

## Myriad regulations make the high-growth delivery industry complicated



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Consumers' increasing demand for near instantaneous delivery has driven the expansion of crowdsourced delivery services and small delivery companies. As these operations form and grow, they must keep an eye on the regulatory sphere surrounding the transportation of property, especially the interstate transportation of property.

Many transportation and delivery companies are regulated by the Federal Motor Carrier Safety Administration (FMCSA). The FMCSA, part of the U.S. Department of Transportation (USDOT), regulates motor carriers, which are employers or persons that transport others' property for compensation. Generally, motor carriers will need one or two types of registration: a USDOT Number, or a USDOT Number and Operating Authority (MC Number). Each of these registrations is issued by the FMCSA through a unified registration system.

Interstate motor carriers generally need a USDOT Number and an MC Number. Those hauling certain exempt goods may only be required to have a USDOT Number. While these registrations are generally a federal regulatory scheme, most states require their intrastate motor carriers to have a USDOT Number and have a state regulator scheme that mirrors MC Numbers.

Those with USDOT Numbers must follow numerous safety regulations. Most notably hours-of-service parameters, driver safety requirements, vehicle operation requirements, record-keeping requirements and certain safety inspections. In most cases, these safety regulations impact every haul a registrant engages in. However, the length and distance of a haul can exempt it from certain record-keeping requirements.

While USDOT Numbers come with safety regulations, MC Numbers come with insurance and financial obligations. There are various types of MC Numbers, each coming with certain insurance and financial obligations. The insurance and financial obligations depend on the type of operation and the cargo it might carry. For instance, a motor carrier hauling hazardous materials will be required to have higher levels of insurance than those hauling nonhazardous materials.

**For more information on this topic or to learn how Godfrey & Kahn can help your business stay compliant with FMCSA, USDOT and other regulations, contact a member of our Political Law Practice Group.**

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