

# UCR Fee Reduction Methodology

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March 23, 2016

## Working Principle

If UCR revenues for a given registration year exceed \$112.7 million, any excess revenues for that RY will be used to lower registration fees for the next (feasible) registration year

Scenario:

Assume we will cap at \$112.7  
MM for RY 2015.

In order to know the exact amount by which we exceed the cap, we have to wait until RY 2015 ends on 12/31/16.  
(27 months from 10/1/14)

12/31/16 – the end of RY 2015 - is only  
9 months from the commencement of  
**RY 2018!**

RY 2017 commenced on 10/1/16  
(no fee reduction possible for RY2017)

## Caveat:

The Depository cannot distribute  
“receivables”.

“Revenues collected” = Cash collected

## Cash Forwarding Period

States typically forward revenues collected through State systems within 30-60 days

## RY 2015 Closing

Assuming no extensions or adjustments to the “closing”, the last RY2015 “cash” arrives at the Depository around 2/28/17



# Fee Reduction Rule Of Thumb

“X+3”

X = cap year

X+3 = earliest fee reduction year  
(ex. 2015/2018)

Current Best Possible Fee Reduction Case:

Methodology pre-cleared with FMCSA(?)

Present new fees calculations to FMCSA on 3/1/17

FMCSA issues a rulemaking by 9/1/17 in order for the Board and States to have 30 days' preparation for RY18

Board and States commence RY18 registration on 10/1/17  
with the new fees in place

**Begin 2015  
Registration**

**Ry15 Closed  
New Fees To  
FMCSA**

**Begin 2018  
Registration**

**◀ Registration Year 2015 ▶  
(21 months)**

**Ry15 Ends**

**State Prep  
9/1/17 (?)**

**◀ Fee Rule ▶**

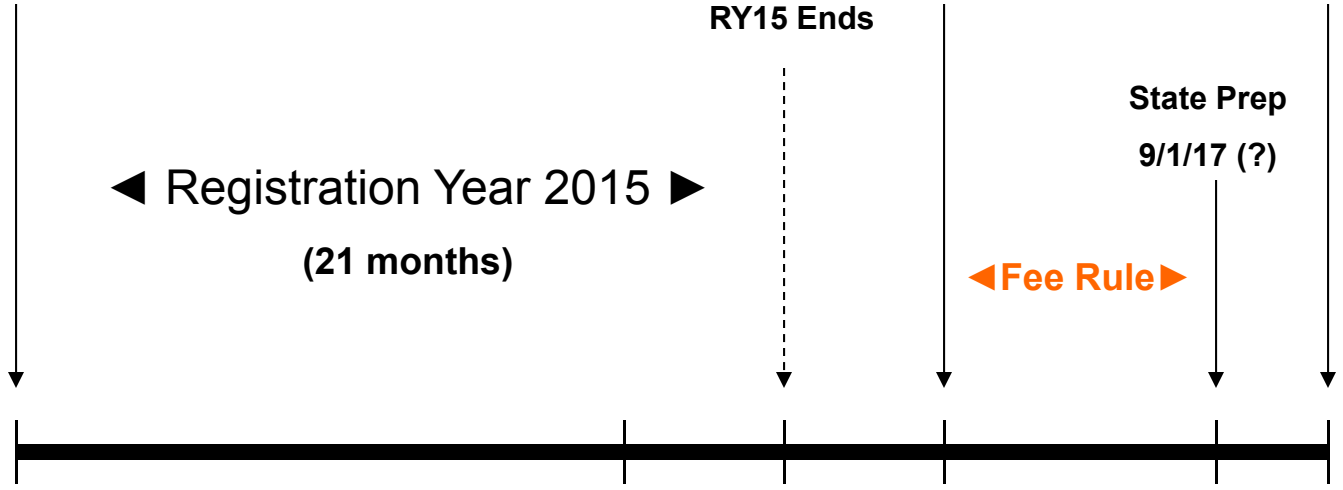
**10/1/14**

**10/1/16  
RY17  
Begins**

**12/31/16**

**3/1/17**

**10/1/17**



## Fee Reduction Methodology

$(\text{Excess } \$\$\$ / \text{Cap } \$\$\$) = \text{Reduction } \%$   
Apply % Equally Across Brackets

**Proposed Fee Modification Methodology**  
**Lowest Fee (Currently - \$76)**

<u>Exceed Cap</u> <u>By (MM)</u>	<u>Cap</u>	<u>Pct of</u> <u>Cap</u>	<u>Old Fee</u>	<u>New Fee</u>	<u>Reduce</u>
\$1.0	\$112.7	0.89%	\$76.00	\$75.33	\$0.67
\$2.0	\$112.7	1.77%	\$76.00	\$74.65	\$1.35
\$3.0	\$112.7	2.66%	\$76.00	\$73.98	\$2.02
\$4.0	\$112.7	3.55%	\$76.00	\$73.30	\$2.70
\$5.0	\$112.7	4.44%	\$76.00	\$72.63	\$3.37

