DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

49 CFR Part 390

[FHWA Docket No. FHWA-99-5710] RIN 2125-AE60

Federal Motor Carrier Safety Regulations; Requirements for Operators of Small Passenger-Carrying Commercial Motor Vehicles

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of proposed rulemaking;

request for comments.

SUMMARY: The FHWA is proposing to amend the Federal Motor Carrier Safety Regulations (FMCSRs) to require that motor carriers operating commercial motor vehicles (CMVs) designed or used to transport between 9 and 15 passengers (including the driver) for compensation file a motor carrier identification report, mark their CMVs with a USDOT identification number and certain other information (i.e., name or trade name and address of the principal place of business), and maintain an accident register. This action is in response to the Transportation Equity Act for the 21st Century (TEA-21). Section 4008(a) of TEA-21 amended the definition of the term "commercial motor vehicle" to cover these vehicles. In a separate document published elsewhere in today's Federal Register the FHWA is adopting the statutory definition of a CMV found at 49 U.S.C. 31132 to be consistent with the statute, but is exempting for six months the operation of these small passenger-carrying vehicles from all of the FMCSRs, to allow time for the completion of this rulemaking.

DATES: Comments must be received on or before November 2, 1999.

ADDRESSES: Submit written, signed comments to FHWA Docket No. FHWA–99–5710, the Docket Clerk, U.S. DOT Dockets, Room PL–401, 400 Seventh Street, SW., Washington, DC 20590–0001. All comments received will be available for examination at the above address from 9 a.m. to 5 p.m., e.t., Monday through Friday, except Federal holidays. Those desiring notification of receipt of comments must include a self-addressed, stamped envelope or postcard.

FOR FURTHER INFORMATION CONTACT: Mr. Larry W. Minor, Office of Motor Carrier Research and Standards, HMCS–10, (202) 366–4009; or Mr. Charles E. Medalen, Office of the Chief Counsel,

HCC-20, (202) 366–1354, Federal Highway Administration, 400 Seventh Street, SW., Washington, D.C. 20590– 0001. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION:

Electronic Access

Internet users can access all comments that were submitted to the Docket Clerk, U.S. DOT Dockets, Room PL–401, 400 Seventh Street, SW., Washington, DC 20590–001, in response to previous rulemaking notices concerning the docket referenced at the beginning of this notice by using the universal resource locator (URL): http://dms.dot.gov. It is available 24 hours each day, 365 days each year. Please follow the instructions online for more information and help.

An electronic copy of this document may be downloaded using a modem and suitable communications software from the Government Printing Office's Electronic Bulletin Board Service at (202) 512–1661. Internet users may reach the Office of the Federal Register's home page at http://www.nara.gov/fedreg and the Government Printing Office's database at: http://www.access.gpo.gov/nara.

Background

Section 4008(a)(2) of TEA-21 (Pub. L. 105–178, 112 Stat. 107, June 9, 1998) amended the passenger-vehicle component of the CMV definition in 49 U.S.C. 31132(1). Section 4008 also changed the weight threshold in the CMV definition by adding "gross vehicle weight" (GVW) to the previous ''gross vehicle weight rating'' (GVWR). The agency may now exercise jurisdiction based on the GVW or GVWR, whichever is greater. For example, a vehicle with a GVWR of 9,500 pounds that was loaded to 10,500 pounds GVW would be subject to the FMCSRs if it was operating in interstate commerce. Commercial motor vehicle is now defined (in 49 U.S.C 31132) to mean a self-propelled or towed vehicle used on the highways in interstate commerce to transport passengers or property, if the vehicle-

(Å) Has a gross vehicle weight rating or gross vehicle weight of at least 10,001 pounds, whichever is greater;

(B) Is designed or used to transport more than 8 passengers (including the driver) for compensation;

(C) Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or

(D) Is used in transporting material found by the Secretary of Transportation

to be hazardous under section 5103 of this title and transported in a quantity requiring placarding under regulations prescribed by the Secretary under section 5103.

