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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend title 49, United States Code, to combat freight fraud and theft,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KNOTT introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title 49, United States Code, to combat freight
fraud and theft, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing American
5 Freight, Enforcement, and Reliability in Transport Act”
6 or the “SAFER Transport Act”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1 (1) ADMINISTRATION.—The term “Administra-
2 tion” means the Federal Motor Carrier Safety Ad-
3 ministration.

4 (2) ADMINISTRATOR.—The term “Adminis-
5 trator” means the Administrator of the Administra-
6 tion.

7 (3) APPROPRIATE COMMITTEES OF CON-
8 GRESS.—The term “appropriate committees of Con-
9 gress” means—

10 (A) the Committee on Commerce, Science,
11 and Transportation of the Senate; and

12 (B) the Committee on Transportation and
13 Infrastructure of the House of Representatives.

14 (4) BROKER.—The term “broker” has the
15 meaning given the term in section 13102 of title 49,
16 United States Code.

17 (5) DEPARTMENT.—The term “Department”
18 means the Department of Transportation.

19 (6) FREIGHT FORWARDER.—The term “freight
20 forwarder” has the meaning given the term in sec-
21 tion 13102 of title 49, United States Code.

22 (7) MC NUMBER.—The term “MC number”
23 means a motor carrier docket number issued by the
24 Administration.

1 (8) MOTOR CARRIER.—The term “motor car-
2 rier” has the meaning given the term in section
3 13102 of title 49, United States Code.

4 (9) SECRETARY.—The term “Secretary” means
5 the Secretary of Transportation.

6 (10) USDOT NUMBER.—The term “USDOT
7 number” has the meaning given the term in section
8 31132 of title 49, United States Code.

9 **SEC. 3. FREIGHT FRAUD AND THEFT ADVISORY COM-**
10 **MITTEE.**

11 (a) IN GENERAL.—Not later than 60 days after the
12 date of enactment of this Act, the Secretary shall establish
13 an advisory committee, to be known as the “Freight
14 Fraud and Theft Advisory Committee” (referred to in this
15 section as the “advisory committee”), to receive input
16 from the public on ways in which the Department could
17 contribute to the reduction of freight fraud and theft using
18 existing authorities of the Department.

19 (b) COMPOSITION.—The advisory committee shall be
20 composed of the following stakeholders:

21 (1) Stakeholders representing each of the fol-
22 lowing:

23 (A) Motor carriers, including independent
24 owner-operators.

25 (B) Railroads.

1 (C) Ports.

2 (D) Marine terminal operators.

3 (E) Freight brokers.

4 (F) Aviation operators.

5 (G) State and local law enforcement offi-
6 cials.

7 (H) Shippers.

8 (I) Insurance companies.

9 (2) Other stakeholders that the Secretary deter-
10 mines would provide insightful information on ways
11 to address freight fraud and theft.

12 (c) DUTIES.—The advisory committee shall provide
13 to the Secretary input and recommendations on ways in
14 which the Department could contribute to the reduction
15 of freight fraud and theft, including ways in which the
16 Department could improve coordination within the De-
17 partment and between the Department and other Federal
18 agencies to identify and respond to freight fraud and theft.

19 (d) REPORT.—Not later than 2 years after the date
20 on which the advisory committee is established under sub-
21 section (a), the advisory committee shall submit to the
22 Secretary and to the appropriate committees of Congress
23 a report that includes the findings of the advisory com-
24 mittee, any recommendations provided to the Secretary

1 under subsection (c), and any other recommendations re-
2 lating to the matters described in that subsection.

3 (e) SUNSET.—The advisory committee shall termi-
4 nate on submission of the report under subsection (d).

5 **SEC. 4. MEMORANDUM OF UNDERSTANDING ON FREIGHT**
6 **FRAUD AND THEFT.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of enactment of this Act, the Secretary and the Attor-
9 ney General shall enter into a memorandum of under-
10 standing on addressing freight fraud and theft.

11 (b) REQUIREMENT.—At a minimum, the memo-
12 randum of understanding entered into under subsection
13 (a) shall—

14 (1) require the Department to notify appro-
15 priate officials at the Department of Justice of any
16 freight fraud or theft identified through the regu-
17 latory or enforcement work of the Department, and
18 specify the method for such notification; and

19 (2) require the Department of Justice to estab-
20 lish a process for receiving and handling such infor-
21 mation from the Department.

22 **SEC. 5. SECURING THE REGISTRATION SYSTEM OF THE AD-**
23 **MINISTRATION.**

24 (a) IN GENERAL.—During the 5-year period begin-
25 ning on the date of enactment of this Act, the Secretary—

1 (1) shall not issue or renew an MC number;
2 and

3 (2) shall take other appropriate steps to phase
4 out reference to MC numbers.

