

Instructions for Completing Form OP-1(FF) Application for Freight Forwarder Authority

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I. Overview of Operating Authority

Depending upon the type of business operation (Motor Carrier, Broker, Freight Forwarder, Shipper, Vehicle Registrant, and/or Cargo Tank Facility) and what will be transported (property, hazardous materials, and/or passengers), companies may be required to register for both Interstate Operating Authority (Form OP-1 series or Form OP-2) and USDOT Number (Form MCS-150 series). The Federal Motor Carrier Safety Administration (FMCSA) enforces compliance with the Federal Motor Carrier Safety Regulations (FMCSRs) and the Hazardous Materials Regulations (HMRs), which govern safety and financial responsibility. FMCSA's registration requirements reflect the focus on both of these concerns.

FMCSA encourages all applicants with Internet access to use the online registration assistant at <http://www.fmcsa.dot.gov/online-registration> in order to determine FMCSA's registration requirements. Applicants without Internet access can call FMCSA at 1-800-832-5660 for assistance.

Who Needs Operating Authority?

Before beginning **interstate** operations in the United States (U.S.), all authorized for-hire Motor Carriers of non-exempt property and passengers, Brokers, and Freight Forwarders based in the U.S. or Canada must obtain Operating Authority by submitting the appropriate form(s) in the OP-1 series. For a description of the different types of OP-1 forms and the various FMCSA requirements for obtaining Operating Authority, please see "[What Are the Steps in Getting Operating Authority?](#)" (Topic IV) in this packet.

NOTE:

- Hawaii-based Motor Carriers that transport household goods, property or passengers within a terminal area (see 49 U.S.C. § 13504) must obtain Operating Authority. Carriers that operate solely within the State of Hawaii and do not transport household goods are *not* required to obtain Operating Authority.
- Mexico-based Motor Carriers should refer to http://www.fmcsa.dot.gov/espanol/forms_sp.htm (Spanish) or <http://www.fmcsa.dot.gov/espanol/english/forms.htm> (English) for more information.

In addition to Operating Authority, some Motor Carriers of property or passengers must obtain a USDOT Number before beginning interstate operations. Please consult "What Forms Do I Need to Complete?" at <http://www.fmcsa.dot.gov/reg-forms> which specifies the required forms for both Operating Authority and USDOT Number.

II. How to Apply

Applications may be submitted online or mailed to FMCSA. Compared to mailing, the online method reduces processing time by as much as 2-3 weeks, thus enabling companies to begin their operations sooner.

Remember, operations cannot begin until the certificate, permit, or license for Operating Authority has been received. For more information, see "[What Are the Steps in Getting Operating Authority?](#)" (Topic IV) in this packet.

Apply Online

Applying online requires the use of a valid credit card (American Express, Discover, MasterCard, or Visa). Those who do not wish to submit their credit card information online must complete the application and payment by mail (see “Apply by Mail” below).

The following tips are encouraged:

- Go to <http://www.fmcsa.dot.gov/online-registration> and complete the “Step-by-Step Registration Guide” prior to starting the application. The registration guide will lead users through a series of questions. Based upon the answers to the questions, the guide will identify required registration forms and link users directly to the online application form.
- Utilize the form instructions during the completion of the online form. This will help to ensure that the application is completed accurately.

NOTE:

- The applicant’s legal name (or the authorized representative’s name) must match the name and billing address of the credit card.
- Record the MC or FF Number that is provided after approval of the application. This number will be needed on the insurance and process agent forms that are required to complete the application process for obtaining Operating Authority (for more details, see [“What Are the Steps in Getting Operating Authority?”](#) (Topic IV) in this packet). This number may also be needed for any correspondence with the FMCSA.

