anticipated Revenue: \$985,000 yearly - SCC retains \$788,000 (80%) and VDOT receives \$197,000 (20%).

Anticipated Costs: 7 people at range 7, step 3		
with benefits	\$ 189,777	
2 people at range 9, step 5		
with benefits	67,564	
1 person at range 11, step 3		
with benefits	<u>38,184</u>	
Subtotal	\$ 295,525	
	Total with overhead	\$ 575,525
Technological Costs (Data Link)		
Includes one-time costs.		\$ 9,400

Recommendation 4: The Department of Motor Vehicles should issue a unique license plate to commercial motor vehicles with a registered gross weight of 26,000 pounds or less.

Anticipated Revenue: Unknown.

Anticipated Costs: None to SCC; DMV systems identify unique license requirements to license plate maker - minimal modifications should be necessary.

Recommendation 5: The State Corporation Commission should become a limited branch Department of Motor Vehicles agent to service the motor carrier industry.

The SCC would issue license plates for both intra and interstate motor carriers only at the SCC office.

Temporary license plates may be issued at the scales, or by SCC Special Agents. It is not anticipated that any additional personnel would be required to perform this function.

Anticipated Revenue: Unknown at this time.

Anticipated Costs: Training for SCC staff. Systems requirements costs are included in Recommendation 1.

Recommendation 6: Virginia should raise the insurance limits for for-hire carriers to agree with the federal requirements.

Anticipated Revenue: None.

Anticipated Costs: One-time system modifications of \$1,000.

Recommendation 7: All Virginia based private and for-hire Interstate Commerce Commission exempt carriers operating wholly in Virginia should be required to file certification of liability insurance with the State Corporation Commission.

The SCC anticipates that approximately 1,500 carriers would be required to file insurance certification. Since this would be a yearly requirement, when registering for motor fuel road tax, no additional personnel are required.

Anticipated Revenue: None.

Anticipated Costs: None.

Recommendation 8: All International Fuel Tax Agreement, International Registration Plan, Single State Registration System audits, along with audits of bulk fuel used exclusively in subject motor vehicles, should be conducted by the State Corporation Commission.

Anticipated Revenue: None.

Anticipated Costs: The annual charges to access the current DMV IRP system via AAMVAnet are unknown. The SCC does not anticipate needing additional auditors.

Recommendation 9: The motor carrier safety compliance review program should be transferred from the Department of State Police to the State Corporation Commission.

Anticipated Revenue: None.

Anticipated Costs: \$12,000 (one-time costs).
One-time training costs for each auditor (estimated \$5,000 total). The cost of annual refresher courses will be built into the SCC's annual training budget.
Modifying existing audit functions in Motor Carrier systems (one-time cost \$7,000).

Recommendation 10: Those localities listed under Code of Virginia 46.2-1001 (out of service authority) should be required to sign a memorandum of understanding with the Department of State Police to provide for uniform issuance of the Commercial Vehicle Safety Alliance nationally recognized decal.

Anticipated Revenue: None.

Anticipated Costs: None.

Recommendation 11: Include the State Corporation Commission in Code of Virginia 46.2-1001 (out of service authority).

Anticipated Revenue: None.

Anticipated Costs: \$7,000 (one-time cost).
 Modifications required to Motor Carrier systems to provide inspection data to DSP via electronic interface.

Recommendation 12: The collection of liquidated damages should be transferred from Department of Motor Vehicles to the State Corporation Commission.

DMV currently has 9 people assigned to collect and process liquidated damages payments. The SCC believes the work can be processed with 5 people.

Anticipated Revenue: Approximately \$3.0 million to the Highway Maintenance and Construction Fund, \$1.5 million to the Literary Fund, and \$1.32 million to the SCC.