5 (b) TRANSITION TO USE OF USDOT NUMBERS.—

6 The Secretary shall ensure that, as of the date that is 5
7 years after the date of enactment of this Act—

8 (1) no motor carrier, broker, or freight for-
9 warder holds an MC number; and

10 (2) each motor carrier, broker, and freight for-
11 warder has been assigned a USDOT number.

12 (c) REGISTRATION OF FREIGHT FORWARDERS.—

13 Section 13903(a) of title 49, United States Code, is
14 amended—

15 (1) in paragraph (1), by striking “and” at the
16 end;

17 (2) in paragraph (2), by striking the period at
18 the end and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(3) has been issued a USDOT number under
21 section 31134.”.

22 (d) REGISTRATION OF BROKERS.—Section 13904(a)
23 of title 49, United States Code, is amended—

24 (1) in paragraph (1), by striking “and” at the
25 end;

1 (2) in paragraph (2), by striking the period at
2 the end and inserting “; and”; and

3 (3) by adding at the end the following:

4 “(3) has been issued a USDOT number under
5 section 31134.”.

6 (e) DEFINITIONS.—Section 31132 of title 49, United
7 States Code, is amended—

8 (1) in the matter preceding paragraph (1), by
9 striking the em dash and inserting a colon;

10 (2) in paragraph (8), by striking “31136 and
11 31140–31142” and inserting “31136, 31141, and
12 31142”;

13 (3) in each of paragraphs (1) through (11)—

14 (A) by inserting “The term” after the
15 paragraph designation; and

16 (B) by inserting a paragraph heading, the
17 text of which comprises the term defined in the
18 paragraph;

19 (4) by redesignating paragraphs (1) through
20 (11) as paragraphs (2), (6), (7), (8), (9), (10), (11),
21 (13), (14), (15), and (16), respectively;

22 (5) by inserting before paragraph (2) (as so re-
23 designated) the following:

1 “(1) ADMINISTRATION.—The term ‘Administra-
2 tion’ means the Federal Motor Carrier Safety Ad-
3 ministration.”;

4 (6) by inserting after paragraph (2) (as so re-
5 designated) the following:

6 “(3) CONVICTED.—The term ‘convicted’, with
7 respect to an employer or person, means that a con-
8 viction has been made final with respect to that em-
9 ployer or person.

10 “(4) CONVICTION.—The term ‘conviction’
11 means a finding of guilt (including a plea of nolo
12 contendere) or imposition of sentence, or both, by
13 any judicial body charged with the responsibility to
14 determine violations of Federal or State law.

15 “(5) COVERED FELONY.—The term ‘covered
16 felony’ means a felony under Federal or State law
17 involving—

18 “(A) transportation, trafficking, or smug-
19 gling of persons, property, firearms, or con-
20 trolled substances;

21 “(B) theft, fraud, coercion, or extortion—

22 “(i) involving the commercial trans-
23 portation of property or passengers; or

24 “(ii) in connection with operation as a
25 motor carrier; or

1 “(C) transportation of property or pas-
2 sengers in violation of an immigration or labor
3 law.”;

4 (7) by inserting after paragraph (11) (as so re-
5 designated) the following:

6 “(12) SECRETARY.—The term ‘Secretary’
7 means the Secretary of Transportation.”; and

8 (8) by adding at the end the following:

9 “(17) USDOT NUMBER.—The term ‘USDOT
10 number’ means a unique identifier issued to an em-
11 ployer or person under section 31134.”.

12 (f) USDOT NUMBERS.—Section 31134 of title 49,
13 United States Code, is amended—

14 (1) in subsection (a)—

15 (A) in the fourth sentence, by striking
16 “An” and inserting the following:

17 “(5) MOTOR CARRIERS.—An”;

18 (B) in the third sentence, by striking
19 “Nothing” and inserting the following:

20 “(4) INTRASTATE OPERATORS.—Nothing”;

21 (C) in the second sentence, by striking
22 “An” and inserting the following:

23 “(2) REGISTRATION AND USDOT NUMBER RE-
24 QUIRED.—An”; and

1 (D) by striking the subsection designation
2 and heading and all that follows through the
3 period at the end of the first sentence and in-
4 serting the following:

5 “(a) REGISTRATION.—

6 “(1) IN GENERAL.—On application, and subject
7 to paragraphs (3) and (6) and subsections (b) and
8 (d), the Secretary shall register—

9 “(A) an employer or person subject to the
10 safety jurisdiction of this subchapter; or

11 “(B) a motor carrier, broker, or freight
12 forwarder subject to chapter 139.”; and

