# Motive

# Compliance 101.

## How to run a compliant fleet in 12 easy steps.

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## Introduction

There are over 600,000 active motor carriers operating more than 5 million commercial vehicles and employing almost 7 million drivers in the United States. While this may seem like a lot, the demand for drivers and trucks remains high and hiring new drivers is a business imperative. As new drivers enter the workforce, one of the toughest challenges these newcomers face is learning how to manage regulatory compliance. While the majority of the safety and operating rules can be found in the **Federal Motor Carrier Safety Regulations (FMCSRs)**, there's more to compliance than meets the eye. That's why we've compiled this 12-step guide. First, to help newer drivers get up to speed on motor carrier compliance. Second, to help established fleets better understand what they can do to keep their new hires compliant.

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## Step 1. Obtain authority to operate

Ensure your fleet has proper interstate operating authority from the Federal Motor Carrier Safety Administration (FMCSA).

The distinction here is **inter**state versus **intra**state.

Interstate commerce is defined by the FMCSA as trade, traffic, or transportation in the United States:

1. Between a place in a State and a place outside of such State, including a place outside of the United States.
2. Between two places in a State through another State or a place outside of the United States.
3. Between two places in a State as part of trade, traffic, or transportation originating or terminating outside the State or United States.

If your fleet will offer any purely intrastate operations, i.e., trade, traffic, or transportation within the borders of any state that isn't described in the definition of interstate commerce, certain States will require special operating authority or certificates.

The FMCSA grants different types of operating authority to motor carrier fleets. Operating authority dictates the type of operation a company can conduct and the cargo it may carry. In general, fleets that do, or plan to do, the following are required to have interstate operating authority:

- Transport passengers in interstate commerce for a fee or other compensation.
- Transport federally regulated commodities owned by others, or arranging for their transport, in interstate commerce for a fee or other compensation.

When a fleet pays the filing fee and obtains operating authority from the FMCSA, they're also assigned a number identified as an **MC, FF, or MX** number, depending on the type of authority granted. This number, and the operating authority, is permanent and doesn't need to be renewed.

The type of operating authority also dictates the level of financial responsibility (e.g., insurance) a fleet must obtain and maintain. The FMCSA's public liability insurance requirements are found in **Part 387** of code regulations.

It's also important for fleet managers to know that certain types of operations don't need operating authority from the FMCSA. Fleets that aren't required to have authority include:

- Private motor carriers (carriers that transport only their own cargo).
- "For-hire" carriers that exclusively haul exempt commodities (cargo that isn't federally regulated).

Fleets that need operating authority from the FMCSA **can start the process here**.

## Step 2. Define compliance roles and responsibilities

An important aspect of managing regulatory compliance within a fleet is having well-trained people with clearly defined roles and responsibilities. As straightforward as that may sound, fleets, especially small ones, may not have formal job descriptions for safety and/or compliance directors.

Motor carriers, no matter the size, should clearly define each person's compliance-related role, their responsibilities, and the criteria or measures against which their performance will be judged. For example, a role with driver qualification responsibilities should include:

- Understanding the FMCSA driver qualification requirements.
- Ensuring the documentation and record retention requirements are met to demonstrate each driver is qualified.
- Ensuring that drivers remain qualified over time.
- Ensuring an internal file auditing process is in place.
- Substantial compliance (95-100%) each time an internal audit of driver qualifications and the related files is conducted.

**Click here to see qualification file requirements** for each employed driver. When roles and responsibilities are clearly defined, each employee will know their part in ensuring regulatory compliance and how success is defined. Once this is done, everyone knows what to do and can manage the compliance tasks confidently.

## Step 3. Implement compliance policies

Another important component of managing fleet compliance is having clear, concise, and descriptive policies for all applicable FMCSRs compliance areas and programs. These policies should cover:

- Screening, hiring, and driver qualifications (including CDL licensing if applicable).
- Drug and alcohol testing (if applicable).
- Driving/operating a commercial vehicle (including vehicle markings).
- Hours of Service rules and **ELD compliance**.
- **Vehicle inspections**, systematic maintenance, and inspector qualifications.
- DOT accident reporting.
- Hazardous materials-related compliance (if applicable).
- Compliance, Safety, Accountability (CSA) data and program management.

The FMCSA requires a specific company policy in only one of these compliance areas, drug and alcohol testing. However, a best practice is for fleets to create, train on, and follow current policies that govern all fleet compliance and safety areas. These policies help set expectations for those involved in compliance matters, help facilitate regulatory compliance, keep safety and compliance managers accountable, and let drivers and other employees know where they can turn to for help.

Sign up here to learn more about how to manage compliance with Motive.

## Step 4. Follow driver hiring and documentation requirements

Screening, hiring, and retaining qualified commercial drivers can be a challenge for many fleets. The FMCSA has numerous driver screening and qualification requirements that fleets must know and comply with during the hiring process.