Anticipated Costs: 4 people at range 6, step 1 with benefits	\$ 98,184	
1 person at range 7, step 3 with benefits	<u>27,111</u>	
Subtotal	\$ 125,295	
Total Cost with overhead		\$ 265,295
Move existing DMV liquidated damages data to the SCC's CMS/JARS and enhance CMS to provide for this data (one-time cost).		\$ 75,000

Total of All Recommendations:

TOTAL COSTS TO THE SCC FOR ALL RECOMMENDATIONS:		
One-time costs		\$ 339,600
Ongoing costs		<u>2,782,600</u>
		\$ 3,122,200
 TOTAL REVENUE TO THE SCC FOR ALL RECOMMENDATIONS:		
		\$ 4,908,000

VII. CONCLUSIONS

The SCC's Motor Carrier Division is the sole agency currently dedicated exclusively to serving motor carriers. The Division is equipped with computer systems, electronic transmission services, and over 75 specialized, highly trained staff dedicated to the motor carrier industry. Therefore, it is the logical choice to serve as the central point of contact for the motor carrier industry. The SCC is the only agency that maintains a tax file on all motor carriers traveling in the Commonwealth, regardless of where the motor carrier is based. This point is extremely important, since 88% of the motor fuel road tax dollars collected come from motor carriers based outside the Commonwealth. Further, the SCC is well on its way toward implementation of the International Fuel Tax Agreement (IFTA). IFTA is designed to streamline motor fuel road tax collection, greatly assisting the motor carrier industry.

These benefits are furthermore combined with the fact that the SCC has the powers of a court of record, with a direct right of appeal to the Supreme Court. Because of this ability, issues which are contested by a motor carrier can be handled with fewer bureaucratic procedures. That is, the SCC can make a determination directly without the intervening step of an administrative hearing and appeal from an administrative agency to a trial court. There is no burden on local courts to deal with these issues.

The Virginia Trucking Association has often said that their members have unique requirements. There is nothing more frustrating than to be told that a visit to several agencies located in different places is required to accomplish one objective -- in this case, to operate a motor carrier business.

The recently stated goal of state government has been to streamline government, to make it more efficient, to make it more responsive and to make it more accountable. The motor carrier industry has encouraged government to develop a program where the motor carrier can accomplish all requirements at one place -- "one-stop shopping". This suggestion by the Virginia Trucking Association is motivated by their perception that "duplication of effort in these areas increase cost and inefficiency for both government and motor carriers." Simply put, the state and the industry are not getting the biggest bang for the buck.

The replacement of the SCC as the principal regulating agency in the motor carrier field would have an adverse effect on the ability of the state to enforce the laws that are now in place, as well as ensure that the constantly changing federal mandates are met. The SCC effectively accomplishes these goals currently. The local court system and the Commonwealth Attorney's offices would have to accept new responsibilities at a time when they are overburdened throughout the state. The SCC currently adjudicates 5,000 cases annually, imposing hundreds of thousands of dollars in fines. Additionally, voluntary compliance with motor carrier laws is obtained in many instances through the efforts of special agents, auditors and other staff. The SCC can accomplish these objectives more efficiently and cost-effectively than can the local court systems.

Further, it is extremely important that the enforcement function remain at the SCC and within the Motor Carrier Division. The SCC special agents currently perform a myriad of duties, all directly related to the motor carrier industry. Enforcement activities are only a part of their responsibilities. These special agents focus on compliance of laws and regulations, as well as safety (to the extent allowed) of the motor carriers utilizing the highways of Virginia. Further, they are able to accomplish some administrative functions (issue permits, collect fines and penalties, etc.) as agents of the SCC, all to benefit the motor carrier industry and the citizens of the Commonwealth. These efforts to meet a stated goal of the SCC to obtain voluntary compliance, avoiding punitive measures if appropriate. They are indeed specialized, and to remove that specialization in favor of a more generic approach would be a disservice to the industry and the citizens of the Commonwealth. Citizens are demanding that more State Police be assigned to fight crime, not to inspect trucks for safety and compliance.

The SCC can collect penalties and fines, liquidated damages and ensure that carriers are in compliance with all applicable requirements. The SCC has processes in place which enhance collection and provide for judicial economy.

It is not wholly feasible to place ALL of the programs and requirements affecting the motor carrier industry in one place. Although the recommended changes will consolidate the majority of the trucking responsibilities at the SCC, the motor carrier will still have some limited contact with the other agencies. However, the burden on the carrier and the industry in general will be minimal.

Chart 5 below shows how the recommended changes would shift responsibilities related to motor carriers among the agencies.

