

# Pennsylvania Truck Dealers

A Division of the Pennsylvania Automotive Association  
1925 North Front Street  
P.O. Box 2955  
Harrisburg, PA 17105-2955

PTD NEWS BULLETIN No. 1  
SUMMER 2010

(Attn: General Managers)  
**2010 PTD CONVENTION**  
**AUGUST 18-19 IN STATE COLLEGE**

The 37<sup>th</sup> Annual Pennsylvania Truck Dealers Convention will be held at the Nittany Lion Inn in State College, on August 18 - 19, 2010.

This year's PTD convention will feature an information-packed business session. The convention's keynote Speaker Matthew Brouillette, from the Commonwealth Foundation, will discuss "A Pennsylvania Comeback: Ideas for the Next Governor." The presentation will focus on how to restore Pennsylvania's economic engine by limiting government, specifically burdensome taxes, unaffordable promises, and an out-of-control state government.

Bill Bentz and Jeff Calhoun, from Dixon Hughes, will then discuss, "Fraud: How to Spot it: How to Stop it." This session is designed to identify internal controls to help mitigate internal theft fraud. Dixon Hughes Dealer Services Group has been working with dealers over the past year and a half on this issue and can provide insightful, helpful information.

Next, Kevin Steward from PA Motor Carrier Safety will provide updates on several state issues. Finally, Don Busey and Chad Marsar, Esq. from PAA and Paul Metry and Barbara Robinson from NADA will focus on the federal compliance issues affecting dealerships, including UNICAP and federal excise tax.

The Chairman's reception and dinner will be held that night. On Thursday morning, Dr. Ted Alter from Penn State University will provide information on the state of the economy, forecasting the industries and regions in the state that have a potential for growth and expansion in the future.

The annual golf tournament will begin at 9:00 a.m. at Toftrees.

Mail completed registration forms to:  
PTD Convention  
P.O. Box 2955  
Harrisburg, PA 17105-2955 or  
FAX to: (717) 213-0102

For registration information, call Becky Ross at 1-800-242-3745, ext. 3319.



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Dealer members can access past *PTD Bulletins* and other information at PAA's web site, [www.paa.org](http://www.paa.org).

## UCR CARRIER REGISTRATION FREQUENTLY ASKED QUESTIONS

Pennsylvania, through the Public Utility Commission (PUC), participates in the Unified Carrier Registration (UCR) Program, requiring interstate motor carriers to register with the program and pay an annual fee.

The UCR Program requires motor carriers (including for-hire, private and exempt motor carriers), leasing companies, freight forwarders, and brokers that operate commercial motor vehicles in interstate commerce to register with the program and pay a fee based on the type of business operated.

These fees fund motor carrier safety and enforcement programs.

The 2008 and 2009 UCR fees ranged from \$39 to \$37,500 for motor carriers, and a flat \$39 for freight forwarders, brokers, and leasing companies. In 2010, the fees increased substantially. The fees are based on the type of business and, additionally for motor carriers, the size of their fleet. For 2010, the fees for motor carriers are:

<b>Number of Vehicles</b>	<b>Amount Due</b>
0-2	\$76
3-5	\$227
6-20	\$452
21-100	\$1,576
101-1000	\$7,511
1001+	\$73,346

Brokers, freight forwarders and leasing companies are charged a flat \$76. Changes in the law for 2010 have excluded trailer counts in determining fees under this program.

The UCR Program is also not applicable to businesses whose operations are wholly intrastate.

The UCR website at [www.ucr.in.gov](http://www.ucr.in.gov) is sponsored by the State of Indiana and is the exclusive national online registration system that businesses use to register with the UCR Program. Payments and registration can be completed online.

### Frequently Asked Questions

#### **Which vehicles apply when determining the number of vehicles and the amount due?**

When determining the amount due for UCR Carrier Registration, all commercial motor vehicles should be included. Commercial motor vehicles means a self-propelled vehicle used on highways in commerce principally to transport passengers or cargo, if the vehicle:

1. Has a gross vehicle weight rating or gross vehicle weight of at least 10,001 pounds, whichever is greater;
2. Is designed to transport more than 10 passengers, including the driver; or
3. Is used in transporting material found by the Secretary of Transportation to be hazardous.

#### **What is my base state for UCR?**

If your principal place of business is AK, AL, AR, CA, CO, CT, DE, GA, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NY, OH, OK, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, or WV, you must use that state as your base state.

If your principal place of business is not one of the states listed above, but you have an office or operating facility located in one of the states listed above, you must use that state as your base state.

If you cannot select a base state, you must choose the base state nearest to the location of your principal place of business. See the Instruction Sheet available online at [www.ucr.in.gov](http://www.ucr.in.gov) for more details.

#### **What if the selected base state or principal place of business changes?**

If your selected base state or principal place of business moves to a qualified state, you may at the next registration year change your base state.

#### **How should I record the name of the business?**

The owner and DBA name should be identical to what is on file for your USDOT number.

## PROPER HANDLING OF LOAN ACQUISITION FEES

Dealers cannot increase the vehicle price or add to a bill of sale, above and beyond the advertised or negotiated sale price of a vehicle, charges imposed by a finance source for accepting assignment of a retail installment sale contract.

These charges would be added after the buyer and the dealer had negotiated and agreed to a sale price for a vehicle.

Attorney General regulations, as well as the federal Truth In Lending Act, prohibit adding these types of charges that were not included in the advertised or negotiated selling price.

### Fees Paid to Lender

Fees paid to a lender to accept assignment of the customers' retail installment sale contracts may not be passed along to buyers directly or indirectly. If they are, they are considered an addition to the finance charge, with an impact on the annual percentage rate (APR). A finance charge is defined as any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or condition of the extension of credit.