Here's a summary of commercial motor vehicle (CMV) interstate commerce drivers' requirements:

- Be at least 21 years of age.
- Speak and read English well enough to converse with the public, understand traffic signs and signals, respond to official questions (e.g., by law enforcement), and make legible entries on reports and in records.
- Be able to operate the vehicle safely.
- Be physically qualified to perform all driver duties.
- Have only one valid CMV operator's license, a commercial driver's license (CDL) in some cases.
- Pass a road test or equivalent.
- Pass a pre-employment drug test (if required).
- Not be disqualified to drive a CMV under existing safety requirements.

To determine whether driver applicants meet these federal safety requirements, fleets must have accurate driver applicant data collection and screening practices in place. Some fleets conduct the screening, while others use third-party services.

A fleet's screening practices must also ensure federal hiring-related safety requirements are met during the hiring process including, among others:

- The applicant's completion of an employment application.
- An inquiry to the applicant's previous employers to check safety history and past drug and alcohol test results (if applicable).
- An inquiry to state DMVs for the applicant's motor vehicle record.
- Verification that the applicant has a valid medical examiner's certificate, or can pass a medical exam, issued by an examiner listed on FMCSA's national registry of certified medical examiners.
- The applicant has no current, unresolved drug or alcohol violations in FMCSA's drug and alcohol clearinghouse (if applicable).

All fleets with CMV drivers operating in interstate commerce must document the results of these requirements in a driver qualification file. Generally speaking, the information must be maintained for the length of the driver's employment, plus three years after the driver departs. Hiring, screening, and documentation requirements can be found in **Part 391** of the FMCSRs.

### Maintaining qualified drivers
Screening requirements don't end with the hiring process. Fleets must continue to monitor the safety performance and qualifications of their drivers consistent with federal safety requirements. For example, fleet compliance personnel must obtain and review a driver's motor vehicle record and a driver-completed list of traffic violations annually.

Similarly, fleets must submit a query to the FMCSA's drug and alcohol clearinghouse at least once per year. Fleets must also ensure their drivers remain physically qualified. Documentation of these ongoing driver qualification checks is important and must be retained in the driver's qualification file. With the countless ongoing qualification and recordkeeping requirements, many fleets have chosen to use third-party providers like Motive to manage their compliance records.

## Step 5. Maintain drug and alcohol program requirements

As part of ongoing driver qualification requirements, fleets must also ensure their CDL drivers are enrolled in a drug and alcohol testing and misuse program that meets the U.S. Department of Transportation (DOT) and FMCSA requirements. The goal is for the industry to achieve a drug- and alcohol-free workforce.

These requirements, found in Parts 382 and 40 of the FMCSRs, are perhaps the most detailed of any safety-related rules imposed and enforced by FMCSA. For this reason, most fleets, big and small, choose to engage third-party drug and alcohol testing companies to help implement, document, and verify compliance with these safety rules.

The following are required elements of the FMCSA-mandated drug and alcohol program:

- A policy on misuse of alcohol and use of drugs.
- Driver education and supervisory training.
- Five different types of drug testing and four different types of alcohol testing.
- Urine specimen collection and testing for certain drugs.
- Breath and saliva sample collection and testing for alcohol.
- Querying, and reporting to, the drug and alcohol clearinghouse.
- Recordkeeping and reporting requirements.

Due to the breadth and complexity of the DOT's and FMCSA's drug and alcohol program requirements, this is a compliance area where government resources can be easily found. One of the most helpful is the FMCSA's Implementation Guidelines for Alcohol and Drug Regulations.

## Step 6. Hours of Service, electronic logging devices, and related requirements

Hours of Service (HOS) rules are a set of FMCSA safety requirements that establish the maximum amount of time drivers are permitted to drive within certain on-duty windows of time each day and week. These rules also set the number and length of mandatory rest and break periods for drivers during a work shift and between driving shifts. The FMCSA's rules apply to CMV drivers operating in interstate commerce. For intrastate commerce, the respective state's HOS regulations apply. Many have identical requirements but a few offer flexibility not available to interstate drivers.

Fleets are required to monitor driver compliance with the applicable HOS rules and, in most cases, require drivers to use an electronic logging device (or ELD) to document their compliance. As one component of the ELD system, you can download the Motive Driver App on Google or Apple to see why it's one of the highest-rated ELDs in North America.

HOS rules are unique when compared to some other FMCSRs because FMCSA imposes different HOS rules for passenger-carrying and property-carrying drivers. The purpose of HOS rules is to promote driver alertness and prevent CMV crashes caused by driver fatigue.