Under section 4008(b) of TEA-21, operators of the CMVs defined by 49 U.S.C. 31132(1)(B) will automatically become subject to the FMCSRs one year after the date of enactment of TEA-21, if they are not already covered, "except to the extent that the Secretary [of Transportation] determines, through a rulemaking proceeding, that it is appropriate to exempt such operators of commercial motor vehicles from the application of those regulations."

The FHWA views section 4008 of TEA-21 as a mandate either to impose the FMCSRs on previously unregulated smaller capacity vehicles, or to exempt through a rulemaking proceeding some, or all, of the operators of such vehicles.

FHWA's Advance Notice of Proposed Rulemaking

On August 5, 1998 (63 FR 41766), the FHWA published an advance notice of proposed rulemaking (ANPRM) to announce that the agency was considering amending the FMCSRs in response to section 4008(a) of the TEA-21, to seek information about the potential impact of the TEA-21 definition, and to request public comment on whether any class of vehicles should be exempted. The agency also requested comment on whether the term "for compensation" may be interpreted to distinguish among the types of van services currently in existence.

Summary of the Comments to the ANPRM

The FHWA received 733 comments in response to the ANPRM. The commenters included State and local government agencies, transit authorities, vanpool organizations, vanpool members, universities, trade associations, and members of Congress, as well as private citizens. Most (more than 720) of the commenters were opposed to making the FMCSRs applicable to the operation of small passenger-carrying CMVs. However, several commenters believed it is necessary to regulate these vehicles and, in certain cases, identified what they believe are the specific safety issues section 4008(a) was intended to resolve. A detailed discussion of the comments is provided in an interim final rule, published elsewhere in today's Federal **Register**, exempting these motor carriers from the FMCSRs for a period of six months.

Summary of the FHWA's Response to Comments

As indicated in the interim final rule. the FHWA has considered all of the comments received in response to the ANPRM and determined there is insufficient data concerning the safety performance of motor carriers operating CMVs designed or used to transport 9 to 15 passenger (including the driver) for compensation, to justify making the FMCSRs applicable to them. Commenters to the docket have expressed opinions for and against regulating operators of passengercarrying vehicles designed to transport 9 to 15 passengers (including the driver), but none of the commenters have presented safety data that could be useful in deciding whether to regulate such motor carriers. While the FHWA acknowledges that there may be safety benefits to extending the applicability of the FMCSRs to the operation of small passenger-carrying CMVs for compensation, a mere assumption does not satisfy the agency's obligation to quantify the benefits of rulemaking.

Given the statutory deadline of June 9, 1999, for deciding whether to exempt the operation of small passengercarrying CMVs from the FMCSRs, the FHWA has decided that it is in the public interest to limit the applicability of the FMCSRs to the motor carrier operations covered prior to the enactment of TEA-21 for the time being. The FHWA currently has no useful data on the relative safety of small passenger CMVs. In the absence of such data, the agency has no rational basis for extending the FMCSRs to this class of vehicles. Accordingly, in a separate rulemaking document published elsewhere in today's Federal Register, the FHWA is exempting for a period of six months, all of the operators of small passenger-carrying CMVs from the FMCSRs to allow time for the completion of this rulemaking.

Discussion of the Proposal

The FHWA believes that action must be taken to learn more about the operational safety of motor carriers operating small passenger vehicles for compensation. The agency is proposing that these motor carriers be required to complete a motor carrier identification report (49 CFR 385.21), and comply with the FHWA's CMV marking regulation (49 CFR 390.21) which would include displaying a USDOT motor carrier identification number on all vehicles designed or used to transport 9 to 15 passengers for compensation in interstate commerce. The agency would also require that these motor carriers

maintain an accident register (49 CFR 390.15).

Motor Carrier Identification Report

Section 385.21 of the FMCSRs requires motor carriers to file Form MCS–150, Motor Carrier Identification Report, within 90 days after beginning operations in interstate commerce. The information from the Form MCS–150 is used to create a file in the Motor Carrier Management Information System (MCMIS), a database containing safety information (e.g., compliance review results, roadside inspection results, CMV accidents, etc.) about interstate motor carriers.

