



**DEPARTMENT OF TRANSPORTATION**

**[4910-EX-P]**

**Federal Motor Carrier Safety Administration**

**49 CFR Part 390**

**[Docket No. FMCSA-2012-0103]**

**RIN 2126-AB90**

**Lease and Interchange of Vehicles; Motor Carriers of Passengers**

**AGENCY:** Federal Motor Carrier Safety Administration (FMCSA), DOT.

**ACTION:** Notice of intent.

**SUMMARY:** FMCSA announces its intent to issue a rulemaking concerning revisions to its May 27, 2015, final rule titled “Lease and Interchange of Vehicles; Motor Carriers of Passengers.” The Agency received numerous petitions for reconsideration of the final rule and determined that amendments should be considered in response to some of the petitions. The aspects of the 2015 final rule to be reconsidered are discussed later in this document. In addition, FMCSA will hold a roundtable discussion on the scope of the issues to be addressed in the forthcoming rulemaking. The meeting will be public and will seek public input regarding the assignment of responsibility for safety violations to the correct party. Individuals with diverse experience, expertise, and perspectives are encouraged to attend. If all comments have been exhausted prior to the end of the session, the session may conclude early. The Agency intends to complete any regulatory action(s) taken in response to the petitions before January 1, 2018.

**FOR FURTHER INFORMATION CONTACT:** Ms. Loretta Bitner, (202) 385-2428, [loretta.bitner@dot.gov](mailto:loretta.bitner@dot.gov), Office of Enforcement and Compliance. FMCSA office hours are from 9 a.m. to 5 p.m. ET, Monday through Friday, except Federal holidays.

## **SUPPLEMENTARY INFORMATION:**

### **Background:**

On May 27, 2015, FMCSA published a final rule concerning the lease and interchange of passenger-carrying commercial motor vehicles (CMVs) (80 FR 30164). The purpose of the rule is to identify the motor carrier operating a passenger-carrying CMV that is responsible for compliance with the Federal Motor Carrier Safety Regulations (FMCSRs) and ensure that a lessor surrenders control of the CMV for the full term of the lease or temporary exchange of CMV(s) and driver(s). The Agency received 37 petitions for reconsideration which have been filed in the public docket referenced above. Upon review of these requests, FMCSA concluded that some have merit. FMCSA, therefore, extended the compliance date of the final rule from January 1, 2017, to January 1, 2018 (82 FR 13998; March 16, 2016) to allow the Agency time to complete its analysis and amend the rule where necessary.

Petitioners made the following substantive arguments, which the Agency will address in subsequent rulemaking.

#### *General Objections*

The petitioners generally argued that FMCSA has taken a regulatory scheme from the trucking industry and applied it to the bus industry, which has a vastly different operating structure and liability regimen. Moreover, the application of these truck regulations to the bus industry offers no additional protection to the public from illegal or unsafe bus operators. Instead, the final rule simply adds administrative costs and reduces operational flexibility for bus operators.

Petitioners further stated that the final rule creates an economic and regulatory burden on passenger carriers that already operate safely and have a high degree of compliance. Some of the petitioners argue that those lease requirements will not stop carriers that choose to violate the regulations, yet will burden those who already operate safely and compliantly.

A petitioner stated that while it supports efforts to identify and address chameleon carriers or carriers that may try to operate under the cloak of another carrier, the final rule does not accomplish this goal and in fact provides a roadmap for irresponsible carriers to operate legally under the authority of another carrier.

One carrier stated that it had identified several instances where the final rule lacks sufficient clarity to enable it to comply, and that these issue areas have an effect on all of its operations. The final rule also adds administrative costs and reduces operational flexibility for charter and tour bus operations, which will, in the end, reduce connectivity and transportation options for the traveling public.

Another carrier argued that the three 2008 crashes cited in the September 20, 2013 notice of proposed rulemaking (NPRM) involved a tire failure, driver error, and an insurance issue (78 FR 57822), and that nothing in the final rule would have prevented any of these crashes. The commenter also named two insurance companies that have restrictions in their policies that prohibit the use of non-owned equipment and non-employed drivers, which were major concerns of the NPRM.

Many of the objections raised by petitioners can be addressed by providing additional explanation. However, some of the issues discussed below may require regulatory changes; they fall into four major categories.

*Four changes under consideration*

(1) Exclusion of “chartering” (i.e., subcontracting) from the leasing requirements. The 2015 rule merged the concepts of leasing with “chartering” (subcontracting). Carriers routinely subcontract work to other registered carriers to handle demand surges, emergencies, or events that require more than the available capacity. Subcontractors with their own operating authority have traditionally assumed responsibility for their own vehicles/drivers. Under the 2015 rule, however, a passenger carrier that subcontracted work to another carrier would be responsible for that second carrier’s compliance with the regulations. Petitioners claim that making a carrier responsible for the subcontractor’s vehicles, drivers, and liability would make most short-term subcontracts impossible.

(2) Amending the CMV requirements for the location of temporary markings for leased/interchanged vehicles. The petitioners argued that the frequent marking changes needed during leases or interchanges would be impractical and unnecessary because the information required is recorded on the driver’s records of duty status for roadside inspectors and safety investigators to review; carriers will have to depend completely on their drivers to properly change vehicle markings dozens of times per day in remote locations; and it is unlikely that a member of the public is going to understand the significance of the markings in the event that he or she focuses on the temporary “operated by” markings rather than the permanent markings on the bus representing the vehicle owner.

(3) Changing the requirement that carriers notify customers within 24 hours when they subcontract service to other carriers. Petitioners argued that a 24-hour deadline is impractical because if an emergency maintenance issue occurs, it may not be possible to

notify the customer in a timely manner, particularly if the issue occurs on the weekend, when the customer's offices are closed, and the start time is before the customer's Monday opening time.

(4) Expanding the 48-hour delay in preparing a lease to include emergencies when passengers are not actually on board a bus. Sometimes events requiring a replacement vehicle might occur when there are no passengers on a vehicle, such as when Amtrak or airline service is suspended or disrupted and buses are needed to transport stranded passengers. A bus operator contracted to provide the rescue service might need to obtain additional drivers and vehicles from other carriers to meet the demand. There might be a last minute maintenance or mechanical issue, or driver illness, that arises late in the evening or during the night (such as on a multi-day charter or tour trip), or just prior to picking up a group for a charter or scheduled service run.

### **FMCSA Decision**

FMCSA plans to issue a rulemaking notice to address the four areas of concern listed above. The Agency believes that less burdensome regulatory alternatives that would not adversely impact safety could be adopted before the January 1, 2018. The Agency denies the petitions for reconsideration of all other aspects of the final rule. These petitions either would have impaired the purpose of the final rule or did not include practical alternatives.

The Agency will provide petitioners with written notification of these decisions at a later date.

## **Public Roundtable**

FMCSA will hold a public roundtable to discuss the four issue areas discussed above. The public will have an opportunity to speak about these issues and provide the Agency with information on how to address them. All public comments will be placed in the docket of this rulemaking. Details concerning the schedule and location of the roundtable, as well as procedural information for participants, will follow in a subsequent Federal Register notice.

Issued on: August 19, 2016

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T. F. Scott Darling, III,  
*Administrator.*

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