

OFFICE OF THE DIRECTOR
DEPARTMENT OF MOTOR VEHICLES
P.O. BOX 932328
SACRAMENTO, CA 94232-3280



TITLE 13: DEPARTMENT OF MOTOR VEHICLES

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (department) proposes to adopt Sections 226.00, 226.02, 226.04, 226.06, 226.08, 226.10, 226.16, 226.18, 226.20, 226.22, 226.24, 226.26, 226.30, 226.32, 226.38, 226.40, 226.42, 226.44, 226.46, 226.48, 226.50, 226.52, and 226.54 in Article 3.6, Chapter 1, Division 1, Title 13 of the California Code of Regulations, relating to the Interstate Carrier Program.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 p.m., fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested party or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 p.m., June 4, 2018, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulation.

AUTHORITY AND REFERENCE

The department proposes to adopt these regulations under the authority granted by Vehicle Code sections 1651 and 1685.1, in order to implement Vehicle Code section 1685.1.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Senate Bill (SB) 1233 (Ch. 615, Statutes of 2004) added Vehicle Code section 1685.1 authorizing motor carrier associations who represent both intra and interstate motor carriers to submit an application to become a private industry partner with the department, as described in Vehicle Code section 1685. The provisions were effective January 1, 2005, and sunset January 1, 2010.

Over the years various California legislative and federal requirements increased the amount of documentation and the complexity of processing International Registration Plan vehicle registrations. This caused an increase in the rate of incomplete applications received by the department from International Registration Plan customers. Repeated handling of incomplete applications adversely affected customer service levels. In July 2010, the department discontinued the processing of International Registration Plan vehicle registrations in its field offices which was precipitated by insufficient resources to comply with federal verification requirements.

In 2009, the department modified the pilot program to allow registration agents access to the new International Registration Plan system, which was implemented in August 2009, through a business

partnership which became the Interstate Carrier Program. The partnership enabled certain businesses to electronically interface with the department's International Registration Plan system software to process International Registration Plan vehicle registrations.

Assembly Bill (AB) 2107 (Ch. 456, Statutes of 2016) added Vehicle Code section 1685.1 authorizing the department to establish the Interstate Carrier Program and to establish private industry partners such as licensed registration services, vehicle leasing companies, and motor carrier associations to process International Registration Plan related transactions in their offices.

This proposed action would implement Vehicle Code section 1685.1 and make specific the form an Interstate Carrier Program applicant must submit to the department to apply to be approved as a departmental partner. Additionally, this proposed action would specify program administration structure, fees, financial responsibility, compliance requirements, adequate oversight and monitoring, safeguards for protecting information, and transaction processing requirements as allowed for by statute. This proposed action is anticipated to benefit California's motoring public by ensuring immediate and convenient registration of motor carriers assisting in eliminating unregistered vehicles from operating on the roadways.

CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS

During the process of developing these regulations, the department has conducted a search of any similar regulations on the topic of the interstate carrier program and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

COMPARABLE FEDERAL STATUTES OR REGULATIONS

The department has conducted a review of federal regulations related to the interstate carrier program and has determined that there are no comparable federal regulations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference:

- Interstate Carrier Program Application, REG 202 I (NEW 11/2017)
- Interstate Carrier Program (ICP) Security Agreement, REG 216 I (NEW 11/2017)
- Statement of Personal History - Owner Interstate Carrier Program (ICP), REG 2060 I, (NEW 11/2017)
- Statement of Personal History - Employee Interstate Carrier Program (ICP), REG 206 I, (NEW 11/2017)
- Information Security and Disclosure Statement Firm, EXEC 201X (REV. 3/2003)
- Information Security and Disclosure Statement Public/Private Partnerships Employee, EXEC 200X (REV. 3/2003)
- Electronic Fund Transfer Authorization Form California Department of Motor Vehicles (CADMV) and Interstate Carrier Program (ICP), REG 214 I (NEW 11/2017)
- Interstate Carrier Program Surety Bond, REG 208 I (NEW 11/2017)
- Interstate Carrier Program Permit, REG 200 I (NEW 11/2017)

