NORTH AMERICAN COMMERCIAL VEHICLE TRANSPORTATION POLICY WHITE PAPER

Addressing the Policy Gap for Non-Apportioned Vehicles, and Evaluating the International Non-Apportioned Commercial Vehicle Draft Agreement as a Viable Approach

Presented to INCVA Task Force

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October 2012
Special note:

This research was completed to fulfill partial requirements for the Master of Public Administration at the University of Victoria for the authors, Suzanna (Anna) Gardner and Aureleo Reyes. The authors would like to acknowledge and thank the INCVA task force members and their academic supervisor for their assistance, guidance, and mentorship. This formatted version of the report was presented to the INCVA Task Force in October 2012.
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EXECUTIVE SUMMARY

Commercial vehicles play a critical role in North American trade, moving goods and passengers throughout the states and provinces, and supporting local, state/provincial and national economies. Commercial vehicles are generally divided into large-scale trucks and vehicles, or those at a registered gross vehicle weight in excess of 26,000 pounds or 11,794 kilograms and the smaller commercial vehicles, such as delivery vans or trucks a typically with registered gross vehicle weight under 26,000 pounds or 11,794 kilograms (British Columbia Ministry of Transportation and Infrastructure, 2011).

Commercial vehicles can both operate inter-jurisdictionally and intra-jurisdictionally throughout the US and Canada, but the licensing and registration requirements differ between them. The difference is whether the IRP Agreement reigns supreme or whether there can be other agreements (International Registration Plan, Inc., 2012). Apportioned commercial vehicles are subject to the International Registration Plan (the Plan or IRP), which provides policy and administrative framework for these large motor carriers throughout the United States and Canada (not including Alaska or Hawaii). However, the non-apportioned commercial vehicles are not covered under IRP, and they lack a systematic, consistent framework for registration requirements.

Jurisdictions handle light (i.e., <26,000 lbs) commercial vehicles differently, some under existing inter-jurisdictional agreements between several states or provinces, but many of these are outdated or hard to find, resulting in a patch-work of different practices, and unnecessary burden for industry and jurisdictions alike.

The lack of a unified policy for light commercial vehicles and those with restricted plates such as commonly found on farm vehicles is administratively and economically inefficient for industry, enforcement, and jurisdictional regulatory agencies. A draft agreement, called the International Non-Apportioned Commercial Vehicle Agreement (INCVA), has been proposed as a solution to this challenge. This agreement introduces free registration reciprocity for light commercial vehicles moving through and conducting business among North American jurisdictions (INCVA, 2012).

Free reciprocity would mean that applicable vehicles could operate freely without fees or registration requirements (such as obtaining a licence or permit), under provisions subject to
specific terms and exceptions of jurisdictions. The INCVA agreement would provide a single information source for members and carriers. The draft agreement was developed by the International Non-Apportioned Commercial Vehicle Task Force, a Task Force under the International Registration Plan, Inc (IRP, Inc.).

This paper explores the context for commercial vehicle registration for which registration under the IRP is optional (2 axle commercial vehicles < 26,000 lb & charter buses) or for which registration under the IRP is not permitted (restricted vehicles). This paper provides an integrated analysis on the challenges and barriers to implementing an international agreement, offers an in-depth practical understanding of key components of the INCVA Agreement, and assesses the viability of the INCVA Agreement as an approach to close the policy gap for non-apportioned vehicle movement in North America. This report concludes with a recommendation as using INCVA as a policy framework with an analysis of the rationale as well as some implementation considerations.

Several concepts are explored in the background of the report. This section provides an industry profile of industries that use non-apportioned vehicles, key terms like reciprocity and inter- and intra-jurisdictional travel, a description of existing multi-jurisdictional agreements, and it explores an example jurisdiction’s positive experience of moving towards free reciprocity for non-apportioned commercial vehicles.

The report offers an integrated analysis combining literature, interviews completed in 2012 with INCVA Task Force members and IRP members (government regulators, and commercial transportation industry representatives, and enforcement community representatives), and historical 2010 survey results gathered by the INCVA Task Force. Under the integrated analysis, several key themes emerged:

- **Theme one: problems and the need for a solution:** The literature review, 2012 interviews, and survey identified problems with the current uncoordinated practices for non-apportioned commercial vehicle registration administration. These problems were identified as lack of uniformity, lack of clarity, hampered operations due to lack of information about the rules for registration between jurisdictions, and no one place to find information. The data also pointed to the need for a common solution, using free reciprocity, in order to improve efficiency for jurisdictions and industry.

- **Theme two: barriers to develop and implement an agreement:** Barriers are present in creating a multi-party agreement across state, provincial and national lines. Differences in governance systems, need for buy-in by governments and politicians, stakeholder support, and challenges in legislative requirements could hamper an international agreement. Additionally, the INCVA
agreement could be challenged by inertia, unique requirements by various members, fear of lost revenue or tax implications, and concerns about intra-jurisdictional travel provisions.

- **Theme three: lessons from CAVR:** The Canadian Agreement on Vehicle Registration (CAVR) was used as a base model for the draft INCVA Agreement. CAVR is an agreement between the Canadian provinces and it allows qualified vehicles to have full and free operations in other CAVR member jurisdictions, just as if the vehicle were in its home province. CAVR was predominantly used as a model because it offers a consistent approach among provinces, allows exceptions, compliments and is consistent with the IRP, is clear on its purpose and application.

- **Theme four: support for reciprocity and INCVA:** The integrated analysis determined support for reciprocity and the INCVA agreement in principle from both industry and jurisdictions. The general consensus was that free reciprocity offered a positive solution and that the INCVA would alleviate problems, improve efficiency, and offer a one-stop repository of information for operators, agencies, and enforcement, especially when in transit.

The analysis findings pointed to the need for a single agreement and the support for reciprocity and INCVA. As such, proposed options for the paper are:

- **Do not implement INCVA Agreement** - (a) Maintain status quo  (b) Have further consultations with jurisdictions: INCVA is not implemented and IRP and jurisdictions continue to consider impacts and operational planning requirements for an agreement.

- **Implement the INCVA Agreement in two stages:** INCVA is first implemented for inter-jurisdictional provisions only, and later the intra-jurisdictional components are added.

- **Implement the INCVA Agreement:** - (a) as a provision in the IRP Agreement: or (b) as drafted as a complimentary agreement to the IRP Plan. Members can add exceptions.

These options are evaluated against selected criteria, such as regulatory efficiency, political acceptability, robustness, and flexibility, as well as cost considerations of the revenue impacts and implications of providing free reciprocity.

**Recommendation:** Based on the analysis, and evaluation of the criteria, this report recommends implementing INCVA in its current form to adopt a North American policy of jurisdictions providing free reciprocity for non-apportioned vehicles. INCVA, in its current form, provides flexibility to jurisdictions to maintain exceptions, and provides clarity for the commercial transportation sector on what terms and conditions are required in moving and conducting business in and through a jurisdiction. By providing better regulatory clarity and reducing administrative barriers, the commercial transportation sector and corresponding businesses are more effectively positioned to promote and conduct inter-jurisdictional commerce.
INTRODUCTION

Commercial land transportation plays a critical role in the development of local, regional and national economies. According to the Canadian Council of Federation, over the past 25 years highway transportation has emerged as the dominant mode for freight and passenger transportation in North America, and plays a major role in support of both domestic and foreign trade. Both the Canadian and American governments have made significant steps over the past 20 years to de-regulate the transportation sector, to reduce administrative barriers, to foster the efficient and effective movement of commercial vehicles and, to promote regional and national economic growth.

The majority of transportation of goods in North America is largely provided by large semi-trucks operating throughout America. However, at the regional level, smaller commercial vehicles often deliver goods within close proximity of its home jurisdiction. These commercial vehicles transport a myriad of goods, from small parcels, farming equipment, goods and supplies, to flowers and other local goods. The commercial transportation industry distinguishes these vehicles by weight and number of axles.

As will be explained in more detail in the report, the deregulation of the transportation sector facilitated the growth and relevance of the International Registration Plan (IRP Plan), an agreement among North American jurisdictions outlining the terms and conditions of commercial vehicles moving from one jurisdiction to another (International Registration Plan, 2012).

The IRP provides a policy structure, an operational and administrative component for apportioned vehicles to move throughout North America. However, those policy and operational/administrative components do not apply to all commercial vehicles and are limited to only those vehicles within the Plan’s scope. Smaller vehicles (or non-apportioned vehicles) and in particular charter buses are not required to utilize common IRP provisions. As a consequence, these commercial vehicles face licensing and registration requirements that differ among jurisdictions (International Non-Apportioned Commercial Vehicle Agreement [INCVA] Task Force, 2011). This creates an unfair administrative burden for industry which consequently hampers inter-state/provincial commerce.

While the commercial transportation industry and jurisdictions operate in a common policy framework for apportioned vehicles in all North American jurisdictions, there are no such provisions for non-apportioned vehicles. This inherently creates a policy gap within the commercial transportation sector. To address this policy gap, a sub-committee from IRP Plan members, the International Non-Apportioned Commercial Vehicle Agreement Task Force (Task Force), was created to develop a streamlined approach for non-apportioned vehicles. This Task Force is comprised of member jurisdictions, and IRP Inc. and industry representatives. The Task Force was mandated with consulting with jurisdictions and key stakeholders and to develop an agreement for non-

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1 Excludes Hawaii, Alaska, and Canadian territories
apportioned vehicles that could be applied by all member jurisdictions (International Registration Plan, Inc., 2012). The Task Force developed the regulatory approach through the creation of the draft *International Non-Apportioned Commercial Vehicle Agreement* (the INCVA – see Appendix A). The proposed Agreement introduces free registration reciprocity for those commercial vehicles that are ineligible for registration under the International Registration Plan (IRP) and for those commercial vehicles for which registration under the IRP is optional.