Chart 5. A Profile of Proposed Agency Responsibilities.

Functional Responsibility	Agency ¹				
	VDOT	DMV	DSP	SCC	DEQ
Registration/Regulation ²	X	X		X	X
Insurance Certificate Filing				X	
Rolling Stock Taxes				X	
Taxes/Auditing ³		X		X	
Enforcement/Safety ⁴			X	X	
Weigh Stations/Liquidated Damages ⁵	X			X	
Judicial and Legislative Powers				X	

- ¹VDOT - Virginia Department of Transportation**
- DMV - Department of Motor Vehicles**
- DSP - Department of State Police**
- SCC - State Corporation Commission**
- DEQ - Department of Environmental Quality**

² SCC issues intrastate operating authority, SSRS receipts, motor fuel road tax permits, IRP and intrastate license plates, temporary IRP authority, and overweight/overdimensional permits with VDOT approval. DMV issues overload permits, IRP and intrastate license plates. DEQ issues hazardous waste transporter permits.

³Fuel purchases within Virginia are the basis for the fuel tax collected by DMV; motor fuel road tax is collected by the SCC based on fuel consumed within the Commonwealth.

⁴The SCC conducts motor fuel road tax (IFTA), IRP, SSRS, bulk fuel and safety audits involving motor carriers. SCC enforcement powers encompass economic regulation, operating authority, licensing and registration and perform safety inspections on vehicles. DSP performs safety inspections on vehicles and conducts hazardous materials inspections. Some localities may also perform safety inspections.

⁵VDOT is charged with building and maintaining the scale facilities. VDOT weighs vehicles crossing the scales. SCC utilizes the scale facilities as a customer service center to facilitate "one-stop shopping" for motor carriers. SCC issues the overweight citation and/or summons. All delinquent overweight citations are collected by the SCC.

The SCC is ideally suited for the task of enforcing all motor carrier laws, rules, and regulations mandated by statute. By implementing the recommendations in this report, the one-stop shopping concept will be achieved without additional taxes or additional revenue sources.

GENERAL ASSEMBLY OF VIRGINIA--1992 SESSION

HOUSE JOINT RESOLUTION NO. 98

Establishing a joint subcommittee to study the federal Intermodal Surface Transportation Efficiency Act of 1991.

Agreed to by the House of Delegates, February 9, 1992

Agreed to by the Senate, March 3, 1992

WHEREAS, the United States Congress passed the federal Intermodal Surface Transportation Efficiency Act of 1991; and

WHEREAS, the Intermodal Surface Transportation Efficiency Act affects both the Uniform Identification Stamp program and the collection of the motor fuel road tax in Virginia; and

WHEREAS, the State Corporation Commission has identified numerous changes to the Code of Virginia necessary to comply with the provisions of this federal act; and

WHEREAS, due to the complexity of the changes necessary to comply with the federal law concerning the Uniform Identification Stamp and the collection of the motor fuel road tax, an examination of the new federal provisions, current Virginia law, and the required changes to the Virginia law is necessary; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That there be hereby established a joint subcommittee to study the federal Intermodal Surface Transportation Efficiency Act of 1991. The joint subcommittee shall be composed of five members to be appointed as follows: three members of the House of Delegates to be appointed by the Speaker of the House and two members of the Senate to be appointed by the Senate Committee on Privileges and Elections.

The joint subcommittee shall determine the institutional, regulatory, and statutory changes necessary to implement the provisions of the federal Intermodal Surface Transportation Efficiency Act of 1991. The joint subcommittee shall include in its deliberations:

1. What type of insurance program Virginia should implement to replace the Uniform Identification Stamp program, which is required to cease by January 1, 1994;

2. How fuel tax identifiers should be issued;

3. How Virginia would conform to the regulations of the International Fuel Tax Agreement by the required date of September 1996;

4. How the motor fuel road tax would be administered as a result of the federal regulations; and

5. The proper audit program that would be necessary to ensure compliance with the federal Intermodal Surface Transportation Efficiency Act of 1991.

During the course of its study, the joint subcommittee shall consult with employees of the following state agencies: the State Corporation Commission, the Department of Transportation, Department of Motor Vehicles, and the Department of Taxation.

