

TRANSLAW ALERT



THE TRANSLAW GROUP, INC.
FOR IMMEDIATE RELEASE

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ARE YOU AN UNLICENSED PROPERTY BROKER

Effective October 1, 2013 motor carriers that routinely engage in "brokering" of loads to other carriers without holding a broker's license may find that they are in violation of a new regulation pursuant to MAP-21 - Moving Ahead for Progress in the 21st Century.

Any entity providing brokering service must hold a broker's license. Many motor carriers do not hold a broker's license but engage in brokering on a daily basis. Currently it is legal to provide such service but after October 1, 2013 it will be illegal and the penalty is \$10,000.00 for each violation.

AND, to complicate matters after October 1, 2013 applicants for a broker's license will have to prove itself worthy of a broker's license through training and/or documentary evidence. All brokers after October 1, 2013 will have to produce a surety bond in the amount of \$75,000.00 rather than the current \$10,000.00 requirement.

The new surety bond requirement should cost about \$7,000.00 according to industry estimates. Many entities may find that they cannot qualify for the new bonding requirement even if they have the money!

It should be noted that the new entities will have to form new companies in order to avoid carrier liability from combining the two types of service, motor carriage and brokering, into one entity.

To learn more about this dramatic and perhaps unintended result of MAP-21 call the office for more specifics that will address your particular situation.

Thank you.

Jim Burns