13 (E) by inserting after paragraph (2) the
14 following:

15 “(3) USDOT NUMBERS.—A USDOT number
16 shall—

17 “(A) be required to obtain registration
18 under this section or part B of subtitle IV;

19 “(B) uniquely identify the employer or per-
20 son to which it is issued; and

21 “(C) be the only unique identifier issued by
22 the Secretary to the employer or person for
23 purposes of this section or part B of subtitle
24 IV.”;

25 (2) in subsection (b)—

1 (A) in the matter preceding paragraph (1),
2 by striking “subsection (a)” and inserting “this
3 subsection”;

4 (B) in paragraph (2)—

5 (i) by striking “(A)”; and

6 (ii) by striking “listed in subsection
7 (b)(1)” and inserting “described in sub-
8 paragraph (A)”;

9 (C) by redesignating paragraphs (1)
10 through (3) as subparagraphs (A) through (C),
11 respectively, and indenting appropriately; and

12 (D) by striking the subsection designation
13 and heading and all that follows through “The”
14 in the matter preceding subparagraph (A) (as
15 so redesignated) and inserting the following:

16 “(6) REQUIREMENTS.—The”;

17 (3) by redesignating subsections (e) through (e)
18 as subsections (d) through (f), respectively;

19 (4) by inserting after subsection (a) the fol-
20 lowing:

21 “(b) WITHHOLDING OF REGISTRATION.—The Sec-
22 retary may withhold registration from an employer or per-
23 son under subsection (a) if the employer or person has
24 been convicted of a covered felony relating to the motor

1 carrier operations of, or use of a commercial motor vehicle
2 by, the employer or person.

3 “(c) OWNERSHIP CHANGES AND TRANSFERS.—Not
4 later than 30 days after a motor carrier, broker, or freight
5 forwarder associated with a USDOT number of an em-
6 ployer or person under this section experiences a change
7 in ownership, including through purchase, sale, merger,
8 acquisition, or any other transfer, the new employer or
9 person owning the motor carrier, broker, or freight for-
10 warder shall notify the Administration of the change in
11 ownership.”; and

12 (5) in subsection (d) (as so redesignated)—

13 (A) in paragraph (1), by striking “sections
14 13905(d)(1)” and inserting “section
15 13905(d)(2)”;

16 (B) in paragraph (2), by striking “listed in
17 subsection (b)(1)” and inserting “described in
18 subsection (a)(6)(A)”;

19 (C) in paragraph (3), by striking “listed in
20 subsection (b)(1)” and inserting “described in
21 subsection (a)(6)(A)”;

22 (D) in paragraph (4), by striking the pe-
23 riod at the end and inserting “; or”;

1 (E) by redesignating paragraphs (1)
2 through (4) as subparagraphs (A) through (D),
3 respectively, and indenting appropriately;

4 (F) in the matter preceding subparagraph
5 (A) (as so redesignated), by striking “The Sec-
6 retary” and inserting the following:

7 “(1) IN GENERAL.—The Secretary”;

8 (G) in paragraph (1) (as so designated), by
9 adding at the end the following:

10 “(E) the employer or person failed to dis-
11 close, in an application for registration under
12 subsection (a) or any update required by sub-
13 section (e), a material fact relevant to the will-
14 ingness or ability of the employer or person to
15 comply with—

16 “(i) the requirements described in
17 subsection (a)(6)(A); or

18 “(ii) an order of the Secretary.”; and

19 (H) by adding at the end the following:

20 “(2) CERTAIN CONVICTIONS.—The Secretary
21 may revoke the registration of an employer or per-
22 son issued under subsection (a) after notice and an
23 opportunity for a proceeding, or suspend the reg-
24 istration after giving notice of the suspension to the
25 employer or person, if the employer or person has

1 been convicted of a covered felony relating to the
2 motor carrier operations of, or use of a commercial
3 motor vehicle by, the employer or person.”.

4 (g) REGISTRATION OF MOTOR CARRIERS.—Section
5 13902(a)(4) of title 49, United States Code, is amended—

6 (1) by striking “If” and inserting the following:

7 “(A) IN GENERAL.—If”; and

8 (2) by adding at the end the following:

9 “(B) CERTAIN CONVICTIONS.—The Sec-
10 retary may withhold registration from a reg-
11 istrant if the registrant has been convicted (as
12 defined in section 31132) of a covered felony
13 (as defined in that section) relating to the
14 motor carrier operations of, or use of a com-
15 mercial motor vehicle by, the registrant.”.

16 (h) COMPLETION OF REGISTRATION SYSTEM.—Not
17 later than 1 year after the date of enactment of this Act,
18 the Secretary shall complete all requirements relating to
19 the establishment of the Unified Carrier Registration Sys-
20 tem under section 13908 of title 49, United States Code.