Apply by Mail

Follow the steps below:

- 1) Applicants with Internet access are encouraged to go to <http://www.fmcsa.dot.gov/online-registration> and complete the “Step-by-Step Registration Guide” in order to identify required registration forms.
- 2) Go to <http://www.fmcsa.dot.gov/print-form> to download and print the appropriate form(s) and instructions. Applicants may also call FMCSA at 1-800-832-5660 to request an application packet by mail.
- 3) Follow the instructions to complete the application form(s).
- 4) Save a copy of the application and all supporting documents for the company’s business records.
- 5) Mail the completed application form(s), any supporting documents, and payment to one of the following addresses depending upon the type of payment (and method of mail delivery):
 - **Check or Money Order** (Make payable to the FMCSA in U.S. dollars)

First-Class Mail

Federal Motor Carrier Safety Administration
P.O. Box 70935
Charlotte, NC 28272-0935

Express Mail

QLP Wholesale Lockbox – NC0810
Lockbox #70935
1525 West WT Harris Blvd.
Charlotte, NC 28262

- **Credit Card** (MasterCard or Visa only)
Federal Motor Carrier Safety Administration
1200 New Jersey Avenue SE, MC-RIO
Washington, DC 20590

NOTE: Sending payment to the wrong address will delay application processing by 2-3 weeks.

III. What Is the Cost?

Operating Authority\$300.00 each

- **Form OP-1**
 - Motor Common Carrier of Property (except Household Goods)
 - Motor Contract Carrier of Property (except Household Goods)
 - Motor Common Carrier of Household Goods
 - Motor Contract Carrier of Household Goods
 - Broker of Property (except Household Goods)
 - Broker of Household Goods
 - United States-based Enterprise Carrier of International Cargo (except Household Goods)
 - United States-based Enterprise Carrier of International Household Goods
- **Form OP-1(P)**
 - Motor Common Carrier of Passengers
 - Motor Contract Carrier of Passengers
- **Form OP-1(FF)**
 - Freight Forwarder of Property (except Household Goods)
 - Freight Forwarder of Household Goods

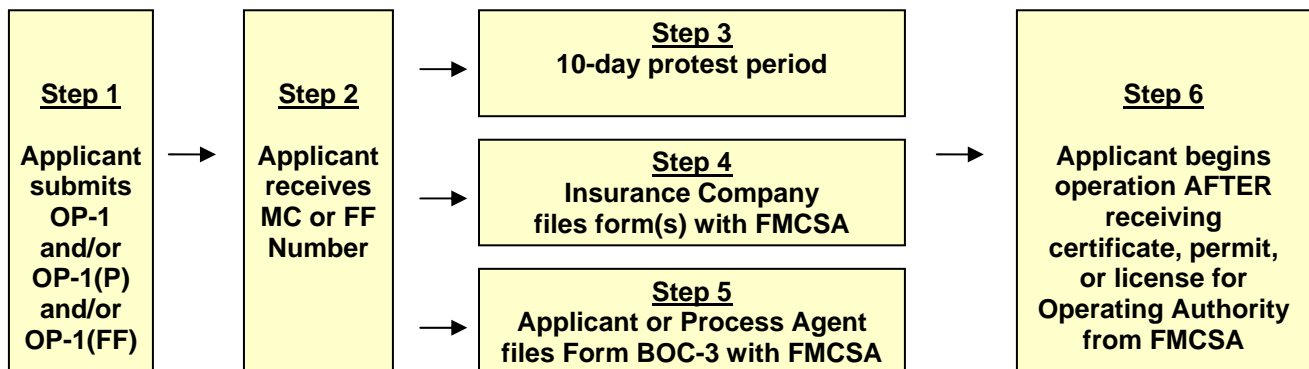
For descriptions of the different types of Operating Authority, see [“SECTION II – Type of Authority”](#) under [“How to Complete the OP-1\(FF\) Application for Freight Forwarder Authority”](#) (Topic V) in this packet.

NOTE:

- **REFUNDS ARE NOT PERMITTED.**
- **Each type of Operating Authority requires an additional \$300 fee.** For example, an application for both Freight Forwarder of Property and Freight Forwarder of Household Goods will require two \$300 fees for a total of \$600. Multiple fees can be combined into a single payment.
- The FMCSA reserves the right to discontinue processing any application for which insufficient payment is received.

IV. What Are the Steps in Getting Operating Authority?

For Motor Carriers, Brokers, and Freight Forwarders based in the U.S. or Canada, the Operating Authority application process includes the six steps shown below. Motor Carriers based in Hawaii or Mexico should see the NOTE in [“Overview of Operating Authority”](#) (Topic I) in this packet.