The joint subcommittee shall complete its work in time to submit its final report to the Governor and the 1993 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$10,860; the direct costs of this study shall not exceed \$3,600.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

GENERAL ASSEMBLY OF VIRGINIA--1993 SESSION**HOUSE JOINT RESOLUTION NO. 521**

Establishing a joint subcommittee to study the administration of motor carrier regulation and revenue collection.

Agreed to by the House of Delegates, February 7, 1993

Agreed to by the Senate, February 16, 1993

WHEREAS, in 1986, the National Governors' Association recommended that all states join a base-state fuel use tax agreement and institute a simple one-stop operation for motor carriers; and

WHEREAS, at the request of the Governor of the Commonwealth of Virginia, the Secretary of Transportation created the 1987 Secretarial Task Force on Motor Carrier Issues which was charged to review motor carrier registration, licensing and taxation procedures in the Commonwealth, and make recommendations on standardization and simplification of the procedures; and

WHEREAS, in 1990, the General Assembly adopted SJR 30 and reaffirmed it in 1992 by adopting SJR 161 creating the Special Working Group on Studying Virginia's Transportation Organization and Structure which recommended that the Commonwealth should continue to enhance its policy of "one-stop" shopping in addressing the needs of motor carriers in the Commonwealth; and

WHEREAS, the federal Intermodal Surface Transportation Efficiency Act of 1991 mandates that states join the International Registration Plan, the International Fuel Tax Agreement and repeal the Uniform Identification Stamp Program for motor carriers; and

WHEREAS, the Virginia Department of Transportation is participating in two studies of state institutional barriers which would impede application of Intelligent Vehicle Highway Systems for commercial vehicle operations; and

WHEREAS, institutional barriers to efficient standardized and simplified motor carrier regulation and revenue collection exist in the Commonwealth; and

WHEREAS, solutions to institutional barriers will improve state and motor carrier productivity; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That there be hereby established a joint subcommittee to study the administration of motor carrier regulation and revenue collection in the Commonwealth. The joint subcommittee shall be composed of seven members to be appointed as follows: four members of the House of Delegates to be appointed by the Speaker of the House and three members of the Senate to be appointed by the Senate Committee on Privileges and Elections.

The joint subcommittee shall determine the institutional, regulatory, and statutory changes necessary to improve state and motor carrier productivity. The joint subcommittee shall include in its deliberations:

1. Consolidation, simplification and standardization of motor carrier regulation, enforcement and revenue collection to achieve one-stop shopping;

2. How Virginia would conform to the regulations of the International Fuel Tax Agreement and a timetable for joining this agreement;

3. The regulatory and statutory changes necessary to conform with the mandates of the federal Intermodal Surface Transportation Efficiency Act of 1991; and

4. Uniformity, simplification, and coordination of motor carrier safety enforcement and vehicle safety inspections, including the authority to remove unsafe vehicles granted to the Department of State Police and several localities under § 46.2-1001 of the Code of Virginia.

During the course of its study, the joint subcommittee shall consult with the State Corporation Commission, the Department of Transportation, the Department of Motor Vehicles, and the Department of State Police. It shall also consult with representatives of the motor carrier industry.

All state agencies, upon request, shall assist the joint subcommittee in its study.

The indirect costs of this study are estimated to be \$3,862; the direct costs of this study shall not exceed \$5,040.

The joint subcommittee shall complete its work in time to submit its final report to the Governor and the 1994 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

APPENDIX C

GENERAL ASSEMBLY OF VIRGINIA -- 1994 SESSION

HOUSE JOINT RESOLUTION NO. 212

Requesting the State Corporation Commission's Division of Motor Carriers to study the administration of motor carrier regulation and revenue collection.