21 (i) CONFORMING AMENDMENTS.—

22 (1) Section 321(4) of the United States-Mexico-
23 Canada Agreement Implementation Act (19 U.S.C.
24 4571(4)) is amended by striking “paragraph (1)”
25 and inserting “paragraph (2)”.

1 (2) Section 224(b) of the Motor Carrier Safety
2 Improvement Act of 1999 (49 U.S.C. 31100 note;
3 Public Law 106–159) is amended, in the first sen-
4 tence, by striking “section 31132(1)(B)” and insert-
5 ing “section 31132(2)(B)”.

6 (3) Section 4008(b) of the Transportation Eq-
7 uity Act for the 21st Century (49 U.S.C. 31136
8 note; Public Law 105–178) is amended by striking
9 “section 31132(1)(B) of such title (as amended by
10 subsection (a))” and inserting “section 31132(2)(B)
11 of that title”.

12 (4) Section 32702(3) of the Motorcoach En-
13 hanced Safety Act of 2012 (49 U.S.C. 31136 note;
14 Public Law 112–141) is amended by striking “sec-
15 tion 31132(1)” and inserting “section 31132”.

16 (5) Subchapter III of chapter 311 of title 49,
17 United States Code, is amended—

18 (A) by striking “Federal Motor Carrier
19 Safety Administration” each place it appears
20 and inserting “Administration”; and

21 (B) by striking “Secretary of Transpor-
22 tation” each place it appears and inserting
23 “Secretary”.

1 **SEC. 6. STRENGTHENING STATE LICENSING TO ENSURE**
2 **LEGAL DRIVERS.**

3 (a) IN GENERAL.—Section 31311(a)(12) of title 49,
4 United States Code, is amended—

5 (1) in subparagraph (A), by striking “subpara-
6 graphs (B) and (C)” and inserting “subparagraphs
7 (B) through (D)”;

8 (2) by redesignating subparagraph (C) as sub-
9 paragraph (D); and

10 (3) by inserting after subparagraph (B) the fol-
11 lowing:

12 “(C) A State that issues a commercial learner’s
13 permit or a commercial driver’s license to an indi-
14 vidual who is not a citizen or lawful permanent resi-
15 dent of the United States shall—

16 “(i) confirm that the applicant for the
17 commercial learner’s permit or commercial driv-
18 er’s license is authorized to work in the United
19 States;

20 “(ii) provide to the Administrator of the
21 Federal Motor Carrier Safety Administration
22 such information as the Administrator deter-
23 mines necessary to confirm that the applicant is
24 authorized to work in the United States; and

25 “(iii) if the applicant’s authorization to
26 work in the United States expires before the

1 date on which the applicant’s commercial learn-
2 er’s permit or commercial driver’s license would
3 otherwise expire, align the expiration of the ap-
4 plicant’s commercial learner’s permit or com-
5 mercial driver’s license to the date on which the
6 applicant’s authorization to work in the United
7 States expires.”.

8 (b) MONTHLY REPORT.—Chapter 313 of title 49,
9 United States Code, is amended by adding at the end the
10 following:

11 **“§ 31318. Monthly report on commercial driver’s li-**
12 **censes**

13 “Not later than the last day of each month, each
14 State that issues commercial driver’s licenses under this
15 chapter shall submit to the Secretary of Transportation
16 a report describing—

17 “(1) the number of commercial learner’s per-
18 mits issued by the State during the preceding
19 month;

20 “(2) the number of commercial driver’s licenses
21 issued by the State during the preceding month;

22 “(3) the number of foreign non-domiciled com-
23 mercial driver’s licenses issued by the State during
24 the preceding month;

1 “(4) the number of endorsements issued by the
2 State during the preceding month; and

3 “(5) the number of, and justification for, rev-
4 ocations, suspensions, and downgrades of commer-
5 cial driver’s licenses by the State during the pre-
6 ceding month.”.

7 (c) CLERICAL AMENDMENT.—The analysis for chap-
8 ter 313 of title 49, United States Code, is amended by
9 adding at the end the following:

“31318. Monthly report on commercial driver’s licenses.”.

10 **SEC. 7. IMPROVEMENTS TO COMMERCIAL DRIVER’S LI-**
11 **CENSE TRAINING PROVIDER REGISTRY.**

12 Section 31305 of title 49, United States Code, is
13 amended—

14 (1) in subsection (a), in the matter preceding
15 paragraph (1), by inserting “(referred to in this sec-
16 tion as the ‘Secretary’)” after “Secretary of Trans-
17 portation”; and

18 (2) by adding at the end the following:

19 “(e) TRAINING PROVIDER REGISTRY.—

20 “(1) DEFINITIONS.—In this subsection:

21 “(A) ADMINISTRATION.—The term ‘Ad-
22 ministration’ means the Federal Motor Carrier
23 Safety Administration.