As will be discussed, outside of Canadian provinces that have the Canadian Agreement on Vehicle Registration (CAVR) set in place, registration requirements for non-apportioned vehicles often differ from state to state, and from an American state to a Canadian province. Additionally, some American states have agreements with other states for non-apportioned vehicles (Sundeen and Kawanabe, 2001). For example, the American Automotive Motor Vehicle Association (AAMVA) has an Agreement (AAMVA Registration Reciprocity Agreement) established in 1988 for the movement of non-apportioned commercial vehicles and passenger vehicles among its 6 signatories (AAMVA, 1999); the Multi state Reciprocity Agreement Governing the Interstate Operation of Vehicles (or the Multistate Agreement) is an agreement with 15 jurisdictions signed on that was established in 1949 (Alabama et al., 1962) and most recently updated in 1962; and the Uniform Vehicle Registration and Reciprocity Agreement has an agreement for 16 jurisdictions established in 1956. Most of these agreements are outdated, and several jurisdictions have indicated that they were unaware they were still signatories. The aim of the INCVA Task Force is to develop an agreement that would supersede all existing agreements into a singular binding agreement that could be adopted by all jurisdictions and make it more transparent and predictable for industry to conduct commerce when transporting goods using non-apportioned vehicles from one jurisdiction to another.

**BACKGROUND**

This section outlines the current profile on non-apportioned vehicles by outlining the current problems and administrative barriers, attempts by other jurisdictions in developing a regional approach, and providing an example of how British Columbia has overcome and addressed initial concerns in signing an agreement which allowed other Canadian provinces commercial transportation free movement to conduct business in the province.

Important key terms for commercial vehicle are provided in Appendix A of this paper.

**Problem Overview**

The North American commercial transportation industry is significant in scope and size. There are several stakeholders involved; from regulators, trucking industry, courier industry, agriculture industry, proprietorships operating outside their jurisdiction, and others. Jurisdictions collect revenue from industry through vehicle registration and licensing fees, permits, and collecting various taxes (i.e. provincial, state, county, etc.).
The overall problem this paper addresses is that unlike IRP vehicles, the regulatory terms and conditions of non-apportioned vehicles moving through and conducting business within a jurisdiction varies throughout North America. The implication is that the lack of a unified policy for non-apportioned vehicles is curtailing interstate (or interprovincial) commerce. Businesses are either restricting their movement, or are even conducting business in other jurisdictions without meeting proper registration requirements. Moreover, as BC has indicated from its experience, jurisdictions may be allocating significant resources to an infrastructure to collect minimal revenue. As such, the current framework for non-apportioned vehicles is inefficient, both economically and administratively. These same policy issues plagued apportioned vehicles for years and were allayed with the creation of the IRP model. The Task Force aims to develop a similar unified policy framework for non-apportioned vehicles, so that all vehicles have a clear and transparent regulatory framework to further stimulate commerce.

**International Reciprocity Agreement**

The International Registration Plan (IRP or the Plan) is a registration reciprocity agreement among states of the United States, the District of Columbia and provinces of Canada providing for payment of apportionable fees on the basis of total distance operated in all jurisdictions (International Registration Plan, Inc, 2012). The Plan is administered by IRP Inc., a non-profit organization based in Virginia. All North American jurisdictions (except Canadian territories, Hawaii, Alaska, and possessions outside the continental United States) are signatories to the Plan. A more fulsome background on IRP is provided in Appendix B.

The Plan is significant to the implementation of the INCVA Agreement for the following reasons: most all INCVA member jurisdictions will also be signatories to the IRP, the INCVA Agreement uses the same format and vocabulary as the Plan, and the administrative component of the IRP Inc. (the Repository) will oversee the INCVA Agreement.

**Industry Profile**

Non-apportioned vehicles can range from courier companies, farm use vehicles moving within and between jurisdictions to transport agricultural goods and materials, specialty construction vehicles, small businesses based in one jurisdiction transporting goods to market in another jurisdiction(s), among others. There are no definitive figures on how many non-apportioned vehicles there are on...
the road, as not all of these vehicles obtain the necessary permits to operate in other jurisdictions, nor is it clear how many operate inter-jurisdictionally or to what extent.

**Inter and Intra-jurisdictional Movement**

Inter and intra-jurisdictional movement defines how an operator conducts business in another jurisdiction. In practical terms, inter-jurisdictional movement is moving through a jurisdiction without stopping to drop off a load, or picking up a load and dropping it off to a location within the jurisdiction then leaving again. Intra-jurisdiction movement occurs when a commercial vehicle is conducting business within a jurisdiction, such as picking up loads and dropping them off in single or multiple locations within the same jurisdiction. Inter-jurisdictional operation and intra-jurisdictional operations are mutually exclusive.

The concept of intra-jurisdictional movement can be a contentious issue according to INCVA Task Force members. While many jurisdictions allow inter-jurisdictional movement by visiting non-apportioned vehicles, they may not allow intra-jurisdictional travel within their borders. Firstly, jurisdictions collect revenue from issuing licenses. Secondly, the notion of an external operator freely operating within a jurisdiction unmonitored without a registering and competing with local businesses can be viewed as economically and politically problematic, as a challenge for tax purposes, as vehicles that cannot be tracked cannot be taxed.

As noted earlier, many jurisdictions (where there is no agreement in place) collect fees from non-apportioned vehicles conducting both inter-jurisdictional and intra-jurisdictional travel. These fees come in forms of issuing permits, registration, and licensing. These fees are typically within the $10-35 range. Some jurisdictions will charge a pro-rated annual licensing fee to an operator for the duration of their intra-jurisdictional activities. The collection of these fees has an associated transaction cost that vary among jurisdictions. In addition, opportunity cost is incurred as the staff could be attending to safety or require less staff. As will be discussed later on this report, the net revenue from issuing these permits is often minimized by the cost to maintain the infrastructure to support these high volume/low value transactions.

**International Non-Apportioned Commercial Vehicle Task Force**

Following the IRP Annual meeting in May 2010, on recommendation from the IRP Inc. Board, a working group was established to explore development of an agreement for those vehicles that are not eligible for apportioned registration under IRP or those for which registration under IRP is optional. The Working Group is referred to as the International Non-Apportioned Commercial Vehicle Task Force, and is comprised of members from five jurisdictions, and representatives from IRP Inc., American Trucking Associations, North American Transportation Services Association and AAMVA. The Task Force was created to develop an agreement to address non-apportioned vehicles, in part through consultation with industry and jurisdictions.
Current Status of the International Non-Apportioned Commercial Vehicle Agreement

The INCVA Task Force has been meeting regularly since 2010, and has engaged both IRP members and industry through webinars, presentations, and direct communications to develop the current draft version of the INCVA Agreement. The current version of the draft Agreement is the latest of several iterations based on feedback from the Task Force’s consultations. The implementation time-lines are as follows:

- May 2012 – IRP Annual meeting- present draft of INCVA to IRP Community.
- July 2012 – Seek final jurisdictional/industry input on INCVA language.
- August 2012 – Revise Agreement based on jurisdictional / industry input.
- October 2012 – Distribute this report to IRP community for consultation purposes.
- October 2012 – Seek Board approval on the INCVA Implementation Action plan.
- December 2012– onward – Engage jurisdiction to become signatories to the INCVA Agreement.
- December to May 2013 – Actively engage other stakeholders, such as IRP, Industry, and AAMVA on the new INCVA Agreement.

Existing Multi-Jurisdictional Vehicle Agreements

The concept of a policy framework for non-apportioned vehicles is not new one; in fact AAMVA established the Multi-state Agreement in 1949 and updated in 1962 which remains in effect, today. The following agreements are still set in place and are contrasted in Appendix D.

- **Uniform Vehicle Registration Proration and Reciprocity Agreement (1956):** This agreement, also known as the Western Compact, was signed between original nine jurisdictions to allow reciprocity. The purpose of was to provide a prorate agreement and was a predecessor to IRP. It was later expanded to include additional seven jurisdictions. Non-apportioned vehicles may still be covered for some elements of free reciprocity for vehicles that are not required to be prorated under IRP.

- **Multi state Reciprocity Agreement Governing the Interstate Operation of Vehicles, known as the or the Multi state Agreement (last updated 1962):** sets forward an agreement that only saw fifteen signatory states provide free reciprocity for a range interstate and interstate vehicle operations, by exempting registration and payment of registration fees in host jurisdictions.
American Association of Motor Vehicle Administrator’s Registration Reciprocity Agreement (1988) is an agreement signed by six states and grants full reciprocity to passenger vehicles and non-commercial vehicles and interstate reciprocity to commercial vehicles (AAMVA, 1999).

Canadian Agreement on Vehicle Registration (CAVR): CAVR is an agreement between all Canadian provinces, intended to allow qualified vehicles to have free and full operations in any other member provinces, just as if the non-resident vehicle were operating in its own home province (British Columbia Ministry of Transportation and Infrastructure, 2011). Canadian territories are not signatory members to CAVR. Prior to 2001, CAVR was also a prorate agreement, but all prorating components were superseded by IRP when Canadian provinces joined that agreement.

According to the INCVA Task Force, there are several problems with the current fragmented policy framework for non-apportioned vehicles. Firstly, outside CAVR, these agreements are not centrally published, nor consistently indicated publicly by the signatory jurisdictions. As a result, industry is unaware that these agreements are in place; and if so, what are the exceptions to the agreements. Secondly, two of these agreements were written over 50 years ago, predating IRP, and need to be replaced by a single modern agreement that aligns with the IRP.

According to the Task Force, CAVR is the only current agreement that provides clarity to industry and jurisdiction regulators on the terms and conditions for both inter-jurisdictional and intra-jurisdictional movement. CAVR, in fact, provides the model for the current Draft INCVA Agreement. That said, while CAVR may be effective for Canadian provinces, gaps remain when American non-apportioned carriers conduct business in Canada and Canadian carriers into America. Further, the scope of intra-provincial reciprocity provided under CAVR is unclear and therefore uncertain.

