

INFORMATION BULLETIN



June 26, 2020

MOTOR CARRIER OF PROPERTY PERMIT REQUIREMENTS FOR INTERSTATE MOTOR CARRIERS

To promote consistent enforcement of Motor Carrier of Property Permit (MCP) requirements, this Information Bulletin (IB) provides clarification for motor carriers of property engaged in both *interstate* and *intrastate* commerce. The following definitions apply:

- *Interstate* commerce is trade, traffic, or transportation involving the crossing of a state boundary. Either the vehicle or cargo must cross a state boundary, or there must be the intent to cross a state boundary to be considered an interstate carrier.
- *Intrastate* commerce is trade, traffic, or transportation within a single state.

A motor carrier of property is considered to be engaged in *interstate* commerce immediately upon dispatch to transport interstate freight, or when the driver's intended route involves crossing state lines or national boundaries, whether the vehicle is loaded or empty. Additionally, a motor carrier of property engaged in *interstate* commerce remains in *interstate* commerce until transporting property in *intrastate* commerce. Once transporting property in *intrastate* commerce, the MCP requirement remains until the motor carrier of property is dispatched for an operation meeting the definition of *interstate* commerce.

A motor carrier of property, as defined in Section 34601(a) of the California Vehicle Code (CVC), engaged solely in *interstate* commerce is exempt from the MCP requirement described in Section 34620 CVC. This exemption applies to a motor carrier of property based in California (CA), as well as other states, Canada, and Mexico.



The following are examples of *intrastate* commerce:

- A motor carrier transports shoes from a warehouse in Fresno, CA, to a distribution center in Sacramento, CA.
- A motor carrier transports lumber from a sawmill in Burney, CA, to a lumber yard in Stockton, CA. Once the lumber is off-loaded, the motor carrier dispatches the commercial motor vehicle (CMV) to Lodi, CA, to pick up pipe for the purpose of delivering that pipe to Indio, CA.

In the previous examples, the motor carrier of property continues to be subject to the MCPP requirement after the load is delivered, until dispatched for an operation meeting the definition of *interstate* commerce.

The following is an example of the change from *intrastate* commerce to *interstate* commerce:

- A motor carrier transports fish from a fish market in Moss Landing, CA, to a grocery store in Marin, CA (*intrastate* commerce, MCPP applies). Then, the motor carrier dispatches the CMV to Fairfield, CA, to pick up candy for delivery in Buffalo, New York (*interstate* commerce, MCPP no longer applies).

The following are examples of *interstate* commerce:

- A motor carrier transports building supplies from Roseburg, Oregon, to a job site in San Luis Obispo, CA.
- A shipping container, which was shipped from another country or state by vessel, was delivered to the Port of Oakland and is then transported by a motor carrier to Gridley, CA.
- A motor carrier delivers frozen food from Twin Falls, Idaho, to a distribution center in Tracy, CA. Once the frozen food is off-loaded, the motor carrier dispatches the CMV to Orange Cove, CA, to pick up oranges for delivery in Mesa, Arizona.
- A motor carrier transports building supplies from Los Angeles, CA, to Susanville, CA, using a route which includes United States Route 395 through Nevada (NV).

In the previous examples, the motor carrier of property is not subject to the MCPP requirement after the load is delivered, until a load is transported in *intrastate* commerce.



The following is an example of the change from *interstate* commerce to *intrastate* commerce:

- A motor carrier transports bottles of soda from a bottler in Reno, NV, to a warehouse in Patterson, CA (*interstate* commerce, no MCPP). Then the motor carrier dispatches the CMV to Hilmar, CA, to pick up cheese for delivery in Burbank, CA. The CMV is operating in *interstate* commerce when traveling from Patterson, CA, to Hilmar, CA. The CMV is operating in *intrastate* commerce (MCPP applies) once the transportation of the load of cheese has commenced.

The state in which the motor carrier of property is based, or otherwise operated from, has no relevance in determining whether a motor carrier is subject to the requirements of Section 34620(a) CVC. The applicability of the MCPP requirement is based on the property's origin and the property's destination, unless the CMV crosses a state boundary during transport.

A motor carrier of property, operating in *interstate* commerce, who wishes to engage in *intrastate* commerce must obtain an MCPP from the California Department of Motor Vehicles (DMV). The MCPP issued to an *interstate* motor carrier of property by DMV will be nonexpiring and need not be renewed annually. The nonexpiring MCPP will remain active if the carrier is in compliance with the Unified Carrier Registration fee requirement.

Questions regarding the contents of this IB may be directed to Commercial Vehicle Section, at (916) 843-3400.

OFFICE OF THE COMMISSIONER

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