24 “(B) PRINCIPAL PLACE OF BUSINESS.—

25 The term ‘principal place of business’, with re-

1 spect to a provider, means a single physical
2 business location of the provider where—

3 “(i) management officials of the pro-
4 vider report to work; and

5 “(ii) the provider conducts a signifi-
6 cant portion of its business relating to the
7 training of persons to transport persons or
8 property.

9 “(C) PROVIDER.—The term ‘provider’
10 means a training provider (within the meaning
11 of subpart G of part 380 of title 49, Code of
12 Federal Regulations (or successor regulations)).

13 “(D) REGISTRY.—The term ‘registry’
14 means the training provider registry maintained
15 by the Administration.

16 “(2) AUDITS .—

17 “(A) IN GENERAL.—The Secretary shall
18 establish a process to audit providers listed on
19 the registry to ensure that each provider meets
20 the criteria established by the Secretary to pro-
21 vide training.

22 “(B) ROLE OF STATES.—The Secretary
23 may require States—

24 “(i) to conduct an audit under sub-
25 paragraph (A); or

1 “(ii) to collect relevant information
2 from providers in the State for the Admin-
3 istration to audit.

4 “(3) REMOVAL FOR NONDISCLOSURE OF CER-
5 TAIN RELATIONSHIPS.—On complaint or on the ini-
6 tiative of the Secretary, the Secretary may, after
7 providing notice and an opportunity to be heard,
8 withhold, suspend, or revoke the registration of any
9 provider listed on the registry if the Secretary finds
10 that the provider failed to disclose any relationship,
11 whether arising from common ownership, manage-
12 ment, control, or familial ties, with another provider
13 listed on the registry or with any applicant for inclu-
14 sion on the registry whom the Secretary has deter-
15 mined to be unwilling or unable to comply with an
16 applicable regulation or order of the Secretary.

17 “(4) EXPEDITED REMOVAL FROM REGISTRY.—
18 Not later than 120 days after the date of enactment
19 of this subsection, the Secretary shall establish a
20 process for States to remove a provider from the
21 registry if the State determines that the provider—

22 “(A) is no longer in business;

23 “(B) has been found guilty of committing
24 fraud; or

1 “(C) has violated State regulations gov-
2 erning commercial motor vehicle operator train-
3 ing.

4 “(5) REGISTRATION OF PROVIDERS.—

5 “(A) IN GENERAL.—An entity seeking to
6 become a provider in accordance with sub-
7 section (c) shall register with the Administra-
8 tion.

9 “(B) PRINCIPAL PLACE OF BUSINESS.—A
10 provider may not be added to the registry un-
11 less the provider has registered a principal place
12 of business with the Administration.

13 “(C) EXISTING PROVIDERS.—A provider
14 listed on the registry as of the date of enact-
15 ment of this subsection—

16 “(i) shall register a principal place of
17 business with the Administration by the
18 date that is 1 year after that date of enact-
19 ment; and

20 “(ii) shall be removed from the reg-
21 istry if the provider has not registered a
22 principal place of business with the Admin-
23 istration by the deadline described in
24 clause (i).

1 “(6) DEADLINE FOR REVIEW OF COMPLAINTS
2 AGAINST PROVIDERS.—Not later than 180 days
3 after receiving a complaint against a provider in-
4 cluded on the registry, the Administration shall
5 make a determination with respect to resolving that
6 complaint.”.

7 **SEC. 8. PREVENTING, DETECTING, AND ADDRESSING**
8 **FRAUD IN REGISTRATION.**

9 (a) DEFINITIONS.—In this section:

10 (1) EXISTING USER.—The term “existing user”
11 means a motor carrier that has access to, is reg-
12 istered for, or is otherwise included in the registra-
13 tion system.

14 (2) FLAGGED USER.—The term “flagged user”
15 means a new user or existing user—

16 (A) the activity of which is flagged as sus-
17 picious by an automated system implemented
18 under subsection (b);

19 (B) with respect to which a discrepancy or
20 other suspicious matter is identified; or

21 (C) with respect to which the Administra-
22 tion receives a report or other notification of—

23 (i) failure to disclose a material fact;

24 (ii) fraud;

25 (iii) any activity indicative of fraud; or

1 (iv) any other suspicious activity per-
2 taining to the registration system.

3 (3) NEW USER.—The term “new user” means
4 a motor carrier or broker that first accesses or reg-
5 isters, or is first included in, the registration system.