There are many HOS rules, but the "Big 5" rules for property-carrying drivers (i.e., truck drivers) are:

· 14-hour driving "window" in each work shift.
· 11-hour driving limit in each 14-hour driving window.
· 60 hours in any 7-day limit and the 70 hours in any 8-day limit.
· 30-minute rest break rule.
· 10-hour off-duty rule.

HOS rules are first and foremost about safety. However, there are also operational rules for fleets since the driver work limits, in turn, create operational and productivity limits for the business.

More information about the "Big 5" and other HOS rules can be found in **Motive's HOS guide**.

**A closer look at ELD requirements**
ELD requirements are closely related to the HOS rules. An ELD is an electronic logging device that allows CMV drivers to easily comply with the HOS rules and allows fleet managers to monitor, track, and document HOS rule compliance. As of December 2019, all CMV drivers required to keep a logbook under the FMCSA's HOS rules must use an ELD.

The ELD mandate was created to promote greater compliance with the HOS rules. In turn, greater compliance should reduce the number and severity of CMV crashes caused by driver fatigue.

More information on ELDs can be found in Motive's **guide** to the FMCSA's ELD mandate and ELD compliance.

## Step 7. Inspecting and maintaining safe, compliant equipment

In addition to driver-related compliance responsibilities, fleet managers must also comply with vehicle-related safety rules. Fleets must systematically inspect, maintain, and repair all CMVs and maintain detailed records of compliance. The details of the inspection, maintenance, repair, and related recordkeeping rules for CMVs are found in **Part 396** of the FMCSRs.

Also, the FMCSA has rules that define a CMV's parts and accessories that must always be kept in a safe and proper operating condition. The "parts and accessories" rules are in **Part 393** of the FMCSRs and include:

- CMV's frame and frame assemblies
- Suspension systems
- Steering system
- Axles and related parts
- Wheels
- Tires
- Rims
- Brakes
- Lights

Fleet managers must also ensure their drivers are aware of and comply with the daily vehicle inspection requirements in the FMCSA's rules, commonly called the pre- and post-trip inspection requirements. For example, before operating a CMV, the driver must inspect, or be satisfied as a result of someone else's inspection, that the CMV is in

safe operating condition. At the end of the shift, the driver must prepare, sign, and submit to a fleet manager a written or electronic report on each vehicle operated and if safety-related defects are discovered by or reported to the driver during the day. These pre- and post-trip inspection requirements are found in Parts **392.7** and **396.13** respectively.

Download the **Motive Driver App** to see how easy it is to manage vehicle inspections for free.

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### Step 8. Roadside inspections

A unique aspect of CMV operations is the ability of state and local law enforcement agencies across the U.S. to stop and inspect the driver and vehicle for safety and compliance. There is a national roadside inspection program to conduct uniform inspections and follow a standard set of criteria for placing vehicles and drivers "out-of-service" when serious safety-related violations are discovered. More than 3 million driver and vehicle roadside inspections are conducted yearly to ensure CMV drivers and vehicles are in compliance. Roadside inspections can be one of eight "levels" based on what's being inspected. More information about this program can be found **here**.

Fleet managers and drivers must be aware of the national roadside inspection program, how it operates, and how to handle violations discovered and documented by an inspector. For example, any driver who undergoes a roadside inspection and receives an inspection report is required to deliver it to a fleet manager within 24 hours. If a vehicle is declared "out-of-service," the violations (i.e., safety defects) must be fixed before the vehicle can be operated again. The same is true for drivers who are declared "out-of-service. They must address the safety violations and be in compliance before driving again. A driver-specific example is a driver who is in violation of the 11-hour driving limit during the inspection. That driver is placed out-of-service and must take at least 10 consecutive hours of off-duty time before driving again.

Watch how you can **ace a roadside inspection** with Motive.

There's also a follow-up requirement after a roadside inspector finds and documents one or more violations. Within 15 days of the inspection, the fleet must sign and certify on the inspection report turned in by the driver that all noted violations have been corrected, and return a copy to the State agency that conducted the inspection. The fleet must keep a copy of this signed report for at least one year from the inspection date. More information about this requirement can be found at **Section 3 Part 396.9**.

## Step 9. General compliance responsibilities

Fleet managers must also be aware of and comply with several general requirements that aren't covered in the other compliance areas. These additional requirements are found in **Part 390** of the FMCSRs titled "General." They include, but aren't limited to:

- Maintain an accident register of all crashes meeting the FMCSA definition.
- Mark the sides of all CMVs being operated with the legal name of the company (or the trade name) and the USDOT number assigned to the fleet.
- Complete and update the fleet's registration with the FMCSA by filing a new Motor Carrier Identification Report.

Part 390 of the FMCSRs also contains rules prohibiting fleets from harassing drivers or coercing them into violating the safety rules. Fleet managers should familiarize themselves with these rules and provide awareness training to drivers.