Step 1 – Application for Operating Authority

Motor Carriers, Brokers, and Freight Forwarders begin the Operating Authority application process by submitting one (or more) of the following forms with the appropriate application processing fee:

- **OP-1** - Operating Authority for:
 - **Motor Carrier** (common property, contract property, common household goods, or contract household goods)
 - **Broker** (property or household goods)
 - **United States-based Enterprise Carrier** (international cargo or international household goods)
- **OP-1(P)** - Operating Authority for **Motor Passenger Carrier** (common or contract)
- **OP-1(FF)** - Operating Authority for **Freight Forwarder** (property or household goods)

NOTE:

- For descriptions of the different types of Operating Authority, see “[SECTION II – Type of Authority](#)” under “[How to Complete the OP-1\(FF\) Application for Freight Forwarder Authority](#)” (Topic V) in this packet.
- To identify the required form(s) for Operating Authority as well as USDOT Number, see “What Forms Do I Need to Complete?” at <http://www.fmcsa.dot.gov/reg-forms>.

Step 2 – Grant Letter and MC/FF Number

Applicants will receive a grant letter after FMCSA processes and accepts the Operating Authority application as follows:

- If applying online, a Motor Carrier (MC) or Freight Forwarder (FF) Number will be provided immediately and the confirmation grant letter will arrive via mail.
- If applying by mail, the grant letter should arrive via mail in approximately 4 weeks. This letter will include the MC or FF Number. Applicants have the option of checking the status of their application online. See “[Information Sources](#)” (Topic VI) in this packet for instructions.

Insurance Companies and Process Agents will use the MC or FF Number to make the appropriate filings on behalf of applicants to complete the application process for obtaining Operating Authority.

NOTE: Although an MC or FF Number has been assigned, this does not represent Operating Authority. The company may not begin to operate until it has received the corresponding certificate, permit, or license for Operating Authority described in [Step 6](#).

Step 3 – 10-day Protest Period

At the same time the grant letter is mailed, each company’s application for Operating Authority will be published in the *FMCSA Register*. This publication initiates the 10-calendar-day protest period, during which any individual can file a protest with FMCSA stating why a company should not be issued Operating Authority. FMCSA will accept protests sent by mail as long as they are postmarked by the last day of the protest period. FMCSA will provide the applicant with information on the adjudication process if any protests are filed. During this protest period, Insurance Companies and Process Agents can file the necessary documents detailed in Step 4 and Step 5 below.

To view the *FMCSA Register*, go to <http://li-public.fmcsa.dot.gov> and then follow the steps below:

- 1) Read the introductory page and then click the “Continue” link
- 2) Select the “FMCSA Register” option in the dropdown menu and click “Go”

Step 4 – Insurance

This step can begin any time after an applicant receives its MC or FF Number as described in Step 2 above and is not dependent on Step 3 being completed. An Insurance Company must file the appropriate insurance form(s) on behalf of the applicant within 90 days of the date the application for Operating Authority was published in the *FMCSA Register*. Otherwise, the application for Operating Authority will be dismissed and the application fee will not be refunded. The applicant will receive a warning letter about the 90-day deadline if FMCSA has not received the required documentation within 20 days.

NOTE:

- Applicants may not file insurance forms on their own behalf. Therefore, FMCSA does not provide insurance forms to applicants.
- An authorized representative from the home or branch office of an Insurance Company must file the required insurance form(s) on the applicant's behalf.
- To minimize processing delays, FMCSA recommends filing forms electronically.
- It is the applicant's responsibility to follow up with the Insurance Company to verify that FMCSA has received and approved the required insurance form(s).
- Failure to promptly submit required forms and documentation will delay application processing.
- Check the status of insurance filings by either accessing the FMCSA Web site (see "[Information Sources](#)" (Topic VI) in this packet for instructions) or calling FMCSA toll-free at 1-866-637-0635 or 202-385-2423 (Monday through Friday, 8 a.m. to 4:30 p.m. e.s.t.).

FMCSA requires all Freight Forwarders to maintain minimum levels of cargo insurance in the following amounts:

- \$5,000 for loss of or damage to property carried on any one motor vehicle
- \$10,000 for loss of or damage to property occurring at any one time and place

For proof of cargo liability insurance, an Insurance Company must file Form BMC-34 on behalf of Freight Forwarders within 90 days of the date the application for Operating Authority was published in the *FMCSA Register*.