6 (4) PERSON.—The term “person” has the
7 meaning given the term in section 13102 of title 49,
8 United States Code.

9 (5) REGISTRATION SYSTEM.—The term “reg-
10 istration system” means the system that the Admin-
11 istration uses to register motor carriers or brokers
12 as required under section 13908 of title 49, United
13 States Code.

14 (b) AUTOMATED SYSTEMS.—Not later than 1 year
15 after the date of enactment of this Act, the Administrator
16 shall develop and implement 1 or more automated systems
17 to flag suspicious activity in the registration system, or
18 by motor carriers, brokers, or other persons dealing with
19 the Administration, such as—

20 (1) rapid or unusual changes to motor carrier
21 or broker information;

22 (2) unusual registration patterns; or

23 (3) duplicate business identifiers.

24 (c) REVIEW OF FLAGGED USERS.—

1 (1) IN GENERAL.—The Administrator shall es-
2 tablish a process to review each flagged user to de-
3 termine whether that user engaged in fraud with re-
4 spect to the registration system.

5 (2) REQUIREMENTS.—A review under para-
6 graph (1) shall—

7 (A) begin immediately on—

8 (i) the flagging of suspicious activity
9 by an automated system implemented
10 under subsection (b);

11 (ii) the identification of any discrep-
12 ancy or other suspicious matter; or

13 (iii) the receipt of a report or other
14 notification described in subsection
15 (a)(3)(C); and

16 (B) include an audit of the flagged user, if
17 appropriate or necessary to resolve the review.

18 (3) SUSPENSION.—

19 (A) IN GENERAL.—The Administrator
20 may—

21 (i) temporarily suspend the registra-
22 tion of any flagged user in the registration
23 system during a review under paragraph
24 (1); or

1 (ii) note in any record of the Adminis-
2 tration, including a public record published
3 on the registration system, that a review of
4 the applicable flagged user is ongoing.

5 (B) REQUIREMENT.—If the Administrator
6 temporarily suspends a registration of a flagged
7 user under subparagraph (A)(i), the Adminis-
8 trator shall provide to the flagged user a period
9 of not less than 30 days to respond to and ad-
10 dress any problems identified by the Adminis-
11 trator for purposes of resolving the review.

12 (4) REMOVAL AND OTHER PENALTIES.—

13 (A) IN GENERAL.—On a determination
14 that a motor carrier, broker, or any other per-
15 son has failed to disclose a material fact, sub-
16 mitted fraudulent information, or committed
17 fraud with respect to the registration system,
18 the Administrator shall, as the Administrator
19 determines to be appropriate—

20 (i) remove the person from the public
21 view of the registration system;

22 (ii) remove the ability of the person to
23 access the registration system; or

1 (iii) suspend or revoke the authority
2 of the person to operate as a motor carrier,
3 broker, or otherwise.

4 (B) REQUIREMENT.—If the Administrator
5 takes an action described in subparagraph
6 (A)(iii), the Administrator shall maintain the
7 information of the applicable person in the reg-
8 istration system to assist the Administrator in
9 identifying future fraudulent activities of the
10 person.

11 (d) RECORDS UPDATES.—Any update to a record in
12 the registration system under this section—

13 (1) shall be made instantaneously, or as near
14 instantaneously as possible, with respect to the de-
15 termination relating to the update; and

16 (2) shall not be made unless the person request-
17 ing the update verifies that the person is authorized
18 to request the update.

19 (e) GUIDANCE.—

20 (1) IN GENERAL.—Not later than 90 days after
21 the date of enactment of this Act, the Administrator
22 shall issue to motor carriers and brokers guidance
23 about how to protect against fraudulent activities.

1 (2) UPDATES.—The Administrator shall update
2 the guidance issued under paragraph (1) as appro-
3 priate to improve awareness of fraudulent activities.

4 **SEC. 9. ENFORCEMENT OF CABOTAGE LAWS.**

5 (a) IN GENERAL.—The Administrator and the Com-
6 missioner of U.S. Customs and Border Protection shall
7 enter into a memorandum of understanding with respect
8 to how the Administrator and State law enforcement agen-
9 cies communicate to the Commissioner information relat-
10 ing to violations of—

11 (1) section 13902(k) of title 49, United States
12 Code, relating to the prohibition on the provision of
13 point-to-point transportation services within the
14 United States by drivers or motor carriers, including
15 motor private carriers (as defined in section 13102
16 of title 49, United States Code), domiciled in Mexico
17 or Canada operating in the United States; and

18 (2) section 13902(l) of title 49, United States
19 Code, relating to the prohibition on the provision of
20 point-to-point transportation services within the
21 United States by unauthorized alien drivers.