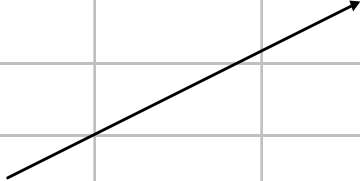
Exceed Cap By (MM)▶	\$1.0	\$2.0	\$3.0	\$4.0	\$5.0	\$6.0	\$7.0	\$8.0	\$9.0	\$10.0				
Cap	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7	\$112.7			
Excess As % Cap	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 1</b>														
Old Fee	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00			
New Fee	\$75.33	\$74.65	\$73.98	\$73.30	\$72.63	\$71.95	\$71.28	\$70.61	\$69.93	\$69.26				
Reduction	\$0.67	\$1.35	\$2.02	\$2.70	\$3.37	\$4.05	\$4.72	\$5.39	\$6.07	\$6.74				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 2</b>														
Old Fee	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00	\$227.00			
New Fee	\$224.99	\$222.97	\$220.96	\$218.94	\$216.93	\$214.91	\$212.90	\$210.89	\$208.87	\$206.86				
Reduction	\$2.01	\$4.03	\$6.04	\$8.06	\$10.07	\$12.09	\$14.10	\$16.11	\$18.13	\$20.14				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 3</b>														
Old Fee	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00	\$452.00			
New Fee	\$447.99	\$443.98	\$439.97	\$435.96	\$431.95	\$427.94	\$423.93	\$419.91	\$415.90	\$411.89				
Reduction	\$4.01	\$8.02	\$12.03	\$16.04	\$20.05	\$24.06	\$28.07	\$32.09	\$36.10	\$40.11				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 4</b>														
Old Fee	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00	\$1,576.00			
New Fee	\$1,562.02	\$1,548.03	\$1,534.05	\$1,520.06	\$1,506.08	\$1,492.10	\$1,478.11	\$1,464.13	\$1,450.14	\$1,436.16				
Reduction	\$13.98	\$27.97	\$41.95	\$55.94	\$69.92	\$83.90	\$97.89	\$111.87	\$125.86	\$139.84				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 5</b>														
Old Fee	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00	\$7,511.00			
New Fee	\$7,444.35	\$7,377.71	\$7,311.06	\$7,244.42	\$7,177.77	\$7,111.12	\$7,044.48	\$6,977.83	\$6,911.19	\$6,844.54				
Reduction	\$66.65	\$133.29	\$199.94	\$266.58	\$333.23	\$399.88	\$466.52	\$533.17	\$599.81	\$666.46				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				
<b>Tier 6</b>														
Old Fee	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00	\$73,346.00			
New Fee	\$72,695.19	\$72,044.39	\$71,393.58	\$70,742.77	\$70,091.96	\$69,441.16	\$68,790.35	\$68,139.54	\$67,488.73	\$66,837.93				
Reduction	\$650.81	\$1,301.61	\$1,952.42	\$2,603.23	\$3,254.04	\$3,904.84	\$4,555.65	\$5,206.46	\$5,857.27	\$6,508.07				
	0.89%	1.77%	2.66%	3.55%	4.44%	5.32%	6.21%	7.10%	7.99%	8.87%				

## **Which Fee Gets Reduced?**

**The fee that produces the excess is the fee that gets reduced.**

<u>Registration Year</u>	<u>Fee</u>	<u>Excess (MM)</u>	<u>Pct</u>	<u>Year</u>	<u>New Fee</u>
2015	\$76.00	\$1.0	0.89%	2018	\$75.33
2016	\$76.00	\$1.5	1.33%	2019	\$74.99
2017	\$76.00	\$2.0	1.77%	2020	\$74.65
2018	\$75.33	\$1.0	0.89%	2021	\$74.66
2019	\$74.99	\$1.5	1.33%	2022	\$73.99
2020	\$74.65	\$2.0	1.77%	2023	\$73.33
2021	\$74.66	\$1.0	0.89%	2024	\$73.99

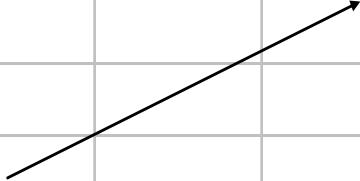
**Fee Goes UP**





<u>Registration Year</u>	<u>Fee</u>	<u>Excess (MM)</u>	<u>Pct</u>	<u>Year</u>	<u>New Fee</u>
2015	\$76.00	\$1.0	0.89%	2018	\$75.33
2016	\$76.00	\$1.5	1.33%	2019	\$74.99
2017	\$76.00	\$2.0	1.77%	2020	\$74.65
2018	\$75.33	\$1.0	0.89%	2021	\$74.66
2019	\$74.99	\$1.5	1.33%	2022	\$73.99
2020	\$74.65	\$2.0	1.77%	2023	\$73.33
2021	\$74.66	\$1.0	0.89%	2024	\$73.99

**Fee Goes UP**



## **“Automatic” Fee Adjustment**

This methodology, once approved, could possibly be “automatically” applied every year.

## **Questions / Issues:**

Can We “Pre-Clear” Methodology With FMCSA?  
(One Fee Rule?)

“Dollars and Cents” Fee Is The New Format