Agreed to by the House of Delegates, February 11, 1994

Agreed to by the Senate, March 8, 1994

WHEREAS, in 1986, the National Governors' Association recommended that all states join a base-state fuel use tax agreement and institute a simple one-stop operation for motor carriers; and

WHEREAS, at the request of the Governor of the Commonwealth of Virginia, the Secretary of Transportation created the 1987 Secretarial Task Force on Motor Carrier Issues, which was charged to review motor carrier registration, licensing and taxation procedures in the Commonwealth, and make recommendations on standardization and simplification of the procedures; and

WHEREAS, in 1990, the General Assembly adopted Senate Joint Resolution No. 30 and reaffirmed it in 1991 by adopting Senate Joint Resolution No. 161 creating the Special Working Group on Studying Virginia's Transportation Organization and Structure, which recommended that the Commonwealth should continue to enhance its policy of "one-stop" shopping in addressing the needs of motor carriers in the Commonwealth; and

WHEREAS, the federal Intermodal Surface Transportation Efficiency Act of 1991 mandates that states join the International Registration Plan and the International Fuel Tax Agreement, and repeal the Uniform Identification Stamp Program for motor carriers; and

WHEREAS, the Virginia Department of Transportation is participating in two studies of state institutional barriers which would impede application of Intelligent Vehicle Highway Systems for commercial vehicle operations; and

WHEREAS, institutional barriers to efficient standardized and simplified motor carrier regulation and revenue collection exist in the Commonwealth; and

WHEREAS, solutions to the problem of institutional barriers will improve state and motor carrier productivity; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Corporation Commission's Division of Motor Carriers be requested to study the administration of motor carrier regulation and revenue collection in the Commonwealth.

The Division of Motor Carriers shall determine the institutional, regulatory, and statutory changes necessary to improve state and motor carrier productivity, and shall include in its deliberations the following:

1. Consolidation, simplification and standardization of motor carrier regulation, enforcement and revenue collection to achieve one-stop shopping;

2. How Virginia would conform to the regulations of the International Fuel Tax Agreement and a timetable for joining this agreement;

3. The regulatory and statutory changes necessary to conform with the mandates of the federal Intermodal Surface Transportation Efficiency Act of 1991; and

4. Uniformity, simplification, and coordination of motor carrier safety enforcement and vehicle safety inspections, including the authority by the Department of State Police and several localities under § 46.2-1001 of the Code of Virginia to remove unsafe vehicles.

During the course of its study, the Division of Motor Carriers shall consult with the Departments of Transportation, Motor Vehicles, and State Police and with representatives of the motor carrier industry.

The Division of Motor Carriers shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

APPENDIX D

Current configuration

Functional Responsibility	Agency ¹				
	VDOT	DMV	DSP	SCC	DEQ
Registration/Regulation ²	X	X		X	X
Insurance Certificate Filing				X	
Rolling Stock Taxes				X	
Taxes/Auditing ³		X	X	X	
Enforcement/Safety ⁴			X	X	
Weigh Stations/Liquidated Damages ⁵	X	X	X	X	
Judicial and Legislative Powers				X	

See page 5 for details

Proposed configuration

Functional Responsibility	Agency ¹				
	VDOT	DMV	DSP	SCC	DEQ
Registration/Regulation ²	X	X		X	X
Insurance Certificate Filing				X	
Rolling Stock Taxes				X	
Taxes/Auditing ³		X		X	
Enforcement/Safety ⁴			X	X	
Weigh Stations/Liquidated Damages ⁵	X			X	
Judicial and Legislative Powers				X	

See pages 36-37 for details

APPENDIX E

ACRONYMS

CDL	Commercial Driver's License
CVEO	Commercial Vehicle Enforcement Officer
CVSA	Commercial Vehicle Safety Alliance
DEQ	Department of Environmental Quality
DMV	Department of Motor Vehicles
DSP	Department of State Police
ICC	Interstate Commerce Commission
IFTA	International Fuel Tax Agreement
IRP	International Registration Plan
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
MCSAP	Motor Carrier Safety Assistance Program
SCC	State Corporation Commission
SSRS	Single State Registration System
VDOT	Virginia Department of Transportation

APPENDIX F

In addition to staff in the Motor Carrier Division of the State Corporation Commission, the following individuals were contacted during the course of this study:

Andy Bailey, State Maintenance Engineer
Virginia Department of Transportation

P. Dale Bennett, Executive Director
Virginia Trucking Association

Lieutenant Herb B. Bridges
Department of State Police

Doug Douglas, Executive Director
Virginia Motorcoach Association

Penny K. Forrest, Assistant State Maintenance Engineer
Virginia Department of Transportation

Cathie Franco, Environmental Specialist
Department of Environmental Quality

Jan Hansen, President
Speed & Briscoe Auto Truck Stop, Inc.