The BC Experience with Free Reciprocity
Prior to the implementation of CAVR in 2008, BC indicated several concerns with providing free reciprocity to vehicles that were not registered in the province. As the section below indicates, those concerns are similar to those jurisdictions that are currently having with free reciprocity in the INCVA Agreement, such as:

- Loss of direct revenue from vehicle registration, as well as loss of other revenue the provinces remits through taxation of non-resident vehicles operating in the province
- Loss of the ability to monitor and control vehicles registered outside BC operating in the province for intra-jurisdictional basis
- Uncertainty within the organization to coordinate with its legislative authority (Provincial ministry) to engage in an agreement that it may not have the statutory to engage in.

After a few years of reviewing data, BC did see a significant reduction of total permits issued (apportioned and non-apportioned), however, there were not identified significant corresponding reductions in provincial revenue. BC attributes this to the fact that most of its permit revenue
comes from heavy commercial vehicles (i.e., those over 11,794 kg/26,000 lbs and charter buses. The revenue for issuing licenses, permits, and registration was immaterial to the revenue generated from apportioned vehicles. In fact, ICBC identified that there was a significant amount of infrastructure and transaction costs of issuing small scale fees of $25-50 permits. ICBC concluded that there were minimal revenue impacts, and that there were overall efficiency savings from not having the infrastructure to process these low-value revenue licenses/registration.

**RESEARCH METHODOLOGY**

This section outlines the different research approaches and tools to inform the subsequent analysis and development of options and recommendations. The researchers used an integrative, mixed method qualitative approach, using multiple components of data collection and emergent coding into four themes, as described later in section 4.0. The researchers obtained ethics approval for human participant research from the University of Victoria Human Research Ethics Board for the research.

**Research Components**

The research methodology for this policy review involves three components: literature review, historical survey results analysis, and interviews with expertise from the INCVA Task Force and IRP Plan members.

The literature review provides key background information about the IRP community; INCVA, commercial vehicle community and historical context for inter jurisdictional agreements for registration, and themes related to international and multi-jurisdictional agreements. The review of a 2010 survey led by the INCVA Task Force and resulting information presented at several IRP workshops and webinars indicates a high level of interest and support from jurisdictions and industry towards an international agreement. Finally, key information from interviews with IRP community provides additional definitive intelligence for multi-criteria analysis of options and recommended course of action for the INCVA Task Force.

**Literature Review**

The literature review for the report was undertaken to synthesize current knowledge about non-apportioned commercial vehicle administration, the IRP community, and international and reciprocal agreements. The review drew widely from government, academic, and business sources. Articles, reports, agreements, webinars, and books were found using databases through the University of Victoria Library and from sources provided by the client for the report. Due to the context of Canada-US jurisdictions in the IRP community, the sources considered were US and Canadian-based, as well as from other countries with similar socioeconomic environments. The information discovered in review of the literature review helped to provide structure for the paper and informed the policy options and recommendations.
INCVA Task Force Survey
As part of stakeholder consultation to support INCVA, the Task Force developed a survey in 2010 to solicit opinions of IRP members on the need and mechanics of developing an agreement for non-apportioned vehicles that is aligned with the current IRP framework. The results were reviewed and informed both the interview process, and provided information towards analysis and recommendations. The survey was completed following the May 2010 IRP annual meeting. It was distributed to collect information about issues and challenges about the INCVA Draft Agreement.

Out of 59 member jurisdictions, only 16 responded, therefore it is difficult to determine the reliability of the results of the survey. Moreover, the Canadian provinces would likely be positive to an international non-apportioned agreement, as CAVR has been successfully implemented in Canada. That said, the survey did help identify trends, and indicate concerns and challenges of implementing an international agreement.

Interviews
A key component of the research methodology was to interview IRP community members to obtain practical context to the literature review and survey result. The researchers have been participants of the INCVA Task Force monthly meetings since September 2011, and have had regular meetings with the INCVA Chair. In addition to these meetings, the researchers had interviews with two INCVA Task Force members and four additional IRP jurisdictional members between May and July 2012. The interviewees had a depth of expertise, including industry and law enforcement, related to commercial vehicle registration and we understand are widely respected in the IRP community. Confidentiality requirements protect individuals from further identification in the study by the researchers.

Telephone interviews were informal, using general guide questions and subsequent flexible, conversational questioning. Researchers also accepted emailed answers to written sample questions and any voluntarily provided information or documents from interviewees.

INTEGRATED ANALYSIS

The purpose of this section is two-fold. Firstly, this section provides an integrated analysis on the key findings from the research methodology. The second, and perhaps more important, purpose of this section is to identify through the research methodology if there is a need among stakeholders (and identified literature) for an international non-apportioned vehicle agreement. The analysis uses findings from the 2010 survey respondents, 2012 interviews, and literature review.

During the research process, several themes emerged. The research is presented in these themes, as follows:

- Theme one: problems and the need for a solution
- Theme two: barriers to develop and implement an agreement
- Theme three: lessons from CAVR
- Theme four: support for reciprocity and INCVA
**Theme one: problems and the need for a solution**

While large commercial trucks operators and jurisdictional operators have one agreement in the IRP to turn to for rules about multi-jurisdictional vehicle travel, the smaller vehicle operators with gross vehicle weights under 26,000 pounds lack the same one-stop shop for rules, requirements and information. In a published article, members of the INCVA Task Force identified this problem of lack of uniformity across states and provinces with respect to registration and reciprocity.

In the 2012 interviews, interviewees identified problems in non-apportioned vehicle movement. They noted the problems are the lack of clarity on rules and administrative inefficiency for both industry operations and regulatory bodies. One interviewee suggested there are two key problems that led to the draft agreement; the first problem is that no one in knows actual rules, and the second problem is that free operations [by industry] are hampered due to the first problem. Another interviewee expanded that the problem was inability to determine proper registration or reciprocity for non-apportioned vehicles since agreements that exist are not unilaterally signed by all jurisdictions in mainland US and Canada. The interviewee highlighted that often jurisdictions do not know which vehicles can or cannot operate within neighbour or other IRP member jurisdictions. This can pose challenges for industry, as well as administrative staff and state or provincial officials. An interviewed IRP member jurisdiction indicated that it can be concerning if the customer asks the jurisdiction for clear information on registration requirements for travel into other jurisdictions, and they are unable to tell them. This situation was described as awkward because the customer expects the jurisdiction to have answers. They indicated they needed one place to get data and information for their customers, which is up-to-date, maintained and easily accessible.

Another interviewee suggested that the main problem is lack of uniformity of reciprocity agreements and requirements between jurisdictions. They noted non-apportioned vehicles may be confronted with multiple conditions as they move between jurisdictions. This jurisdictional member described problems with specialty plating requirements that restricts movement, and obstacles for emergency vehicles to travel inter-jurisdictionally even in a state of emergency. As well, the member also noted that “not allowing reciprocity creates impediments to the flow of commerce [between US and Canada], particularly with urban or populated areas straddling the [US-Canada] border or instances where travel through another jurisdiction is required to reach another point within the jurisdiction the trip originated in.” An additional IRP member highlighted challenges with special plates, such as agricultural plates.

Both Interviewed INCVA Task Force members and an interviewed IRP member also suggested that lack of clarity about rules has implications for law enforcement. As well, surveyed jurisdictions from 2010 noted need for law enforcement education. Law enforcement may have a hard time being consistent in enforcing vehicle registration because they lack knowledge about what the actual rules are between different jurisdictions, perhaps because there is not a single place to find out all the rules. At the roadside, there is no single repository to find information, and the enforcement officer
can be surprised by an unfamiliar agreement a carrier pulls from a glovebox. A standardized, uniform agreement and information source would benefit officers for roadside operations.

Representatives for industry suggest there are problems in non-apportioned vehicle movement, too. One respondent to the 2010 INCVA survey communicated about problems that industry faces, even though the survey did not directly ask about existing problems with non-apportioned vehicle administration and movement. The respondent noted strong difficulties are encountered when determining trip permit requirements for both inter-jurisdictional and intra-jurisdictional movement. As with the 2012 interviews, the respondent shared that information found when searching regulations and laws is often unclear, sometimes no one knows what a jurisdiction actually requires from carriers, and carriers receive conflicting answers from jurisdictions. The respondent highlighted the need for a solution, noting that “carriers don’t mind complying with permit requirements; however, when the actual requirements are not clear, it is frustrating and costly [for carriers].”

The need for a solution was also highlighted in the publication, *Light and Medium Truck Magazine* (2011) which asked its industry readers to provide answers to a short survey on a reciprocity agreement and received 129 responses. The publication asked readers if there is a need for a solution and the majority (64%) of respondents noted somewhat to very much need.

Interviewees to the 2012 study noted that the Task Force activities were started as result of jurisdictions’ discussions about the issues of vehicle movement, and because of industry’s concerns with negatively affected operations due to inefficient practices. One Task Force member held that the INCVA solution is driven by the need for efficient transportation systems and more specifically by making reciprocity available, for promoting efficiency for jurisdictions and for vehicle operators.

Task Force members were interviewed about other options considered. One was not aware of previous discussions, and the other suggested two other options: status quo and incorporate INCVA under the IRP Plan. The first option, status quo, wouldn’t offer any additional clarity, and enforcement would continue to be inconsistent. The second option could either entail decreasing the weight threshold for IRP vehicle to 10,000 lbs, which would cause a problem for industry due to increased record keeping requirements, or it could demand adding language to allow reciprocity for all other vehicles. This is already allowed for those <26,000 lbs and charter buses. The trailers and restricted plated vehicles (e.g., farm plate) are problematic.