The FHWA is proposing that operators of small passenger-carrying CMVs be required to file Form MCS–150 to enable the agency to determine how many motor carriers are affected by the TEA-21 revision to the CMV definition, the number of drivers employed and vehicles operated by these carriers, and the principal place of business for each of these entities. Each motor carrier would be assigned a USDOT census or identification number which, when marked on each CMV operated by the motor carrier, could help enforcement officials and the general public identify these businesses.

Vehicle Marking

Section 390.21 requires that motor carriers mark their CMVs with the name or trade name of the business, the city or community and State in which the motor carrier maintains its principal place of business, and its motor carrier identification number. The FHWA requests comments on the practical utility of applying these marking requirements to the operators of small passenger-carrying CMVs. The FHWA would require the operators of small passenger-carrying vehicles to comply with all the provisions of § 390.21 to ensure that enforcement officials and the public can identify their vehicles and that accidents (as defined in 49 CFR 390.5) can be recorded by the States and entered into the FHWA's SAFETYNET database. The FHWA would use the information to study the number and locations of accidents, and the motor carriers involved, to determine if there are patterns or trends concerning the safety performance of these carriers.

Accident Register

Section 390.15 requires that motor carriers make all records and information pertaining to an accident available to the FHWA upon request. Motor carriers must give the FHWA all reasonable assistance in the investigation of any accident. Motor

carriers also must maintain at the principal place of business, for a period of one year after an accident occurs, an accident register with the following information:

Date of the accident;

(2) City or town in which or most near where the accident occurred, and the State in which the accident occurred;

(3) Driver's name:

(4) Number of injuries;

(5) Number of fatalities; and

(6) Whether hazardous materials, other than fuel spilled from the fuel tanks of the motor vehicles involved in the accident, were released.

Copies of all accident reports required by State or other government entities or insurers also must be maintained by the motor carriers.

The FHWA is proposing that operators of CMVs designed or used to transport 9 to 15 passengers be required to comply with § 390.15 to assist the agency in conducting investigations and, if necessary, special studies about the safety performance of particular motor carriers or segments of the industry. For example, if one of a motor carrier's vehicles is involved in a major accident or a series of accidents, the FHWA could review the records required by § 390.15 as part of the process of determining whether there are deficiencies with the carrier's safety management controls.

Explanation of the Term "For Compensation"

The TEA-21 definition of a passenger CMV includes the phrase "for compensation" in 49 U.S.C. 31132(1)(B). However, TEA-21 did not include a definition of the phrase. The FHWA considers the term to be synonymous with "for hire." The FHWA intends that this rulemaking be applicable to all interstate for-hire motor carriers of passengers operating CMVs designed or used to transport 9 to 15 people. Although some commenters to the FHWA's ANPRM suggested that a distinction be made between motor carriers that are "directly compensated" and those that are "indirectly compensated," the agency does not believe it is appropriate to exempt a forhire motor carrier from the requirements being proposed on the basis of how the motor carrier is paid for its services. The FHWA requests comments on this issue.

On April 4, 1997 (62 FR 16370), the FHWA published Regulatory Guidance for the Federal Motor Carrier Safety Regulations. Page 16407 of that notice includes an interpretation of "for-hire motor carrier." The guidance states:

The FHWA has determined that any business (emphasis added) entity that

assesses a fee, monetary or otherwise, directly or indirectly for the transportation of passengers is operating as a for-hire carrier. Thus, the transportation for compensation in interstate commerce of passengers by motor vehicles (except in six-passenger taxicabs operating on fixed routes) in the following operations would typically be subject to all parts of the FMCSRs, including part 387: whitewater river rafters; hotel/motel shuttle transporters; rental car shuttle services, etc. These are examples of for-hire carriage because some fee is charged, usually indirectly in a total package charge or other assessment for transportation performed.

The reference to six-passenger taxicabs operating on fixed routes was included in the guidance because of the ICC Termination Act of 1995 (ICCTA) (Pub. L. 104-88, 109 Stat. 803, 919). The ICCTA amended the statutory definition of a CMV prior to TEA-21, adding "designed or used to transport passengers for compensation, but exclud(es) vehicles providing taxicab service and having a capacity of not more than 6 passengers and not operated on a regular route or between specified places." The TEA-21 resulted in the removal of this clause from the definition of CMV.