22 (b) REGISTRATION OF MOTOR CARRIERS.—Section
23 13902 of title 49, United States Code, is amended by add-
24 ing at the end the following:

1 “(k) PROHIBITING CERTAIN FOREIGN MOTOR CAR-
2 RRIERS FROM POINT-TO-POINT TRANSPORT OF DOMESTIC
3 CARGO IN THE UNITED STATES.—

4 “(1) IN GENERAL.—A motor carrier or motor
5 private carrier described in paragraph (2) shall not
6 transport domestic cargo from a point originating
7 within the United States to a destination point also
8 within the United States.

9 “(2) MOTOR CARRIERS AND MOTOR PRIVATE
10 CARRIERS DESCRIBED.—A motor carrier or motor
11 private carrier referred to in paragraph (1) is a
12 motor carrier or motor private carrier that—

13 “(A) is domiciled in Canada or Mexico; or

14 “(B) is domiciled in the United States but
15 owned or controlled, directly or indirectly, by a
16 person domiciled in Mexico.

17 “(l) PROHIBITING UNAUTHORIZED ALIEN DRIVERS
18 FROM POINT-TO-POINT TRANSPORT OF DOMESTIC CARGO
19 IN THE UNITED STATES.—A motor carrier or motor pri-
20 vate carrier shall not knowingly transport domestic cargo
21 from a point originating within the United States to a des-
22 tination point also within the United States in a commer-
23 cial motor vehicle (as defined in section 31301) operated
24 by an alien (as defined in section 101(a) of the Immigra-
25 tion and Nationality Act (8 U.S.C. 1101(a))) who is not

1 authorized by U.S. Citizenship and Immigration Services
2 to engage in employment in the United States that in-
3 cludes driving a commercial motor vehicle.”.

4 (c) RULEMAKING.—Not later than 1 year after the
5 date of enactment of this Act, the Administrator shall re-
6 vise section 365.101T(h) of title 49, Code of Federal Reg-
7 ulations, to reflect the requirements of subsection (a) and
8 section 13902(k) of title 49, United States Code.

9 **SEC. 10. REIMBURSEMENT OF CERTAIN VICTIMS OF**
10 **FREIGHT THEFT.**

11 The Commissioner of U.S. Customs and Border Pro-
12 tection shall reimburse the victims of cargo theft under
13 section 659 of title 18, United States Code, for fines paid
14 by such victims to U.S. Customs and Border Protection
15 for containers that are not sealed as required by regula-
16 tions prescribed pursuant to section 204 of the Security
17 and Accountability For Every Port Act of 2006 (6 U.S.C.
18 944).

19 **SEC. 11. CRIMINAL PENALTIES; SUBMISSION OR USE OF**
20 **FRAUDULENT CERTIFICATIONS.**

21 (a) DEFINITION OF FRAUDULENT CERTIFICATION.—
22 In this section, the term “fraudulent certification” means
23 any statement, representation, or omission of fact, includ-
24 ing in any writing or document, that—

25 (1) is material;

1 (2) is known by the person submitting or using
2 it to be false, fictitious, misleading, or incomplete;
3 and

4 (3) is submitted or used in connection with any
5 registration, certification, filing, or compliance re-
6 quirement administered by the Administration under
7 chapter 5, 311, 313, or 315 of title 49, United
8 States Code.

9 (b) **CRIMINAL PENALTY.**—Any person who knowingly
10 and willfully submits to the Administrator or otherwise
11 uses a fraudulent certification and, by means of that
12 fraudulent certification or any authority or status ob-
13 tained pursuant to that fraudulent certification, engages
14 or attempts to engage in the unlawful transportation of
15 property or passengers in interstate commerce shall be
16 fined under title 18, United States Code, imprisoned for
17 not more than 5 years, or both.

18 **SEC. 12. FOREIGN DISPATCH SERVICES.**

19 (a) **DEFINITION OF FOREIGN DISPATCH SERVICE.**—
20 Section 13102 of title 49, United States Code, is amend-
21 ed—

22 (1) in the matter preceding paragraph (1), by
23 striking “, the following definitions shall apply”;

24 (2) by redesignating paragraphs (6) through
25 (27) as paragraphs (7), (8), (9), (10), (11), (12),

1 (13), (14), (15), (16), (17), (18), (20), (21), (22),
2 (23), (24), (25), (26), (27), (28), and (19) respec-
3 tively, and moving the paragraphs so as to appear
4 in numerical order; and

5 (3) by inserting after paragraph (5) the fol-
6 lowing:

7 “(6) FOREIGN DISPATCH SERVICE.—The term
8 ‘foreign dispatch service’ means a person that—

9 “(A) is not located in the United States,
10 Mexico, or Canada;