## Step 10. Managing CSA and other related data

**The Compliance, Safety, Accountability program** (commonly referred to as CSA) is the FMCSA's data-driven industry oversight and compliance enforcement program. The FMCSA monitors the safety performance of all fleets registered with the agency throughout the life of the fleet's business through this program. The FMCSA and its state law enforcement partners use CSA to identify, prioritize, and intervene with fleets that may pose a safety risk while operating.

The CSA program has three core components that fleet managers should be keenly aware of:

- **Safety Measurement System.** Uses data from roadside inspections, audits, and crash reports to generate CSA scores for each fleet with data.
- **Interventions Process.** Includes warning letters from the FMCSA or an investigation/audit.
- **Safety Rating Process.** Standard evaluation of a fleet's compliance that results in either a satisfactory, conditional, or unsatisfactory safety rating.

Fleet managers should actively manage their operations and compliance to minimize the number of roadside inspections with violations and FMCSA-defined crashes. The most effective way to do this is to understand, train on, and comply with all applicable safety rules.

There are specific FMCSA programs that can help fleets manage their data to make sure it's correct and used correctly in the CSA program. These include:

- **DataQS program**. Allows a fleet to request corrections to inspection, crash, and other data if the fleet believes it's inaccurate.
- **FMCSA's crash preventability determination program**. Allows a fleet to submit certain crashes to FMCSA to determine if they were "not preventable." These two programs allow a fleet to actively manage the core data used by FMCSA in its oversight role.

With Motive, you can easily monitor CSA scores in one unified compliance platform. **CSA Insights** show which risk factors to focus on, and when. Forecasted CSA scores, intervention thresholds, and violation breakdowns all work together to improve ELD compliance, lower CSA scores, and reduce audit risk.

## Step 11. International Fuel Tax Agreement (IFTA) compliance

Beyond DOT regulatory compliance lies another important fleet compliance area related to the tax payment for fuel consumed by company vehicles. **The International Fuel Tax Agreement** (IFTA) is a tax collection agreement by and between the 48 contiguous States and the 10 Canadian provinces bordering the U.S. The program provides a uniform administration of fuel use taxation laws applicable to "qualified motor vehicles" that operate in more than one state or province. IFTA's core principles are:

· A base jurisdiction selected by the fleet for vehicle registration and fuel tax payments.
· A uniform definition of a qualified motor vehicle.
· Authority of each government jurisdiction to determine tax rates, exemptions, and the exercise of other tax authority.

The program is built on the idea that fleets should register their vehicles in one "base" jurisdiction and pay fuel taxes to that jurisdiction for all miles traveled in all member jurisdictions. The base jurisdiction then shares the revenue with the other jurisdictions in which the vehicles traveled.

See how you can eliminate the administrative burden of collecting state mileage and fuel receipts with **automated IFTA fuel tax technology and reporting**.

## Step 12. Internal compliance auditing

The final step to address in this 101 guide is the concept of establishing and following an internal compliance auditing process. There are many different compliance areas fleets must stay on top of, and can take a substantial amount of time, effort, expertise, and resources to do so if you don't have a fleet management solution like Motive. One way for fleet management to ensure the company is compliant, and staying within the regulatory guardrails, is to create and use a well-conceived internal compliance auditing process.

At a minimum, the process should include record sampling and auditing, on regular intervals, in these three broad areas:

- Driver-related requirements, including driver screening practices and qualification file management, HOS and ELD records, and drug and alcohol testing/program compliance.
- Vehicle-related requirements, including inspection, repair, and maintenance documentation, along with the qualifications of company inspection personnel.
- Operational requirements, including accident files and related register, insurance levels and related compliance records, vehicle registrations, and tax-related filings.

## Manage compliance with Motive

Motive is one of North America's highest-rated ELDs, and its best-in-class technology supports all of the regulatory requirements and best practices outlined in this guide. Motive brings customers the additional flexibility they need to simplify their lives while complying with regulations. Over 1 million drivers and 120,000 fleets trust Motive for its ease of use and reliability.

Motive is more than **ELD compliance**. Motive builds technology to improve the safety, productivity, and profitability of businesses that power the physical economy. The Motive Automated Operations Platform combines IoT hardware with AI-powered applications to automate **vehicle and equipment tracking**, **driver safety**, maintenance, spend management, and more.

Ready to see what Motive can do for you? **Let's talk**.

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# Potential

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**About Motive**

Motive builds technology to improve the safety, productivity, and profitability of businesses that power the physical economy. The Motive Automated Operations Platform combines IoT hardware with AI-powered applications to automate vehicle and equipment tracking, driver safety, compliance, maintenance, spend management, and more. Motive serves more than 120,000 businesses, across a wide range of industries including trucking and logistics, construction, oil and gas, food and beverages, field services, agriculture, passenger transit, and delivery. Visit **gomotive.com** to learn more.

2022Q3_909340232