**Theme two: barriers to develop and implement an agreement**

Collaboration is when multiple parties work towards a common solution that is beyond their own individual abilities (Wood and Gray, 1991). A collaborative alliance is described by Wood and Gray (1991) as an “interorganizational effort to address problems too complex and too protracted to be resolved by unilateral organizational action” (p.4). Unilateral action is highlighted as a way to comprehensively address the problem, rather than maintain patch-work, incomplete solutions that can result in unnecessary confusion and frustration for users and organizations alike.
However, there are significant barriers in harnessing the power of collaborative alliances, which is needed to establish multi-party agreements between jurisdictions. For collaboration across state, provincial and federal lines, there’s a variety of challenges that make unilateral action difficult, namely differences in governance systems and jurisdiction over the agreement, buy-in by multiple governments and stakeholders, layers of political sensitivities, and nuances of inter-governmental relations.

Between Canada and US, there are basic differences in governance with parliamentary and republican systems (Findlay, Telford & Probe, 2006) which may present as barriers to collaboration. The functionality of governance processes in the US are completely different than in Canada due to basic system practices where legislative and executive in US act separately and this is similar at state level. As result, legislation and regulations are created in different ways in the US than in Canada. Moreover, there is a huge centralization of power in the US federal government, where the Canadian system separates more powers to provinces. This is not to suggest that there is federal involvement for these vehicles. While the federal government in both Canada and the United States do have a role with commercial drivers, they have limited power with commercial vehicle registration. Provinces and states have 100% authority for the registration and licensing of commercial vehicles.

In the US, the interstate collaboration to create an agreement may or may not require Congress approval depending on the characteristics of agreement used, whereas in Canada, it generally depends on the subject matter (Sundeen and Kawanabe, 2001). Interstate compacts require approval by US Congress but reciprocal administrative agreements or reciprocal state statutes do not. Also, normally the US federal authority requires that agreements with other countries have federal approval. However, border states routinely enter agreements with Canadian provinces and INCVA is a reciprocal administrative agreement, not an interstate compact, with state and provincial substance, not falling under US federal mandate nor having federal components. It would not need US federal approval, although Congress could endorse it if politically inclined. For the Canadian context, the creation of an agreement for non-apportioned vehicle movement would be wholly the responsibility of provincial level transportation bodies, with no federal involvement. INCVA survey respondents and an interviewed IRP member noted that the requirements to get state legislative requirements and statutory changes could act as a barrier. As well, three 2012 interviewees noted that time requirements, apathy or inertia on the part of state governments could act as an obstacle. If jurisdictions decided that the system manages acceptably without clear knowledge about the rules for inter-jurisdictional travel, they may not be inclined to do something about it. One noted that some people think the IRP Inc. should only exist for the Plan, while others view the IRP community as a platform for addressing other challenges in commercial vehicle industry.

Respondents to the INCVA Task Force survey were asked about their organizations’ abilities to sign a draft agreement. The majority of respondents answered that their organization would have the authority to sign an international non-apportioned vehicle agreement. One jurisdiction claimed that they would need more (undetermined) information and one jurisdiction explained that their jurisdiction’s department of revenue would need to sign the agreement. Interviewed IRP members
indicated that executive decision making and input would be required. An INCVA Task Force member suggested that jurisdictions need to understand the function and components of INCVA and what it will mean for them. Jurisdictions need clear, transparent, and open information and dialogue with others in the IRP community. The member highlighted the uniqueness of registration in each jurisdiction and that each jurisdiction’s special considerations must have some way of being honored, not impeded.

As well, in developing international agreements, there can be challenges due to politics. Even for policy endeavors between jurisdictions within the same nation, political and bureaucratic barriers threaten to derail implementation of agreements. Savoie (1988) contends that collaborations to create agreements are distinguished by political involvement, as decision-making is raised to the ministerial level. Several jurisdictional respondents to the INCVA 2010 survey identified that political support is necessary for an agreement to move forward and that lack of political will would severely limit respondent agencies to enter it. Several jurisdictions also mentioned that consultation with stakeholders and other government departments would be required and could layer in complications. One interviewee indicated that peer pressure, with jurisdictions signing on could, however, lead other jurisdictions to join.

Buy-in from stakeholders can also impact implementation of a solution. Several respondents to the INCVA Task Force 2010 survey highlighted that buy-in from stakeholders and education of stakeholders, namely industry members, would be an issue in development, implementation, and enforcement of a reciprocity agreement. Lack of buy-in could derail efforts to implement the agreement whereas support of industry for it could add pressure to jurisdictions to sign on. One INCVA Task Force member noted that getting the attention of the small operators is difficult and inertia could threaten implementation of INCVA. The interviewee stated that it is difficult to spread information to these small operators who may not think of themselves as trucking companies. As result, they may not be paying attention to IRP communications or major industry associations. The member also noted that pressure of industry could influence states to sign the agreement, or the states may sign it without industry involvement simply due to the clarity that the one-stop agreement provides.

For INCVA, an obstacle raised by the IRP community is the potential for lost revenue and tax implications. Several respondents to the 2010 survey noted that loss of revenues due to free reciprocity would be a possible barrier to signing and implementing INCVA. As well, interviewees noted that governments may be concerned about potential loss of revenue, such as trip permit fees or apportioned vehicle fees from those vehicles that could be added under the IRP. The current fiscal climate is such that any financial losses must be carefully explored and may be enough to negate joining an agreement, even when the potential benefits are strong. Additionally, a further barrier highlighted by the 2010 INCVA Task Force survey was concern about including intra-jurisdictional operations in an INCVA agreement.
Theme three: lessons from CAVR
The research identified the usefulness of lessons learned from the Canadian Agreement on Vehicle Registration (CAVR). As previously described, CAVR is intended to allow qualified vehicles to have full and free operations in any other CAVR member jurisdiction, just as if the vehicle were operating in its home jurisdiction (British Columbia Ministry of Transportation and Infrastructure, 2011). A key identified benefit and implementation lesson of CAVR, is that it provides a consistent agreement for all Canadian provinces, rather than a patchwork of agreements. An interviewee identified that key considerations for a solution to the challenges of administration of non-apportioned vehicle movement was to use CAVR as a base. Task Force members co-authored a published article and also pointed to CAVR as a solution to challenges with non-apportioned vehicle travel (Pitcher and Termuende, 2011). The authors contend both provinces and Canadian industry report that reciprocity under CAVR is working well.

One reason that CAVR may be upheld as a model agreement is that it allows provinces to have unlimited exceptions, but still ensures that jurisdictions and industry can find the right information in one place. For example, a jurisdiction could file an exception to intra-jurisdictional travel. The province of BC filed exceptions to many parts of the agreement and these are clearly accessible to interested parties when planning travel across country, as compared to the labour-intensive trip planning presented in the Miami to Seattle example.

Another reason that CAVR is viewed positively is that it aligns with the IRP and as such serves to compliment it as it provides an answer on how to deal with the vehicles that IRP does not. Before the Canadian provinces joined the IRP, CAVR served as a prorate agreement as well (British Columbia Ministry of Transportation and Infrastructure, 2011). The Canadians could have maintained CAVR unchanged and the prorate portion (Category A of CAVR) would be null and void; instead, Canada amended the agreement to remove all the provisions related to prorate and increase weights where free reciprocity would apply to align with IRP. Thus, they ensured CAVR was not duplicating IRP or leaving confusion as to its new purpose as a reciprocity agreement only. This clarity in purpose and language, and alignment to the IRP is beneficial to both carriers and jurisdictions. An INCVA Task Force member interviewee noted that consistency of language between the CAVR and IRP was a reason behind using CAVR as a model for the INCVA agreement.

The BC experience with CAVR is particularly useful to review because it provides some insight about potential economic consequences of entering a free reciprocity agreement. BC was initially resistant to remove free reciprocity exclusions, according to an INCVA Task Force member. However, due to trade requirements with Alberta in 2007, the province was required to fully adopt the free reciprocity provisions of the agreement.

As with other jurisdictions that may opt to join INCVA, BC was concerned about potential for lost revenues from decreased registrations with increased free reciprocity. Prior to 2001, only the vehicles under 5500 kg (12125 lbs) were granted free reciprocity and the province received revenues from the vehicles over that threshold. When all the Canadian provinces joined IRP in 2001, provinces began to allow full and free reciprocity for vehicles between 5,500 kg (12125 lbs) and
11,794 kg (or 26000 lbs). BC and Saskatchewan, however, continued to restrict operations for those vehicles. BC was concerned that revenues from non-resident permits for commercial vehicles would decrease due to less permitting and provincial sales tax collection would be compromised being adjacent to a province without provincial sales tax. In 2007, BC aligned with other provinces and allowed full and free reciprocity under 11,794 kg. In doing so, BC reviewed their permit data before and after allowing full and free registration reciprocity and found that when they fully adopted CAVR, the number of quarterly permits dropped significantly, (INCVA Task Force, 2012). Despite a significant decrease in permits, their revenue remained relatively unchanged because commercial vehicles under 11,794 kg or 26,000 lbs pay lower fees relative to the heavier commercial trucks. As a result, staff at weigh scales could focus on heavier vehicles and safety enforcement for all vehicles. In summary, the change showed a decreased administrative burden for staff and vehicles owners, but not a significant decrease in revenue.

**Theme four: support for reciprocity and INCVA**
The integrated research shows support for free reciprocity and the principles of INCVA. Free reciprocity would mean that applicable vehicles could operate freely without registration fees or registration requirements under the agreement subject to specific terms and exceptions of jurisdictions found within the agreement. Both industry and jurisdictions offer support for free reciprocity principles. In the survey by *Light and Medium Truck Magazine* (2011), 65% of respondents noted somewhat to strong results that INCVA would resolve problems for vehicles not covered by the Plan. The Truck Renting and Leasing Association (TRALA) voiced its support for INCVA, stating its membership generally supports INCVA and “if adopted, it would be beneficial to their business because it will make it easier to operate their vehicles in interstate commerce” (TRALA, 2012).