The Federal Reserve Board has stated that the only way loan fees will not be viewed as part of the finance charge is if they are absorbed by the dealer as part of the dealer's cost of doing business.

The following statements are true whenever loan fees are passed on to customers:

- Loan fees are a finance charge.
- Since loan fees are finance charges, they must be disclosed as finance charges.
- Disclosing the loan fee as a finance charge will change the APR.
- Pennsylvania's Motor Vehicle Sales Finance Act and many financial institutions cap the APR. This cap prevents dealers from passing along the fee because it would increase the APR above the rate the state or lender allows.

- Many financial institutions will not allow a customer to finance a loan acquisition fee.
- Charging more for the vehicle because of the loan fee to a credit customer than charged a cash customer will result in a Truth In Lending Act violation.

Dealers should take into consideration the following guidelines for dealing with charges imposed by finance sources for accepting assignment of a retail installment sale contracts:

- Do not charge the loan fee to the customer directly or indirectly.
- Do not increase the advertised or negotiated vehicle price to cover the loan fee.
- If the dealership is still going to do business with the customer but does not want to absorb the loan fee, the dealership must sell a different vehicle; the dealership, however, cannot inflate the advertised price of that vehicle to cover the loan fee cost.

Vehicles available for sale on terms that will include loan fees should be advertised and priced with sufficient margin to cover loan fees. Pricing vehicles with sufficient margin will allow dealers to absorb the loan fee as part of the cost of doing business and still make a profit on the sale of the vehicle.

### ***Support PAA/PTD-PAC Today!***

**PAA/PTD-PAC** is an essential part of the Association's legislative program. **PAA/PTD-PAC** funds are used exclusively to support Pennsylvania elected officials who are sympathetic to dealer concerns.

For more information on contributing to **PAA/PTD-PAC**, please contact Mark Stine at (800) 242-3745, ext. 3362.

## ESTABLISHING NEW VEHICLE WARRANTY SERVICE FACILITIES

When a new medium or heavy truck manufacturer seeks to enter into an agreement or franchise by establishing an additional vehicle warranty service facility, or if they seek to relocate an existing vehicle warranty service facility, in the relevant market area or area of responsibility as defined in the dealer's franchise, whichever is greater, the truck manufacturer shall in writing first notify the State Board of Vehicle Manufacturers, Dealers and Salespersons ("Board") and each affected new vehicle dealer warranty service facility of such line-make of the intention to establish an additional vehicle warranty service facility or to relocate an existing vehicle warranty service facility within or into the affected market area.

The notice must include: 1.) The location of the proposed additional or relocating vehicle warranty service facility; 2.) An explanation of the appeal procedure provided by the truck manufacturer, if any; and 3.) An explanation of the existing vehicle warranty service facility's rights to file a protest with the board to the establishment or relocation of the vehicle warranty service facility.

If a new vehicle warranty service facility elects to file a protest with the board, the truck manufacturer shall not establish the proposed vehicle warranty service facility until the board has held a hearing nor thereafter if the board has determined that there is good cause for not permitting the addition or relocation of such vehicle warranty service facility. In determining whether good cause exists to allow for the establishment or relocation of a vehicle warranty service facility, the board shall consider:

- The permanency of the investment of both parties.
- The growth or decline in population in the market area.
- The effect on the consuming public in the market area.
- Whether it is injurious or beneficial to the public welfare.
- Whether the existing vehicle warranty service facilities in that market area are providing adequate competition and convenient customer care for the vehicles which includes the adequacy of the service facilities, equipment, supply of parts and qualified service personnel.
- Whether the establishment of an additional vehicle warranty service facility would increase competition and whether such increased competition would be in the public interest.
- The effect the denial of relocation will have on the relocating vehicle warranty service facility.

## DOT REQUIREMENTS FOR HAZMAT EMPLOYER CERTIFICATION

Federal law requires certain dealership parts department, service department, and body shop employees who manage hazardous waste to receive training at least every three years. Hazmat employees are individuals who load, unload, handle, prepare for or transport hazardous material. Typical examples of hazmat include air bags, batteries and paint.

The Federal Aviation Administration (FAA) agents are visiting dealerships that airship hazardous materials to determine if the employees who handle hazardous material are properly trained and certified. The Federal Department of Transportation (FDOT) hazmat training requirements are designed to reduce dangers and mitigate the damage caused by accidents involving hazmat.

The dealership must have a 24-hour emergency number and the employees DOT certification number on shipping papers. Failure to produce the documentation may result in enforcement actions, which typically include fines. The maximum civil penalty is \$50,000 for known violations and \$100,000 if the violation results in death, serious injury, or property damage. These fines can be assessed on a per violation, per day basis.

**PAA and KPA, Kip Prah, offer On-line Hazmat Training**  
PAA has partnered with KPA to offer on-line hazmat training. Dealers can have employees trained through this service 24-hours a day without leaving the dealership. For more information, call Allison Mitchell at 1-800-242-3745.

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<p align="center">PTD NEWS BULLETIN  <i>is a publication of the</i>  <b>Pennsylvania Automotive Association</b>  1925 N. Front Street • P.O. Box 2955 • Harrisburg • PA 17105</p> <p align="center">J. Paul McMillen, <i>President</i>  Melanie L. Bible, <i>Communications Director</i></p> <p align="center"><b>Directory:</b>  PAA – 1-717-255-8311 or 1-800-242-3745  PAA FAX – 1-717-255-8340  Dealer Purchasing Service – 1-800-692-7295  PAA Insurance – 1-800-222-8712  E-mail – <a href="mailto:mail@paa.org">mail@paa.org</a>  Web site – <a href="http://www.paa.org">www.paa.org</a></p>
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