In addition, FMCSA requires Freight Forwarders that will operate commercial motor vehicles (CMV) to maintain minimum levels of bodily injury and property damage (BI & PD) insurance and environmental restoration coverage. For proof of BI & PD insurance, an Insurance Company must file Form BMC-91 or BMC-91X with FMCSA on behalf of Freight Forwarders that will operate CMVs.

Minimum requirements for BI & PD insurance coverage vary as follows:

- Freight Forwarders of Property (excluding Household Goods) that will operate CMVs with a gross vehicle weight rating (GVWR) of 10,000 pounds or more
 - o \$5,000,000 minimum liability insurance for transporting hazardous materials referenced in FMCSA's insurance regulations at 49 CFR § 387.303(b)(2)(b)
 - o \$1,000,000 minimum liability insurance for transporting hazardous materials referenced in FMCSA's insurance regulations at 49 CFR § 387.303(b)(2)(c)
 - o \$750,000 minimum liability insurance for transporting ONLY non-hazardous commodities
- Freight Forwarders of Property (excluding Household Goods) that will ONLY operate CMVs with a GVWR under 10,000 pounds
 - o \$5,000,000 minimum liability insurance for transporting any quantity of Class A or B explosives, any quantity of poison gas (Poison A), or highway route controlled quantity of radioactive materials as referenced in FMCSA's regulations at 49 CFR § 387.303(b)(2)(d)
 - o \$300,000 minimum insurance for transporting ONLY commodities not referenced above

- Freight Forwarders of Household Goods that will operate CMVs
 - o \$750,000 minimum liability insurance regardless of the GVWR of the company's vehicles

Freight Forwarders that will not operate CMVs may request a waiver of BI & PD insurance requirements by selecting the appropriate response in Section III of the OP-1(FF) Application for Freight Forwarder Authority. To qualify for this insurance waiver, Freight Forwarders must certify that all of the following conditions are true in its forwarding operations:

- Will not own or operate any motor vehicles used on highways in the transportation of property
- Will not perform transfer, collection, or delivery services
- Will not have motor vehicles operated under its direction and control in the performance of transfer, collection, or delivery services

NOTE:

- Freight Forwarders that are approved for a BI & PD insurance waiver will receive an Operating Authority permit that indicates that BI & PD insurance requirements have been waived. This waiver is conditional and valid only as long as the Freight Forwarder remains in compliance with the operating conditions noted above.
- For questions regarding insurance requirements and waivers, contact the FMCSA Insurance Team, Commercial Enforcement Compliance Division, at 1-866-637-0635 or 202-385-2423.
- FMCSA's insurance/financial regulations are available at 49 CFR Part 387. To view this information, go to the FMCSA Web site at <http://www.fmcsa.dot.gov> and search for "387" in the Rules & Regulations search box.

Self Insurance

Freight Forwarders, Motor Carriers, and U.S.-based Enterprise Carriers may qualify as a self-insurer against bodily injury, property damage, and cargo liability claims, by submitting Form BMC-40 (Application for Authority to Self-Insure) and evidence to the FMCSA to demonstrate the existence of the following:

- Adequate tangible net worth that will cover any liability claims in the event of a loss
- Sound self-insurance program
- Adequate safety program

FMCSA will approve an application to self-insure subject to appropriate and reasonable conditions. For more details about self insurance, see 49 CFR § 387.309 and § 387.411.

Step 5 – Process Agent

This step can begin any time after an applicant receives its MC or FF Number as described in Step 2 above. FMCSA requires each applicant for Operating Authority to designate a Process Agent in every State in which it conducts business or maintains an office. A Process Agent is a representative upon whom court papers may be served in any legal proceeding brought against a Motor Carrier, Broker, or Freight Forwarder.

Freight Forwarders that will operate CMVs and Motor Carriers of Property and/or Passengers:

- must designate a Process Agent in each State that they operate in or through.
- can act as their own Process Agent in the State in which they maintain a physical office (P.O. Box address is not considered a physical office).

Freight Forwarders that will not operate CMVs and Brokers:

- must designate a Process Agent in each State in which they maintain an office or establish contracts.
- can act as their own Process Agent in the State in which they maintain a physical office (P.O. Box address is not considered a physical office).

