Total Burden Hours: 82,350. Vernon A. Williams,

Secretary.

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[Ex Parte No. MC-5 (Sub-No. 12)]

Procedural Change in Authority Revocation Process

AGENCY: Interstate Commerce

Commission.

ACTION: Notice of Procedural Change.

SUMMARY: The purpose of this Notice is to announce changes, effective October 15, 1995, in the Commission's internal procedures for revocation of operating authority based upon noncompliance with the financial security provisions of 49 U.S.C. 10927 and 49 CFR 1043.

DATES: The revised internal procedures announced here will apply to insurance, surety bond and trust fund notices of cancellation filed on or after October 15, 1995. Comments must be filed by October 10, 1995.

ADDRESSES: Send comments (an original and 10 copies) referring to: Docket No. Ex Parte No. MC–5 (Sub-No. 12), Procedural Change in Authority Revocation Process, to the Office of the Secretary, Case Control Branch, Interstate Commerce Commission, 1201 Constitution Avenue, NW., Washington, DC 20423.

FOR FURTHER INFORMATION CONTACT: Dixie E. Horton, (202) 927–5520 or Patricia A. Burke, (202) 927–5520. [TDD for the hearing impaired: (202) 927– 5721.]

SUPPLEMENTARY INFORMATION: The Interstate Commerce Act requires that motor carriers, brokers, and household goods freight forwarders must maintain insurance or other security in order to operate in interstate commerce. Under our current insurance and surety compliance program, as soon as we learn that a regulated entity's insurance is about to lapse, we initiate a license revocation proceeding. The revocation process, however, is not completed until 120 days after the date when the security is cancelled. We intend to shorten and simplify the revocation process in order to better protect the public and to make better use of scarce Commission resources without impinging on an authority holder's rights under the statute.

Under the Statute.
Under the Commission's current revocation process, when the Commission receives a 30-day advance notice of cancellation from an insurer about to cancel a carrier's or a household goods freight forwarder's

insurance, or a broker's surety bond or trust fund agreement, it immediately sends a letter to the carrier, forwarder or broker. The letter advises the authority holder of the cancellation date, and it indicates that any operations without insurance are unlawful and that revocation proceedings will begin in the event of failure to comply with insurance requirements. Unless the Commission receives acceptable evidence demonstrating that the authority holder's insurance or security has been renewed by the end of the 30day advance notification period, the agency institutes a revocation proceeding (first decision). The first decision requires the holder either to show cause why its authority should not be revoked or to achieve compliance within 60 days. After 60 days, if the Commission has not received notification of insurance or broker security renewal, a second decision is issued, establishing a second 60-day compliance period (second decision). If the Commission has not received evidence of an acceptable insurance filing by the end of the second 60-day period, the authority stands revoked. A final notice (third decision) is then issued formally revoking the authority. If, however, compliance is achieved within either of the 60-day periods, a notice of discontinuance of the revocation proceeding is issued.

In our continuing efforts to ensure that our regulatory procedures are performed efficiently and effectively, we have concluded that the current procedure is too labor-intensive, and, because it is so time-consuming, it has the potential for putting the public at unnecessary risk. We do not have sufficient staff to issue 4 documents to complete what ought to be a ministerial process. Moreover, a carrier, broker, or household goods forwarder retains its license for 4 months after its security has lapsed; during that period of time, the public is at risk from uninsured carriers that may continue operatingalbeit unlawfully—under color of their license. Shortening our revocation procedures will conserve scarce resources and better protect the public.

Under the revised procedures, upon receipt of the 30-day advance notice of cancellation filed by the insurer, the Commission will issue an initial order to the carrier, broker, or forwarder instituting a revocation proceeding. The order will note the cancellation date and will indicate that any operations without insurance are unlawful. This order will also direct the authority holder either to obtain replacement coverage or to show good cause within 30 days of the service date of the order

why its authority should not be revoked. The order will further provide that failure to respond or comply within 30 days of the service date of the order shall result in revocation of its operating rights. In the event that acceptable evidence of insurance is not filed within the 30-day period, or that the authority holder has not shown cause why its authority should not be revoked, a final order will be issued notifying the holder that its operating authority has been revoked.

If the holder achieves compliance within the 30-day period, a notice discontinuing the revocation proceeding will be issued. Pending receipt of the notice, the authority holder will have various options to verify its renewed compliance prior to notification of the discontinuance. It could confirm that we have received acceptable filings by contacting its own insurance company/ agent or the Commission's Regional offices, or by accessing the Commission's Automated Response Capability system at (202) 927-7600. Copies of the initial order, and the final revocation order or the notice discontinuing the proceeding will continue to be placed in the authority holder's public docket file.

These procedures—under which a four-step process concluding 120 days beyond an insurance lapse is replaced with a two-step process concluding within a few days after an insurance lapse—will not alter substantive rights and responsibilities. They simply provide for a more effective and expeditious method of protecting the public from operations by uninsured motor carriers, brokers and forwarders by reducing the time period within which operating authorities will be revoked for failure to comply with 49 U.S.C. 10927.

We will provide a brief comment period to enable interested parties to submit written statements or arguments regarding the revised process. Notice of the procedural change will be published in the Federal Register and the ICC Register, and interested parties will have 10 days to comment.

Environmental Statement

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Authority: 49 U.S.C. 10925 and 10927; 49 CFR 1043 and 1084.

Decided: September 25, 1995.

¹Under section 10927, the holder's authority remains in effect only so long as the holder is in compliance with the security limits.