Joel R. Hess, Hauling Permit Supervisor
Virginia Department of Transportation

Rena R. Hussey, Division Manager, Motor Carrier Services,
Licensing & Certification Services, Department of Motor Vehicles

K.J. Jennings, Transportation Engineer Senior
Virginia Department of Transportation

Blanche S. Johnson, Supervisor of Motor Carrier Services,
IRP & Liquidated Damages, Department of Motor Vehicles

Charlene Leber
Arlington County Police Department

Appendix F con't.

Martha LeMond, Legislative Analyst
Department of Motor Vehicles

Lieutenant Colonel W. Gerald Massengill
Department of State Police

Curtis Myers, Transportation Engineer Senior
Virginia Department of Transportation

A.W. Quillian, IV, Deputy Commissioner, Citizen Services
Department of Motor Vehicles

James B. Robinson, Engineering Programs Supervisor
Virginia Department of Transportation

Major John B. Scott
Department of State Police

Sheida Shakeri, Environmental Engineer Senior
Department of Environmental Quality

A. Jackson Stewart, Jr., Principal Utility Appraiser
State Corporation Commission
Public Service Taxation Division

Steve Story, Vice President & General Manager
James River Bus Lines

APPENDIX G

SUMMARY OF COMMENTS

The State Corporation Commission (SCC) sent out a draft of this report in early November to all affected agencies and organizations, providing them an opportunity to comment, correct or add information, and offer opinion on the proposed recommendations.

These comments are available for inspection upon request, and are briefly summarized below. Where possible, the SCC has incorporated comments and opinions, and has made all corrections requested to inaccurate or incorrect information.

- **Department of State Police - Col. M. Wayne Huggins, Superintendent, dated November 15, 1994.**

Provided clarifying information on duties of Commercial Vehicle Enforcement Officers, Code of Virginia §46.2-1133 and §46.2-1134, the frequency of safety inspections, use of mobile and permanent scale facilities, and Code of Virginia §56-304.15.

DSP also offered comments concerning Recommendations 1, 2, 9, 10 and 11.

DSP also provided some cost figures at the request of the SCC by separate letter dated November 30, 1994.

- **Department of Environmental Quality - Cathie P. Franco, Enforcement Specialist, dated December 2, 1994.**

Provided revenue and cost figures for the hazardous waste transporter permit program.

- **Department of Transportation - Penny K. Forrest, Assistant State Maintenance Engineer, dated November 23, 1994.**

Provided clarifying information on issuing procedures and authority for overweight/overdimensional permits and the number of scale facilities. Corrected information regarding additional weigh stations planned, and the name of one of the highway funds.

VDOT also offered comments concerning Recommendation 1.

Additional revenue and cost information regarding the permit program was provided by separate letter dated December 2, 1994.

- **Department of Motor Vehicles - Asbury W. Quillian, Deputy Commissioner, faxed December 8, 1994.**

Provided information that DMV processes in the report were generally accurate, and added information about the division dedicated to Motor Carriers and number of customer service centers.

In addition, DMV provided revenue figures for programs under their purview, and advised that cost figures were unavailable.

- **Speed & Briscoe Auto/Truck Stop, Inc. - Jan B. Hansen, President, dated November 25, 1994.**

Provided general comments concerning motor carriers as customers. IFTA, and the one-stop shopping concept.

- **Virginia Trucking Association - P. Dale Bennett, Executive Vice President, dated December 6, 1994.**

Provided clarifying comments on the one-stop shopping concept. Requested that the report include a discussion and evaluation of alternative ways to achieve one-stop shopping, make distinctions for passengers, household goods and other property carriers, separate and identify government functions relating to property carriers and passenger carriers, and address state functions as affected by federal preemption.

VTA also provided comments on all recommendations except for Recommendation 12.

The SCC thanks everyone who provided comments and suggestions.