Jurisdictions in the IRP community have indicated support for a comprehensive, free reciprocity agreement. An IRP member jurisdiction noted their support for “the concept of free reciprocity provided the agreement does not create any significant revenue loss, can be enforced, and ... maintains a level playing field between based plated carriers and carriers entering the state pursuant to the agreement”. As well, results from the 2010 INCVA Task Force survey found a general consensus that jurisdictions were in support of the principle of an international free reciprocity agreement. However, those jurisdictions also noted need for more (undetermined) information before supporting the agreement (which this paper aims to provide) and that political and government support would be necessary in order for IRP administrators to commit to a free reciprocity agreement for non-apportioned commercial vehicles. One jurisdiction surveyed in 2010 expressed that they would be opposed to the principle of the agreement and noted concern about potential for lost revenue. One interviewee also indicated concern about charter bus provisions under the agreement, indicating many members may be opposed to full exemption, but had overall support for INCVA.

An INCVA Task Force member noted that the agreement is particularly useful, not only to remedy problems (of administrative inefficiency), but to offer a central location for information about what is required for and by each member jurisdictions. The member also highlighted it’s flexibility to allow
adaptation for every jurisdiction and usefulness for industry. Interviewed IRP members also noted the usefulness and importance of seeing information in one accessible place. One interviewee described usefulness of a uniform approach for inspection at the roadside, with one official place to find information, noting that INCVA could speed up inspections at the roadside, thus freeing up the vehicle operator’s time (with potential cost savings for the operator) and allowing the officer to be able to do more checks over time (increasing their efficiency).

Survey respondents were questioned about the need to include intra- and inter-jurisdictional exceptions to the INCVA. While many jurisdictions stated that they would not require exceptions for inter-jurisdictional operations, most noted more information would be required to make a definitive decision. Two jurisdictions identified that a trip permit would still be required. Many jurisdictions responded that they would require exceptions if intra-jurisdictional operations are included in the agreement. An interviewee noted that intra-jurisdictional provisions could cause challenges for law enforcement as it is unclear how this would be administered and how the vehicles would be tracked to ensure they are complying with the provisions in the agreement, (particularly time limitations). Another interviewee also highlighted the possibility of adding exceptions not only for intra-jurisdictional travel, but for whole geographic areas (metropolitan cities). One interviewee noted that because members could opt out of whatever provisions they desired, there were fewer stumbling blocks to implementation.

**Summary of themes** - Overall, from these four themes, it is clear that industry and jurisdictions see inefficiency and negative impacts on commerce due to the current practices for non-apportioned commercial vehicle registration and want a comprehensive, uniform solution. As well, they acknowledge the barriers to signing and implementing a collaborative agreement, including governance and politics, economic impact, legislative/statutory amendments, stakeholder buy-in, and risk of inertia. The research also shows that CAVR is shown as a useful model because it allows exceptions, offers a consistent, uniform, and transparent solution for all of its members, compliments the IRP and shares consistent language with it. As well, CAVR did not appear to lead to a decrease in revenues for BC, which may offer useful intelligence for other jurisdictions concerned about loss of revenues under free reciprocity. Overall, both jurisdictions and industry offered support for the principles of free reciprocity and the INCVA agreement (with some needing exceptions to intra-jurisdictional travel or concern about intra-jurisdictional travel provisions).

**DISCUSSION – OVERVIEW OF INCVA AGREEMENT**

As described in the analysis, an agreement for non-apportioned vehicles would benefit industry, offer transparent and comprehensive information in one place, promote commerce, empower law enforcement with clear rules, and decrease administrative burdens for jurisdictional staff. The broader question is whether jurisdictions would be willing to forfeit some control, and perhaps revenue, to accommodate an agreement. The BC experience has indicated that there has been minimal revenue impact from joining CAVR, and that no issues have risen with vehicles operating
inter-jurisdictionally or intra-jurisdictionally in the province. As such, INCVA mirrors CAVR in many ways. The following section provides the reader with a more fulsome understanding of the implications of key sections in the INCVA.

Analysis of Key Elements of the INCVA Agreement
The key sections of INCVA are explored in the following sections. As noted in the research, jurisdictions and readers in the IRP community would benefit from information about INCVA and what it means. They need to be able to understand INCVA and implications for their organization. Key elements explored here are the supremacy clause, purpose, underlying principles, key definitions, exceptions, and tax implications.

Forward Section

The purpose of the International Non-Apportioned Commercial Vehicle Agreement (INCVA) is to provide full and free registration reciprocity for those commercial vehicles that are ineligible for registration under the International Registration Plan (IRP) and for those commercial vehicles for which registration under the IRP is optional. INCVA is intended to replace all prior agreements for these non-apportioned vehicles to provide a single North American agreement for full and free registration reciprocity.

This agreement was initially developed in 2012 by representatives of the International Registration Plan’s motor carrier services community. INCVA is modeled after the IRP and is a companion agreement to the IRP. INCVA incorporates components from existing reciprocity agreements such as the Multistate Agreement (as amended 1962), the American Association of Motor Vehicle Administrators’ Registration Reciprocity Agreement (1988), and the Canadian Agreement on Vehicle Registration (as amended 2008).

This wording in the forward indicates that INCVA supersedes all other existing agreements for non-apportioned vehicles for which a jurisdiction is a member. As a result, the Agreement consolidates all agreements for non-apportioned vehicles into one, which invariably makes CAVR, the multi-state agreement, and the AAMVA Agreement obsolete. A review of the other agreements has not identified clear language indicating that a jurisdiction cannot remove itself from the agreement. In fact, the INCVA Agreement implies that a jurisdiction does not have to remove itself from existing agreements to be party to INCVA although challenges with lingering provisions of the Western Compact suggest formal steps should be taken to withdrawn from known agreements.

Article I - Title and Introduction

Purpose of the Agreement

It is the purpose of the Agreement to provide a mechanism through which Signatories grant Full and Free Registration Reciprocity to Vehicles that are not eligible for apportioned registration under the International Registration Plan, or for which apportioned registration under the International Registration Plan is optional.
The significance of this section is that it directly ties the INCVA Agreement as an accompanying document to the IRP. This portrays INCVA as an extension to the IRP, without fully embedding the terms and conditions of NCVA within the IRP itself. Jurisdictions have indicated a strong preference to not embed INCVA in IRP and make it mandatory; as such, this approach ties INCVA within the Plan, but does not make it an enforceable provision within the Plan.

**Cooperative Agreement**

*Each Signatory shall administer the registration of Vehicles covered by this Agreement in such a way that no other Signatory is unfairly disadvantaged.*

This is a key principle of the agreement because it indicates that no jurisdiction should create a situation where it puts itself in a more advantageous economic to the detriment of its neighbouring jurisdictions. For example, this provision is designed to prevent a jurisdiction from providing incentives to industry to register in its jurisdiction fully knowing that industry will be moving throughout and conducting businesses in multiple jurisdictions. This is more pertinent in the United States where several states are clustered together and the movement from one jurisdiction to another is of minimal time and distance. This provision would also discourage the registration of large fleets in one jurisdiction for operation predominately in another.

**Effect of this Agreement on Other Agreements**

This Agreement supersedes any agreement, arrangement, or understanding of any kind between any two or more Signatories concerning matters within the Agreement. The Agreement shall not, however, affect any agreement, arrangement, or understanding between a Signatory and a Jurisdiction that is not a Signatory. Nothing in this Agreement shall affect the International Registration Plan or the privileges of registrants under the International Registration Plan. In the event of a conflict between this Agreement and the International Registration Plan, the International Registration Plan shall prevail.

This is additional language to the forward that explains that INCVA will supersede all other agreements, and that any potential conflict with the Plan that could arise would be secondary to the Plan.

**Article II – Definitions**
The following sections are key terms in the agreement.

**Inter-jurisdictional and Intra-jurisdictional Movement**

Interjurisdictional Movement - “Interjurisdictional Movement” means Vehicle movement between or through two or more Jurisdictions.

Intra-jurisdictional Movement - “Intra-jurisdictional Movement” means Vehicle movement from one point within a Jurisdiction to another point within the same Jurisdiction.
The definitions for inter-jurisdictional and intra-jurisdictional movement are identical to those used by the Plan. Given that the purpose of INCVA is to clarify the rules around jurisdictional travel, it was critical that the terminology aligned with those interpretations of the Plan.

Non-apportioned vehicle

“Non-apportioned Vehicle” means a motor Vehicle used for commercial purposes for which registration under the International Registration Plan is optional or which is ineligible for registration under the International Registration Plan, specifically:

i. a motor Vehicle with two axles and an actual gross Vehicle weight and registered gross Vehicle weight of 26,000 pounds or less (11,793 kilograms or less);

ii. a motor Vehicle with two axles, used in combination with a trailer or semi-trailer, when the registered and gross weights of the combination are both less than 26,000 pounds (11,793 kilograms);

iii. a motor Vehicle operating on a Restricted Plate; or

iv. a Charter Bus.

A “Non-apportioned Vehicle” does not include:

i. a one-way rental Vehicle; or

ii. a passenger car or a motorcycle.

This definition captures all those commercial vehicles (with the two exceptions) that fall outside the scope of IRP. The result of this definition is that all commercial vehicles in North America have full coverage through either the IRP or INCVA for the purpose of jurisdictional movement. One-way vehicles are excluded as there are mechanisms under IRP to deal with this unique group. Passenger cars and motorcycles are excluded as the agreement is designed solely for commercial vehicle types.

Inter-jurisdictional Reciprocity

Full and Free Registration Reciprocity, whether for Interjurisdictional Movement or Intra-jurisdictional Movement, has two aspects:

1) the waiver by all Signatories of their Registration Fees for a Non-apportioned Vehicle registered in another Signatory; and

2) the recognition as valid by all Signatories of the registration number plate and other registration credentials issued for the Non-apportioned Vehicle by the Vehicle’s Base Jurisdiction.

A Vehicle granted Reciprocity under this Agreement is thus not subject either to the Registration Fees of any Signatory other than its Base Jurisdiction, or to their credential requirements associated with Vehicle registration.

