

Motor Carriers

Common Authority

Common carriers provide for-hire truck transportation to the general public. They must file liability (BI&PD) insurance but are not required to file cargo insurance.

Contract Authority

Contract carriers provide for-hire truck transportation to specific, individual shippers based on contracts. Contract carriers must file liability (BI&PD) insurance but are not required to file cargo insurance.

Both common and contract motor carriers of household goods are required to file cargo and liability insurance.

Motor Carrier of Property (except Household Goods)

An authorized for-hire Motor Carrier that transports regulated commodities (except household goods) for the general public in exchange for payment. Motor Carriers of Property (except Household Goods) must file proof of public liability (bodily injury and property damage — BI & PD) with FMCSA in order to obtain interstate Operating Authority. Cargo insurance is not required.

Motor Carrier of Household Goods (Moving Companies)

An authorized for-hire Motor Carrier that transports only household goods for the general public in exchange for payment. Household goods are personal items that will be used in a home. They include items shipped from a factory or store, if purchased with the intent to use in a home, **transported at the request of the householder who pays for the transportation charges.** Motor Carriers of Household Goods must file proof of both public liability (BI & PD) and cargo insurance with FMCSA in order to obtain interstate Operating Authority.

Passenger Carrier

An applicant is subject to the FMCSRs if it will operate any of the following commercial motor vehicles in interstate commerce:

- A vehicle with a gross vehicle weight rating or gross combination weight rating, whichever is greater, of 10,001 pounds (4,537 kilograms) or more.
- A vehicle designed or used to transport between 9 and 15 passengers (including the driver) for compensation.
- A vehicle designed or used to transport 16 or more passengers (including the driver).

Freight Brokers

Freight Broker

One of the biggest differences between a *broker* and a *freight forwarder* is that a broker doesn't take possession of the freight. A *broker* works as a middle man to connect shippers and carriers and usually doesn't issue bills of lading (BOL) with their name as the carrier. *Brokers* generally can't be held liable for any claims. They must register with the **Federal Motor Carrier Safety Administration (FMCSA)** and carry insurance to protect their customers from loss.

Freight Forwarder

A *freight forwarder* arranges the transportation and storage of freight for their customers and uses carriers to transport the freight. They physically take charge of the cargo and are responsible for insuring it. They are also responsible for the loss of, or damage to, the shipment. *Freight Forwarders* usually ship freight under their own BOLs and can store freight at their warehouses. *Freight forwarders* must apply to the FMCSA for operating authority as a *freight forwarder* in interstate or foreign commerce.

Broker of Property (except Household Goods)

An individual, partnership, or corporation that receives payment for arranging the transportation of property (excluding household goods) belonging to others by using an authorized Motor Carrier. A Broker does not assume responsibility for the property and nevertakes possession of it.

Broker of Household Goods

An individual, partnership, or corporation that receives payment for arranging the transportation of household goods belonging to others by using an authorized Motor Carrier.

A Broker does not assume responsibility for the household goods and never takes possession of the goods. Household goods are personal items and property that will be used in a home. An individual, partnership or corporation requires registration as a household goods broker if the motor carrier providing transportation will also provide some or all of the following additional services, binding and nonbinding estimates, inventorying, protective packing and unpacking of individual items at personal residences and loading and unloading at personal residences.