An example of transportation that would not be covered by this rulemaking is commuter vanpools. The FHWA understands that passengers in many vanpools pay a monthly fee to an individual, who either owns or leases the van. The FHWA does not believe this is a business. The individual uses this money not as a source of income or in the furtherance of a commercial enterprise, but to pay for the van, insurance premiums, fuel, and maintenance. There may be surplus funds each month that are put in reserve to cover unexpected costs, or losses of revenue during periods in which vanpool membership decreases. The FHWA, however, does not believe that this type of arrangement should be considered "for compensation" and does not intend to regulate such operations. The agency requests comments on the nature of these operations.

Rulemaking Analysis and Notices

All comments received before the close of business on the comment closing date indicated above will be considered and will be available for examination in the docket at the above address. Comments received after the comment closing date will be filed in the docket and will be considered to the extent practicable. In addition to late comments, the FHWA will also continue to file relevant information in the docket as it becomes available after the comment period closing date, and interested persons should continue to examine the docket for new material.

Executive Order 12866 (Regulatory Planning and Review) and DOT Regulatory Policies and Procedures

The FHWA has determined that this action is a significant regulatory action within the meaning of Executive Order 12866 and significant within the meaning of Department of Transportation regulatory policies and procedures because of the substantial public interest concerning the possible extension of the applicability of the FMCSRs to a larger population of motor carrier operations. This rulemaking proposal would require that operators of vehicles designed or used to carry between 9 and 15 passengers (including the driver), for compensation in interstate commerce file a motor carrier identification report, mark their CMVs with a USDOT identification number, and maintain an accident register.

The FHWA believes the costs of complying with the requirements to submit a motor carrier identification report and to maintain an accident register are negligible. These requirements impose only information collection burdens (i.e., completion of forms, recordkeeping, etc.) and are discussed in greater detail below in the "Paperwork Reduction Act" section of this notice.

The FHWA estimates that the cost of marking CMVs will be between \$11 and \$26 per vehicle depending on the number of vehicles the motor carrier operates. The cost estimates are based upon the FHWA's preliminary regulatory evaluation and regulatory flexibility analysis prepared for the June 16, 1998 (63 FR 32801), notice of proposed rulemaking about CMV marking requirements. The complete regulatory evaluation and regulatory flexibility analysis are included in FHWA Docket No. FHWA–98–3547.

Since motor carriers operating CMVs designed or used to transport 9 to 15 passengers currently are not required to complete Form MCS–150, the FHWA does not have sufficient data to estimate the total number of CMVs that would need to be marked in accordance with § 390.21. However, one of the commenters responding to the FHWA's August 5, 1998, ANPRM (63 FR 41766) provided information that may be useful in estimating the population of vehicles that would need to be marked. The International Taxicab and Livery Association (ITLA) stated:

According to information available to ITLA, there are approximately 50,000 limousines in use that would be affected by the definitional change. It should be noted that there are over 9000 limousine operators nationwide (also operating premium sedan services), and that the median fleet size is less than 5. In addition, the average annual miles operated by limousines is approximately 23,000 miles.

ITLA estimates that there are approximately 74,000 vans nationwide—"the breakdown between "mini-vans" and those affected by the proposed definition is not available. Van fleets average less than 10 vans, with an approximate annual mileage of 40,000 per vehicle, and an average trip length of less than 8 miles lasting significantly less than 1 hour.

In September of 1998, the American Business Information (a mailing list sales company) released a sales catalog that reports the following information:

SIC code	Type of service	Number of U.S. companies
4111–01	Limousine Transportation	4,752 1,302 9,482 7,348
	Total	22,884

The ITLA indicated that, if the FHWA decides to make the FMCSRs applicable to the operation of small passenger-

carrying vehicles, approximately 14,000 companies, 125,000 vehicles, and 165,000 drivers would be covered. If

there are 125,000 vehicles designed or used to transport 9 to 15 passengers for compensation in interstate commerce,

the costs to the industry for marking CMVs could be between \$1,375,000 and \$3,250,000. The costs are one-time expenses and would not be recurring. Generally, the marking would last the normal life of the vehicle.