11 “(B) maintains its principal place of busi-
12 ness or substantial operations in a foreign coun-
13 try;

14 “(C) acts as a direct licensed agent on be-
15 half of 1 or more motor carriers through a for-
16 mal written agreement;

17 “(D) receives compensation from those
18 motor carriers based on a predetermined writ-
19 ten legal contractual agreement;

20 “(E) discloses that—

21 “(i) the person is a dispatch service
22 operating under an agreement with a spe-
23 cific motor carrier; and

24 “(ii) the relevant shipment is ar-
25 ranged for that motor carrier only;

1 “(F) provides only administrative or sup-
2 port services limited to—

3 “(i) coordinating freight movements
4 without assuming responsibility for the
5 cargo or arranging transportation; and

6 “(ii) communicating through a broker
7 to arrange for the transportation of ship-
8 ments for the motor carrier; and

9 “(G) does not seek or solicit shippers for
10 freight.”.

11 (b) REGISTRATION.—

12 (1) IN GENERAL.—Chapter 139 of title 49,
13 United States Code, is amended by adding at the
14 end the following:

15 **“§ 13910. Registration of foreign dispatch services as**
16 **brokers**

17 “A person operating as a foreign dispatch service
18 shall register as a broker.”.

19 (2) CLERICAL AMENDMENT.—The analysis for
20 chapter 139 of title 49, United States Code, is
21 amended by adding at the end the following:

 “13910. Registration of foreign dispatch services as brokers.”.

22 (c) CONFORMING AMENDMENTS.—

23 (1) Section 32702(5) of the Motorcoach En-
24 hanced Safety Act of 2012 (49 U.S.C. 31136 note;
25 Public Law 112–141) is amended—

1 (A) in subparagraph (A), by striking “sec-
2 tion 13102(14)” and inserting “section 13102”;
3 and

4 (B) in subparagraph (B), by striking “sec-
5 tion 13102(15) of that title” and inserting
6 “that section”.

7 (2) Section 14101(b)(1) of title 49, United
8 States Code, is amended, in the first sentence, by
9 striking “section 13102(10)(A)” and inserting “sec-
10 tion 13102(11)(A)”.

11 (3) Section 14104(b)(1)(A) of title 49, United
12 States Code, is amended by striking “section
13 13102(10)(A)” and inserting “section
14 13102(11)(A)”.

15 (4) Section 14706(c)(1)(A) of title 49, United
16 States Code, is amended by striking “section
17 13102(10)(A)” and inserting “section
18 13102(11)(A)”.

19 **SEC. 13. RECORDS MAINTENANCE.**

20 Section 14122 of title 49, United States Code, is
21 amended by striking subsection (a) and inserting the fol-
22 lowing:

23 “(a) **FORM AND MAINTENANCE OF RECORDS.**—

24 “(1) **FORM OF RECORDS.**—The Secretary or the
25 Board, as applicable, may prescribe the form of

1 records required to be prepared or compiled under
2 this subchapter by carriers and brokers, including
3 records related to movement of traffic and receipts
4 and expenditures of money.

5 “(2) MAINTENANCE OF RECORDS.—Records de-
6 scribed in paragraph (1) shall be maintained or
7 made accessible upon demand at the principal place
8 of business of the carrier or broker.

9 “(3) SAVINGS PROVISION.—Nothing in this sub-
10 section prevents the Secretary or the Board, as ap-
11 plicable, from conducting an investigation at a loca-
12 tion other than the principal place of business or vir-
13 tually.”.

14 **SEC. 14. DEFINITION OF BROKER; UNLAWFUL BROKERAGE**
15 **ACTIVITIES.**

16 (a) DEFINITION OF BROKER.—Section 13102 of title
17 49, United States Code, is amended by striking paragraph
18 (2) and inserting the following:

19 “(2) BROKER.—

20 “(A) IN GENERAL.—The term ‘broker’
21 means a person who offers for sale, negotiates
22 for, or holds itself out by solicitation, advertise-
23 ment, technology, or otherwise as selling, pro-
24 viding, or arranging for, transportation by

1 motor carrier for direct or indirect compensa-
2 tion.

3 “(B) EXCLUSION.—The term ‘broker’ does
4 not include a person providing only financial as-
5 sistance, analysis, or accounting services.”.

6 (b) UNLAWFUL BROKERAGE ACTIVITIES.—Section
7 14916(a) of title 49, United States Code, is amended by
8 striking the subsection designation and heading and all
9 that follows through “that person—” in the matter pre-
10 ceding paragraph (1) and inserting the following:

11 “(a) PROHIBITED ACTIVITIES.—A person may pro-
12 vide interstate brokerage services only if that person—”.