This section clarifies that once a jurisdiction is registered in a particular jurisdiction, no other jurisdiction is to charge that vehicle any additional registration fees for the purpose of both inter- and intra-jurisdictional movement. It does not, however, remove a jurisdiction’s ability to tax a vehicle as the provision is specific to “registration fees” as defined earlier in the Agreement.
Article III – Intra-jurisdictional Reciprocity

Except as it may otherwise specify in Appendix A, a Signatory shall grant Full and Free Registration Reciprocity for Intra-jurisdictional Movement to Non-apportioned Vehicles registered in any Signatory. Reciprocity granted to motor Vehicles under this section shall be limited to thirty days in any calendar year, unless the Signatory specifies a different period in Appendix A.

This section (see Appendix B for full article) is a key element of this agreement because it indicates that full intra-jurisdictional is provided to a signatory jurisdiction. Of most significance is the reference to Appendix A. Appendix A lists the jurisdictions that will not provide intra-jurisdictional movement. A party that is a signatory to the Agreement is required to outline all exclusions, so if a signing party does not want to provide intra-jurisdictional movement under these terms, it must explicitly state so in the Agreement. In other words, a jurisdiction must make a conscience effort to opt out of parts of the agreement.

330 Exclusions, Limits, Conditions, and Allowances

A Signatory may exclude one or more categories of motor Vehicle. A Signatory may choose not to grant Reciprocity for Intra-jurisdictional Movements for Non-apportioned Vehicles and Trailing Equipment or may place limits and conditions on its grant of Reciprocity of Non-apportioned Vehicles and Trailing Equipment for Intra-jurisdictional movement. In order for a Signatory to impose any exclusion, limit or condition on the Reciprocity it grants under this Agreement the Signatory shall specify such exclusion, limit or condition in Appendix A. An exclusion, limit or condition filed by a Signatory shall become effective 30 days after it is filed, or at such later date as the Signatory may specify. For the mutual benefit of Signatories and Registrants, Signatories are encouraged to provide Full and Free Registration Reciprocity under this Agreement with few, if any, exclusions, limits, or conditions.

This is a critical element in the Agreement as it provides flexibility to jurisdictions to outline exceptions. One of the weaknesses and risks of the Agreement is that an appendix full of exceptions may deem the Agreement limited in effectiveness. However, by providing jurisdictions with flexibility on the terms and conditions they wish to provide jurisdictionary movement, the more likely the Agreement will be signed onto. An important positive consequence of providing exceptions and listing them in an appendix is that it improves overall clarity for jurisdictional travel, which is one of the biggest challenges of the void in international non-apportioned vehicle policy.

The binding nature of the Agreement provides certainty to industry and law enforcement as to the rules of a particular jurisdiction because the Agreement remains binding even if a jurisdiction has changed a rule but not made associated revisions to the Agreement.
Article III - 350 Taxes and Other Fees Not Waved

Except for Registration Fees, nothing in this Agreement shall be construed to waive any fees or taxes authorized by the laws of any Signatory in connection with the ownership or operation of a Non-apportioned Vehicle or Trailing Equipment.

This section clarifies that jurisdictions still maintain the right and authority to tax a vehicle for other purposes. Several states and provinces have ownership tax levied on vehicles as they operate within their jurisdiction. A vehicle must still pay those taxes; only the registration fee, as defined in the Agreement, for vehicles conducting jurisdictional movement is waived.

OPTIONS ANALYSIS

In policy development, there are usually various distinct policy options; however, given the purpose and scope of this paper, the options are focused solely on whether there should be an international agreement for non-apportioned commercial vehicles. If an agreement is required, should INCVA be implemented? And if implemented, how should the Agreement implemented? Based on the integrated findings, the problems of inefficiency, lack of uniformity, and lack of clarity on rules for non-apportioned vehicles is evident and requires a solution.

The findings also point to support in industry and jurisdictions for a uniform free reciprocity agreement and for INCVA, specifically. Implementation of INCVA is a definite option. The research also informed that other options have been considered (maintain status quo and include non-apportioned vehicles within the Plan) and these are reviewed as well. An additional staged implementation option is proposed, based on determining need and support for an agreement but concern around intra-jurisdictional provisions. As such the policy options are below:

1) **Do not implement INCVA Agreement**
   - a. Maintain status quo (fragmented policy)
   - b. Have further consultations with jurisdictions

2) **Implement the INCVA Agreement in two stages**

3) **Implement the INCVA Agreement:**
   - a. As a provision in the IRP Agreement, or
   - b. As drafted (outside of mandatory provisions of the IRP Agreement)

In the following sections, these options will be described and the implementation implications and expected outcome for each described.
Option 1A: Do not implement INCVA and maintain status quo
Under option 1A, INCVA is not implemented and jurisdictions maintain current practices. The current fragmented policy framework continues, with agreements covering some jurisdictions but not all, and with no one repository of information for carriers, jurisdictions and law enforcement. Commerce remains unchanged.

Policy Rationale: Several jurisdictions, including all of Canada, have agreements already set in place to provide free reciprocity for both inter-jurisdictional and intra-jurisdictional movement. Some jurisdictions that are not party to a regional agreement currently allow free inter-jurisdictional movement without registration. For many jurisdictions, the benefit of implementing INCVA may not justify balanced against the potential effort required to operationalize the agreement.

Implementation Implications: The easiest option to implement is the one that allows for present trends to continue. Should an international agreement not be signed by a jurisdiction because of operational resistance or lack of leadership to coordinate efforts with the appropriate legislative authority and corresponding treasury departments, the overall commercial transportation industry, and local and regional economy, will continue to be disadvantaged. As indicated in the research findings, having a non-apportioned policy framework is beneficial for the commercial transportation industry, and removing administrative barriers will foster more economic development, improve law enforcement operations, free up time of administrative personnel for other operations, all of which invariably benefits the jurisdiction’s local and regional economy.

Expected outcome: Under this option, jurisdictions do not have one repository of information about rules on non-apportioned commercial vehicle movement. Law enforcement, jurisdictional operations, and industry will continue to experience problems due to lack of uniformity, lack of accessible and up-to-date information, and continued inefficiencies. Commerce will continue to be negatively impacted as administrative barriers caused by regulatory ambiguity for non-apportioned vehicles will continue.

Option 1B: Do not implement INCVA but have more consultations
Under option 1B, INCVA is not implemented but the INCVA Task Force and IRP community continue to have consultations with jurisdictions and allow jurisdictions more time to assess financial impacts of the proposed agreement in their areas, consider legislative changes required, and move forward with operational planning necessary to implement such an agreement.

Policy Rationale: The current plans to implement INCVA do not include provisions for a phased-implementation approach or an effective date in the future.

Multi-lateral agreements, especially those crossing international jurisdictions, take time to implement. For Canada, both the Agreement on Internal Trade and western provinces’ Trade, Investment, and Labour Mobility Agreement (TILMA) provided effective dates out into the future where the agreement would be in full effect. This gave enough time for jurisdictions to assess impacts and establish the infrastructure to support the trade agreements. This option’s sub-option
provides the time for jurisdiction to assess the implementation implications and to be better prepared once INCVA becomes in full effect.

**Implementation Implications:** The INCVA Task Force was tasked to develop a framework agreement, and providing more time for jurisdictions to review the agreement, and hopefully increase the likelihood of a jurisdiction becoming a signatory. However, there are some associated risks in using this approach. A clear time-line, consultation schedule, and milestones will need to be developed and monitored, or else INCVA would be considered as a concept paper instead of an agreement that binds all jurisdictions. This approach must also include a document indicating the expectations of each jurisdiction. The risk is that multiple instructions, extended time-lines, and additional documentation could derail the Agreement, as highlighted in the research, where all indications are pointing to several jurisdictions ready and able to implement parts of the agreement, if not – all components of INCVA.

Expected outcome: Under this option, INCVA would not be implemented and the IRP community would continue to discuss free reciprocity. There is a fair risk that due to an extended timeline, momentum could be lost and the problems in non-apportioned vehicle movement would fail to be addressed. Jurisdictions may simply continue their regular practices, and fail to do the assessment and planning needed.

**Option 2: Implement INCVA in two stages**
Under this option 2, jurisdictions implement INCVA in two stages. The inter-jurisdictional movement provisions of INCVA are implemented in the first stage, followed by intra-jurisdictional movement provisions in the second phase. This would require jurisdictions to sign on for the inter-jurisdictional provisions at first, and then have further discussions and planning for the second phase.

**Policy Rationale:** Several jurisdictions, including all the Canadian provinces and those signatories in other regional agreements, allow inter-jurisdictional movement in varying degrees. All indications from INCVA Task Force consultations, industry, and research for this paper have indicated that inter-jurisdictional movement as not problematic. This is aligned with the principles of IRP, pertinent trade agreements, and jurisdictions economic growth interests. There still is a revenue impact from jurisdictions that still collect licensing fees for inter-jurisdictional movement.

The more contentious issue of INCVA is for intra-jurisdictional movement as jurisdictions lose control on both the monitoring and revenue potential of out of state/province conducting business within their jurisdiction. Some jurisdictions which allow inter-jurisdictional movement require smaller commercial vehicles to be registered as apportioned vehicles or be required to obtain temporary permits for intra-jurisdictional movement for those exact purposes. Initially implementing the inter-jurisdictional component provides industry clarity on the terms and conditions of inter-jurisdictional movement, which according to the research is fragmented.

**Implementation Implications:** The benefits of taking a phased in approach of this option is that it immediately provides jurisdictions and industry a policy document where the terms and conditions of inter-state/provincial movement is clear. Several jurisdictions already provide this reciprocity
provision to other jurisdictions, and empirical evidence has suggested that businesses are already practicing this given the lack of enforcement within the jurisdictions. This approach immediately signifies to the commercial transportation sector of moving towards more efficient highway regulations, while at the same time allowing jurisdictions time to assess impacts on intra-jurisdictional movement, and the implications of external carriers conducting business in their own jurisdiction.