At this time, the FHWA is not able to specifically quantify the safety benefits resulting from requiring CMVs to be marked. The requirement is necessary because it would be used to monitor the safety performance of these motor carriers. The safety performance data ultimately would be used to determine whether there are safety problems with operators of small passenger-carrying CMVs, and whether other FMCSRs should be made applicable to them. The FHWA specifically requests comments on the potential costs and benefits of the proposed requirements.

The FHWA has considered other

The FHWA has considered other rulemaking options such as, not imposing any regulatory burdens on these motor carriers, excluding the marking requirements from this rulemaking proposal, or imposing more stringent requirements. The agency believes the option chosen would be most effective at helping to achieve its objective to monitor the safety performance of these passenger carriers. Based upon the information above, the agency anticipates that the economic impact associated with this rulemaking action is minimal and a full regulatory evaluation is not necessary.

Regulatory Flexibility Act

The FHWA has considered the effects of this regulatory action on small entities and determined that this proposal could affect a substantial number of small entities, but would not have a significant impact on these entities. If the ITLA's estimate of 14,000 interstate motor carriers operating CMVs designed or used to transport 9 to 15 passengers is accurate, and most or all of these businesses are classified as small businesses by the Small Business Administration (SBA), the rulemaking would affect up to 14,000 small entities.

Generally, the costs per vehicle for small companies to mark their CMVs would be greater than those for large companies. If a motor carrier has between 1 to 6 vehicles, the total cost per vehicle for marking is estimated at \$26. The motor carrier's total cost would therefore be between \$26 and \$156. For a motor carrier operating 7 to 20 CMVs, the total cost per vehicle marking would be \$21. The total cost for the motor carrier's fleet would be between \$147 and \$420. For a fleet of 21-99 vehicles, the total cost per vehicle marking would decrease to \$16. The total cost for the motor carrier's fleet would be between

\$336 and \$1,584. And, for a fleet of 100 to 999 vehicles the cost per vehicle marking would decrease to \$11. The total fleet cost would be between \$1,100 and \$10,989.

For the purpose of this rulemaking analysis, the FHWA will use the ITLA estimate for the number of business, vehicles, and drivers. The FHWA's data concerning carriers that have operating authority can only be used to identify 1,636 interstate motor carriers operating vehicles designed or used to transport 9 to 15 passengers. The agency believes there are many more carriers and that the ITLA's estimate appears to be a reasonable number. The FHWA requests comments on the number of motor carriers that would be subject to the proposed requirements, and the number of such carriers that are classified as small businesses

Based on its analysis summarized above, the FHWA believes that this rulemaking could affect a substantial number of small entities, but would not have a significant impact on these entities. For example, if a small entity operated between 7 and 20 CMVs, the total cost per vehicle marking would be \$21. The total cost for the motor carrier's fleet would be between \$147 and \$420. The FHWA does not consider this total fleet cost to be a significant impact on a business operating 20 vehicles. The FHWA, in compliance with the Regulatory Flexibility Act (5 U.S.C. 601–612), has considered the economic impacts of the proposed requirements on small entities and certifies that this rule would not have a significant economic impact on a substantial number of small entities.

Executive Order 12612 (Federalism Assessment)

This action has been analyzed in accordance with the principles and criteria contained in Executive Order 12612, and it has been determined that this rulemaking does not have sufficient Federalism implications to warrant the preparation of a Federalism assessment. Nothing in this document directly preempts any State law or regulation.

Executive Order 12372 (Intergovernmental Review)

Catalog of Federal Domestic Assistance Program Number 20.217, Motor Carrier Safety. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this program.

Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3520),

Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct, sponsor, or require through regulations. The FHWA has determined that this proposal contains new collection of information requirements for the purposes of the PRA. The FHWA is proposing that motor carriers operating CMVs designed or used to transport 9 to 15 passengers meet the vehicle marking requirements at 49 CFR 390.21. The FHWA believes it is important that CMVs be properly marked so that the public has an effective means to identify motor carriers operating in an unsafe manner. Such markings will also assist Federal and State officials in accident investigations.

