



## **LEASE AND INTERCHANGE OF VEHICLES: MOTOR CARRIERS OF PASSENGERS**

### Background:

- The Federal Motor Carrier Safety Administration (FMCSA) released the Lease and Interchange of Vehicles; Motor Carriers of Passengers Final Rule in May 2015 with an effective date of July 27, 2015 and an enforcement date of January 1, 2017.
- The rule requires every passenger carrier contracting with another carrier for supplemental service to enter into a lease arrangement and assume all regulatory responsibilities for the vehicle, driver, and insurance of the contracted carrier, even if the contracted passenger carrier possesses their own unique United States Department of Transportation registration and interstate operating authority from the Federal Motor Carrier Safety Administration.
- The rule is an unwarranted and unwelcome burden on passengers and the industry and does not enhance safety. The rule would require the contracting carrier to assume full responsibility for federal safety compliance of the carrier they are contracting with, when the contracting carrier has no control over that carrier's operation.
- United Motorcoach Association (UMA) filed a Petition for Reconsideration with FMCSA in August 2015 to raise these concerns and ask FMCSA to revise the rule. FMCSA met with a cross-section of the bus industry on October 28, 2015 on the Petition. FMCSA has acknowledged the Petitions for Reconsideration have "merit" but has not yet responded formally to the Petitions.
- FMCSA recently extended the enforcement date by one year to January 1, 2018. However, even with enforcement delayed, the rule remains "in effect" and carriers undertaking normal subcontracting arrangements are exposed to potential civil liability.
- For decades, passenger carriers have contracted with other passenger carriers to supplement their services when demand exceeds their capacity. Most often, supplemental service includes local special events or large movements. Additionally, passenger carriers seek assistance from other passenger carriers in the event of mechanical breakdown, driver incapacitation, or other emergencies.
- While the UMA supports provisions in the Final Rule that close a longstanding gap involving contracting with carriers that may not have the correct operating authority, we are opposed to the requirement that passenger carriers possessing the requisite operating authority enter into federally-mandated terms and conditions in a lease arrangement.

(see reverse side)

Conclusion:

The United Motorcoach Association seeks the following language in the FY 2017 DOT Appropriations bill to ensure the current rule will not be enforced and current contracting arrangements will be deemed compliant.

***“None of the funds appropriated or otherwise made available by this Act or any other Act may be used to enforce the Lease Interchange Rule for Passenger Carriers as it applies to two or more carriers with valid operating authority (or authorized for hire) entering into contractual arrangements for services, vehicles and drivers, and such arrangements shall be deemed compliant with the rule.”***