- Interstate Carrier Program Renewal Application, REG 203 I (NEW 11/2017)
- Interstate Carrier Program (ICP) Inventory Order form, REG 215 I (NEW 11/2017)
- Interstate Carrier Program (ICP) Quarterly Inventory Report, REG 210 I (NEW 11/2017)
- Interstate Carrier Program Inventory Contact form, REG 213 I (NEW 11/2017)
- Interstate Carrier Program Employee Listing form, REG 209 I (NEW 11/2017)
- Interstate Carrier Program Application For Changes form, REG 201 I (NEW 11/2017)
- Acceptable Use Statement form, DMV 350 (REV. 8/2017)
- Interstate Carrier Program Daily Transaction Summary Sheet (DTS), REG 212 I (NEW 11/2017)
- Interstate Carrier Program Transactions Per Year Report, REG 211 I (NEW 11/2017)
- Interstate Carrier Program Independent Audit Plan Guide For The Interstate Carrier Program Participant form, REG 217 I (NEW 11/2017)
- Interstate Carrier Program Independent Audit Program Audit Guide For The Certified Public Accountant form, REG 218 I (NEW 11/2017)
- Interstate Carrier Program Non-Disclosure Statement form, REG 205 I (NEW 11/2017)
- Request for Live Scan Service form, DMV 8016 (Rev. 11/2011)

These documents will not be published in the California Code of Regulations because it would be impractical and cumbersome to do so; however, the documents are readily available to interested parties by contacting the department's contact person identified below.

Economic and Fiscal Impact Determinations

The department has made the following initial determinations concerning the proposed regulatory action:

- *Cost or Savings to Any State Agency:* None.
- *Other Non-Discretionary Cost or Savings to Local Agencies:* None.
- *Costs or Savings in Federal Funding to the State:* None.
- *Cost to any local agency or school district requiring reimbursement pursuant to Gov. Code section 17500 et seq.:* None.
- *Effects on Housing Costs:* None.
- *Significant, Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of California Businesses to Compete with Businesses in Other States:* None.
- *Cost Impact on Representative Private Persons or Businesses:* The proposed action may impact private persons or businesses. It will implement an application fee for an original application, an application fee for a renewal application, and a requirement of maintaining a surety bond.

- *Small Business Impact:* This proposed action may impact small business.
- *Local Agency/School Districts Mandate:* The proposed regulation action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code.

Results of the Economic Impact Statement

The department has made the determinations that this proposed action will not impact the creation or elimination of jobs within the state, the creation of new businesses or the elimination of existing businesses within the state, or the expansion of businesses currently doing business within the state.

This action will benefit the welfare of California residents and worker safety by ensuring motor carriers can have their International Registration Plan vehicle registrations processed conveniently and expediently.

PUBLIC DISCUSSION OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

CONTACT PERSON

Any inquiries or comments concerning the proposed rulemaking action may be addressed to:

Tracy Brazil, Regulations Analyst
Department of Motor Vehicles
Legal Affairs Division
PO Box 932382, MS C-244
Sacramento, CA 94232-3820

Any inquiries or comments concerning the proposed rulemaking action requiring more immediate response may use:

Telephone: (916) 657- 8919
Facsimile: (916) 657-6243
E-Mail: LADRegulations@dmv.ca.gov

In the event the contact person is unavailable, inquiries should be directed to the following back-up person:

Shelly Johnson Marker, Chief of Staff
Department of Motor Vehicles
Legal Affairs Division
Telephone: (916) 657-6469

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an Initial Statement of Reasons for the proposed regulatory action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the Express Terms of the proposed regulatory action using underline or italics to indicate additions to, and strikeout to indicate deletions from the California Code of Regulations.

The contact person identified in this notice shall also make available to the public, upon request, the Final Statement of Reasons and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons, and Express Terms) may be accessed at <http://www.dmv.ca.gov/portal/dmv/detail/about/lad/regactions>.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.