The information collection requirements contained on Form MCS-150 have been approved by the OMB under the provisions of the PRA and assigned the control number of 2125-0544 which expires on January 31, 2000. The FHWA estimates it takes approximately 20 minutes for interstate motor carriers to complete a Form MCS-150. The agency estimates that as a result of this rulemaking, 14,000 interstate motor carriers, currently not subject to the FHWA's safety regulations, would have to complete the Form MCS-150. Motor carriers are required to complete the form within 90 days after beginning operations. Motor carriers may have the information updated but are not required to periodically submit a new Form MCS-150. Therefore, the FHWA estimates an additional burden of 4,667 hours [(20 minutes per motor carrier × 14,000 motor carriers)/60 minutes per hour to OMB 2125-0544. Because this action contains a proposal to require businesses currently not subject to 49 CFR 385.21 to file the Form MCS-150, the FHWA is required to resubmit this proposed collection of information, as revised, to OMB for review and approval. Accordingly, the FHWA seeks public comment on this proposed information collection requirement.

The information collection requirements for the accident register have been approved by the OMB under the provisions of the PRA and assigned the control number of 2125–0526 which expires on August 31, 2002. The FHWA estimates it takes approximately 18 minutes for interstate motor carriers to collect and record the seven elements of information on the accident register. However, since the FHWA does not have sufficient information to estimate the number of accidents operators of small passenger-carrying CMVs have each year, the agency is unable to

estimate the total time burden. If each of the estimated 14,000 interstate motor carriers operating small passengercarrying vehicles has one accident per year, an additional burden of 4,200 hours per year [(18 minutes per motor carrier \times 14,000 motor carriers)/60 minutes per hour] would be added to OMB No. 2125–0526. Because this action contains a proposal to require businesses currently not subject to 49 CFR 390.15 to maintain an accident register, the FHWA is required to resubmit this proposed collection of information, as revised, to OMB for review and approval. Accordingly, the FHWA seeks public comment on this proposed information collection requirement.

Interested parties are invited to send comments regarding any aspect of these information collection requirements, including, but not limited to: (1) Whether the collection of information is necessary for the performance of the functions of the FHWA, including whether the information has practical utility; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the collection information; and (4) ways to minimize the collection burden without reducing the quality of the information collected.

National Environmental Policy Act

The agency has analyzed this rulemaking for the purpose of the

National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*) and has determined that this action does not have any effect on the quality of the environment.

Unfunded Mandates Reform Act

This rule does not impose an unfunded Federal mandate, as defined by the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532 et seq.), that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

Regulation Identification Number

A regulatory identification number (RIN) is assigned to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. The RIN contained in the heading of this document can be used to cross reference this action with the Unified Agenda.

List of Subjects 49 CFR Part 390

Highway safety, Motor carriers, Motor vehicle identification and marking, Reporting and recordkeeping requirements. Issued on: August 30, 1999.

Kenneth R. Wykle,

Federal Highway Administrator.

In consideration of the foregoing, the FHWA proposes to amend title 49, Code of Federal Regulations, chapter III, as follows:

PART 390—[AMENDED]

1. The authority citation for part 390 continues to read as follows:

Authority: 49 U.S.C. 13301, 13902, 31132, 31133, 31136, 31502, and 31504; sec. 204, Pub. L. 104–88, 109 Stat. 803, 941 (49 U.S.C. 701 note); and 49 CFR 1.48.

2. Amend § 390.3 to revise paragraph (f)(6) to read as follows:

§ 390.3 General Applicability.

(f) Exceptions.

* * * * *

(6) The operation of commercial motor vehicles designed to transport less than 16 passengers (including the driver). However, motor carriers operating these vehicles for compensation are required to comply with 49 CFR 385.21, Motor carrier identification report, 49 CFR 390.15, Assistance in investigations and special studies, and 49 CFR 390.21, Marking of commercial motor vehicles.

[FR Doc. 99–23027 Filed 9–2–99; 8:45 am] BILLING CODE 4910–22–P