The argument against this approach is several jurisdictions already have a framework for both inter- and intra-jurisdictional movement. Implementing INCVA immediately in its current state would have limited impact on these jurisdictions. Therefore, implementing INCVA now and establishing a regulatory standard may prompt other jurisdictions to sign the Agreement instead of waiting for a few years in a piece-meal approach. Additionally, jurisdictions that have concern about intra-jurisdictional provisions are able to add exceptions about intra-jurisdictional movement under the Agreement, and could change their position in future after additional review, if they decide to do so. There is a risk that if the first stage were implemented, the second stage would not be due to inertia and lack of will or buy-in.

**Expected outcome:** Under this option, the first phase of inter-jurisdictional movement provisions of INCVA would be implemented and agreed upon by jurisdictions. This would address challenges of not having one agreement for inter-jurisdictional travel, improving carrier and jurisdictional access to information and knowledge about rules, and offer improvements for law enforcement, too. However, there is a strong likelihood that the second stage of intra-jurisdictional travel provisions may not get addressed, causing difficulties for information for those jurisdictions that allow it.

**Option 3A: Implement and include INCVA as a provision in the IRP Agreement**
Under option 3A, INCVA is included under the existing IRP and implemented as a mandatory provision. This would require Plan members to agree to changes to the Plan with the addition of non-apportioned commercial vehicles.

**Policy Rationale:** There is a strong argument that because the majority of vehicles generating revenue for jurisdictions are apportioned, there would be limited impact on jurisdiction revenues should non-apportioned vehicles be designated with free reciprocity in the IRP agreement. Several jurisdictions are already party to a non-apportioned agreements; and the research for this paper has indicated that enforcement of registration for non-apportioned vehicles is limited, if not, at times non-existent.

**Implementation Implications:** The immediate recognition of free reciprocity within the IRP has immediate benefits for industry; however, there are several potential negative consequences that must be considered. Light commercial vehicles and charter buses can already prorate under IRP. The
change would be that portions of IRP would provide free reciprocity with no record keeping requirement. Trailers, for example, already have some element of free reciprocity in the Plan.

The Plan requires all members to adhere to all provisions of the Plan and although a jurisdiction may vote to not introduce additional free reciprocity provisions into the Plan, a dissenting member would still be subject to the Plan should that ballot pass with a 75% majority. This presents many challenges as it forces jurisdictions, some of which joined IRP because US federal legislation requires, to adopt provisions of the agreement which, for some elements of free reciprocity may be contrary to their interests if they wish to participate in the prorating elements of the Plan because IRP does not, in practice, allow exceptions. There would need to be detailed explanation in the IRP on what requirements (if any) there would be for non-apportioned vehicle operators.

Further, given the concerns noted above, and the requirement that 75% of all jurisdictions must approve a change to the Plan, it is highly unlikely that such a majority vote could be achieved.

**Expected outcome:** Under this option, INCVA would be implemented by including it as a necessary part of the IRP Plan, requiring members to agree to IRP changes. This option would require further consultation to determine the most acceptable and efficient way to add INCVA under the IRP, and whether jurisdictions and industry support that method. At the earliest, this option could be tabled in the next IRP general meeting in 2012; however, jurisdictions will not likely need more time to determine impact.

**Option 3B: Implement INCVA as drafted**

Under this option 3B, INCVA is implemented as drafted, as a stand-alone document outside of the mandatory provisions of the IRP, but serving as a complimentary agreement to it. This option allows jurisdictions to voluntarily agree to join INCVA.

**Policy Rationale:** This option is the current approach the INCVA Task Force is undertaking to implement INCVA. As noted in an earlier section, this option introduces the notion of free reciprocity for inter-jurisdictional movement, while allowing members to have exceptions for the more contentious issue involving intra-jurisdictional movement. The Agreement was written by the INCVA Task Force which is comprised of jurisdiction regulators and industry representatives. This
Task Force has worked for over two years and has developed the Agreement in consultation with IRP and AAMVA community members.

Implementation Implications: As this report is a detailed analysis of the development of the Agreement, no further commentary will be provided. If the IRP Board of Directors approves the implementation plan, the INCVA Task Force will begin working with jurisdictions to become signatories of the Agreement. The INCVA Task Force has also developed a communications schedule to present industry, the IRP community, AAMVA, and other key stakeholders.

Expected outcome: Under this option, it is expected that jurisdictions would voluntarily join the Agreement, thus creating one binding repository of information on rules about non-apportioned vehicle registration for member jurisdictions, including any exceptions. This would assist law enforcement, industry, and jurisdictions. It would also provide for greater freedom of movement for vehicles, provide greater certainty for industry, law enforcement and jurisdictions while reducing administrative burdens for all parties.

Evaluative criteria
The options described in the preceding sections can be assessed using practical and evaluative criteria. Bardach (2000) contends that selecting criterion is the most important step for permitting values and philosophy to be brought into the policy analysis because criteria are evaluative standards used to judge the goodness of the projected policy outcome associated with each of the alternatives (Bardach, p 19). Evaluative criterion is applied to projected outcomes of an option opposed to the option itself. This is critical because the most important evaluative criterion is that the projected outcome will solve the policy problem to an acceptable degree (Bardach, p 20). Bardach contends that efficiency is the most important evaluative criterion as it maximizes the aggregate of individual’s welfare. The current policy framework for non-apportioned vehicles, at least from the aggregate perspective, is fragmented and hence inefficient in Bardach’s terms of policy efficiency.

According to Bardach, another key evaluative criterion that should be considered when assessing options is fairness and equity. The problem with applying this criterion to a unified policy framework for non-apportioned vehicle is that there are various perspectives among industry, regulators, and enforcement. That said any options developed should be equitable in a sense that no group is left behind, and that implementation of any option is properly communicated to all stakeholder groups.

Evaluative criteria, in its own, are insufficient to assess options; other criteria are to be incorporated that addresses implementation and political considerations. Bardach refers to these considerations as practical criteria. Some (criteria) are purely practical and are part of the analytical plot line. These have to do with what happens to an alternative as it moves through the policy adoption and policy implementation process (Bardach p. 24). As noted, Agreement is implemented at the state/provincial level. Through Bardach’s criteria lens, any policy option must be politically
acceptable and be robust and flexible enough so that even if the implementation process does not go smoothly, the policy outcome will still prove to be satisfactory.

In summary, the criteria that will be used to assess the options in the following sections will be efficiency, from an evaluative perspective as well as political acceptability, robustness and flexibility, and cost from a practical perspective.

- **Efficiency** – For the purpose of this report, efficiency is defined minimal administrative and regulatory barriers within the commercial transportation sector. As such, the current framework of fragmented and regionalized policies would be inefficient because of the varying rules and exceptions of each jurisdiction. On the other end, the IRP would be considered efficient because of the seamless and transparent policies carriers know as they move from one state/province to another.

- **Political acceptability** – The go forward policy must not necessarily be politically acceptable – but at least pass the test of politically non acceptable. For the option to be politically acceptable, it must enhance the welfare of all related parties, and something that elected officials can champion to their constituents in the face of opposition. The recommended policy must have acceptance from industry as well.

- **Robustness and Flexibility** – these criteria are bundled into one category because they assess both an options complexity to address many considerations while being flexible enough to accommodate changes in the future and account for the uniqueness of each jurisdiction.

- **Cost** – determining exact costs and revenue impacts for each jurisdiction is outside of the scope of this report. However, cost considerations remain an important consideration for each jurisdiction and they would benefit from individually determining feasibility and cost impacts of INCVA for their jurisdiction. For example, BC has indicated that there have been limited revenue implications for fully participating in CAVR as the majority of permit revenue was from IRP vehicles, and in fact BC has indicated a reduction in overall administrative costs by not supporting an infrastructure to support low cost permits from licensing non-apportioned vehicles. As part of an internal assessment, jurisdictions are encouraged to assess revenue implications as part of their decision-making process.

**Comparison of options**
In this section, the options are qualitatively evaluated, under the selected criteria (efficiency, political acceptability, and robustness and flexibility). A narrative will be provided to further expand on how the option meets the criteria. The options are evaluated as:

- **Low Acceptance (LA)** – the options either does not meet or barely meets the minimal level to meet this criteria;
- **Medium Acceptance (MA)** – there are components in the option that meet the optimal definition of the criteria, but there are certain elements which restrict it from being fully realized; and
- **High Acceptance (HA)** – the option meets the optimal definition of the criteria.
<table>
<thead>
<tr>
<th><strong>Option #1 - Do not implement INCVA</strong></th>
<th><strong>Efficiency</strong></th>
<th><strong>Fairness and Equity</strong></th>
<th><strong>Robustness and Flexibility</strong></th>
<th><strong>Cost Impacts</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) and maintain status quo</td>
<td></td>
<td>LA – the fragmented policy structure is unfair to smaller carriers, as larger carriers benefit from a policy structure that is transparent and consistent from one jurisdiction to another</td>
<td>LA – there is no flexibility in the current framework outside jurisdictions having the option to out of their current agreements</td>
<td>No cost impacts as jurisdictions maintain current cost and revenue streams</td>
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<tr>
<td>b) but have further consultations with jurisdictions</td>
<td></td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Option #2 - Implement INCVA in two stages</strong></th>
<th><strong>Efficiency</strong></th>
<th><strong>Fairness and Equity</strong></th>
<th><strong>Robustness and Flexibility</strong></th>
<th><strong>Cost Impacts</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>MA – this option results in a high regulatory efficiency within the sector as it streamlines the rules for jurisdictional movement. However, there still may be inefficiencies that will remain until an agreement for intra-jurisdictional</td>
<td>HA – this is the fairest to both industry and jurisdictions. Firstly, it provides smaller carriers with the benefits that current larger operators enjoy. Secondly, it allows jurisdictions more time to assess the revenue implications of intra-jurisdictional</td>
<td>MA – This option simply allows for a delayed acceptance of intra-jurisdictional movement. The agreement already has provisions for exceptions. So while this option is robust and flexible, the allowance for</td>
<td>Jurisdictions must assess cost implications, and are recommended to complete costing model in Appendix E</td>
<td></td>
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<td>Option #3 - Implement INCVA:</td>
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<tr>
<td>a) <strong>As a provision in the IRP agreement</strong></td>
<td>movement is finalized.</td>
<td>movement.</td>
<td>jurisdictions to provide exceptions to intra-jurisdictional movement already exists.</td>
<td></td>
</tr>
<tr>
<td><strong>HA</strong> – this is highly efficient because it imbeds all of those vehicles outside of the scope within the IRP itself. All vehicles will then have aligned provisions for jurisdictional movement.</td>
<td><strong>LA</strong> – Jurisdictions have indicated an apprehension for strict enforcement given revenue considerations and statutory authority. Interviews have indicated that INCVA should be an agreement that jurisdictions decide to be a signatory of, instead of being forced upon.</td>
<td><strong>HA</strong> – While this agreement may be forced upon members jurisdictions, there are still provisions within the Plan, albeit impractical, that allow for exceptions. However, an unintended consequence of this option is that after joining, other jurisdictions may vote away another jurisdiction’s exceptions.</td>
<td><strong>Jurisdictions must assess cost implications, and are recommended to complete costing model in Appendix E</strong></td>
<td></td>
</tr>
<tr>
<td>b) <strong>As drafted (outside of mandatory provisions of the IRP Agreement)</strong></td>
<td>HA – INCVA results in a clear and transparent policy framework for all those vehicles outside the IRP scope</td>
<td>HA – INCVA allows jurisdictions to provide exceptions, and hence acknowledges the unique needs and circumstances of each jurisdiction. Moreover, all commercial vehicle carriers (large and small) are treated equitable from a regulatory perspective.</td>
<td>HA – there are allowances for exceptions in INCVA for each member jurisdiction. Moreover, the language within the Agreement itself is consistent with IRP agreement.</td>
<td>Jurisdictions must assess cost implications, and are recommended to complete costing model in Appendix E</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

As the analysis of this paper has indicated, there is an overall need for a policy framework for an international agreement for non-apportioned vehicles. As the previous section identified, industry is disadvantaged not having a clear policy, and several jurisdictions have made attempts to have to establish reciprocity agreements within their region for non-apportioned vehicles. As such, the first option of letting present trends continue is not viable.

The two remaining options are largely differentiated by timing. The second option of implementing INCVA in a phased approach is to accommodate jurisdictions who have raised concerns with intra-jurisdictional movements; however, as highlighted in the earlier section on the overview of INCVA, there is wording in the Agreement that allows provisions for jurisdiction to have exceptions, including restricting intra-jurisdictional movement. Therefore, there is no real advantage for having a phased approach in implementing INCVA.

There may be some consideration that by phasing in the Agreement there is a higher probability that all jurisdictions would be more apt to sign off on inter-jurisdictional movement and address intra-jurisdictional movement after a detailed internal assessment on impacts. However, as noted, provisions in INCVA exists to provide these exceptions, and jurisdictions have the flexibility and authority to maintain any restriction they desire for any vehicle moving through and conducting business within its boundaries. As well, this option has a risk of only the first phase being implemented. Therefore, it is the recommendation of this paper to implement Option #3, and implement INCVA in its current structure, and develop an implementation and communications plan accordingly.

In addition to this recommendation, it is suggested that these considerations be included as part of implementing INCVA:

**Consideration #1:** Require that each jurisdiction to provide a listing of the requirements for non-apportioned vehicles and post this information on the IRP Inc. website that is searchable and divided into jurisdictions. Consistent issues raised during the research included the lack of accessibility and transparency of requirements. A web-based, up-to-date resource will immediately help address those issues. Information that populates this information resource will be taken from Appendix A of INCVA and will therefore be binding in accordance with the terms of the Agreement.

**Consideration #2:** Use the IRP website to track signatories and their exceptions. Exceptions for signatories should be easily accessible, both as an appendix to the Agreement as well as in an easily accessible public website. This can be provided based on the appendix. The appendix also has the join date so if not in the appendix, it should be made clear on the website which jurisdictions are and are not members of INCVA.

**Consideration #4:** Develop a communications plan that is catered for each specific stakeholder, including jurisdictional regulators, industry associations, and enforcement. Both empirical evidence
and the research for this report have indicated that not all jurisdictions at the operational level have the same expertise in transportation regulations. Whatever communications strategy or implementation approach the INCVA Task Force determines going forward, it must consider that jurisdictions are at different levels of preparedness. It is critical to the successful implementation of INCVA that both industry and enforcement are part of the communications process so the transition of the new rules is seamless and transparent.

CONCLUSION

The commercial transportation sector has been and will continue to be a critical sector in the development and expansion of commerce and economic growth throughout North America. Partnerships and trade agreements among the Canadian and American federal and state/provincial level have been instrumental in removing administrative and regulatory barriers to aid industry, promote trade and commerce, and increase overall economic welfare. We have seen this through the development of NAFTA, and from the Canadian perspective the commitment to the AIT and TILMA.

For the commercial transportation sector, we have seen this commitment through the policy and infrastructure development of the IRP agreement. The commercial transportation industry has benefited from establishing a policy framework for large commercial trucks moving goods throughout North America. But more importantly, small and large businesses have benefited the most as the ability to move goods throughout North America is critical to delivering their products to the end consumers and from business to business. However, as outlined, discussed, and analyzed in this paper, gaps remain for certain vehicles as they conduct operations from one jurisdiction to another.

Jurisdictions have identified such gaps as early as the 1930’s and the IRP community acknowledged these gaps by creating the INCVA Task Force to ensure that all those vehicles falling outside the IRP agreement’s scope benefit from a unified policy framework. This paper, and the attached INCVA agreement, is a culmination of the work the INCVA Task Force has undertaken since 2010. As it is the IRP’s fundamental principle to promote and encourage the fullest possible use of the highway system, this paper (and corresponding Agreement) is a further reinforcement of that principle.
APPENDIX A – GLOSSARY

**Apportioned vehicle** is a vehicle that:

(i) has two axles and a gross vehicle weight or registered gross vehicle weight in excess of 26,000 pounds (11,794 kilograms), or
(ii) has three or more axles, regardless of weight, or
(iii) is used in combination, when the gross vehicle weight of such combination exceeds 26,000 pounds (11,793.401 kilograms).

**American Association of Motor Vehicle Administrators (AAMVA)** is a nonprofit organization based in the United States that develops model programs in motor vehicle administration, police traffic services and highway safety (AAMVA, 2012). The association represents state and provincial motor vehicle administrators in US and Canada. The association also is an information clearinghouse and performs research activities.

**AAMVA Registration Reciprocity Agreement**, also called the **AAMVA Registration Reciprocity Agreement** is an agreement developed in 1988 and is signed by six states. It grants full reciprocity to a mix of passenger vehicles and non-commercial vehicles and provides interstate reciprocity to commercial vehicles.

**Base jurisdiction** means the jurisdiction where a given vehicle is registered.

**Canadian Agreement on Vehicle Registration** or **CAVR** is a full and free reciprocity agreement between all Canadian provinces to allow free movement qualified vehicles to have free and full operations in any other member provinces, just as if the non-resident vehicle were operating in its own home province. Prior to 2001, CAVR was also a prorate agreement.

**Charter bus** means a bus engaged in movement of a party of persons with common purpose and particular itinerary and under a single contact.

**Farm or fishing vehicle** means a vehicle that is registered in a jurisdiction and operated for transportation of registrants’ property for their farm or fishing business.

**Fleet** means one or more vehicles owned by a registrant for operations of their business.

**Government vehicle** means a vehicle registered to a federal, state, provincial, municipal or regional government.

**Gross vehicle weight (GVW)** means the weight of a vehicle or combination or vehicles including equipment, accessories and load.
Host jurisdiction means the jurisdiction, other than the base jurisdiction, where a given vehicle is located.

Inter-jurisdictional movement means vehicle movement between or through two or more jurisdictions.

International Registration Plan (also known as the IRP or the Plan) is a prorate registration agreement for commercial vehicles between all US states (except Alaska and Hawaii) and Canadian provinces that allows a base jurisdiction to collect registration/licence fees and taxes and issue registration/licensing credentials on behalf of a host jurisdiction. Under IRP, apportioned vehicles must be registered. Vehicles have one registration/licence plate and corresponding document which allows travel in all member jurisdictions.

International Registration Plan Inc. (IRP Inc. or the Repository) is the non-profit organization responsible to serve as repository for the IRP, ensure compliance with the IRP and provide education and leadership to the IRP community.

Intra-jurisdictional movement means vehicle movement from a point within a jurisdiction to another point in the same jurisdiction.

Jurisdiction means a state of the United States, district capital or province or territory of Canada.

Non-apportioned vehicle means a motor vehicle used for commercial purposes, for which registration under the IRP is optional or which is ineligible for registration under the IRP, specifically:

(i) A two axle motor vehicle with an actual gross vehicle weight and registered gross vehicle weight of 26,000 pounds or less (11,793 kilograms or less);
(ii) A two-axle motor vehicle, used in combination with a trailer or semi-trailer, when the registered and gross weights of the combination are both less than 26,000 pounds (11,793 kilograms);
(iii) A motor vehicle operating on a restricted plate; or
(iv) A charter bus.

Multi state Reciprocity Agreement Governing the Interstate Operation of Vehicles, or the Multi state Agreement (1962) sets forward an agreement for fifteen signatory states to provide free reciprocity for interstate vehicle operations, by exempting registration and payment in host jurisdictions.

Power unit is a motor vehicle with its own means of propulsion.
**Reciprocity** means “reciprocal granting by one jurisdiction of operating rights or privileges to properly registered vehicles registered by another Jurisdiction, especially but not exclusively including privileges generally conferred by vehicle registration” (IRP, 2012).

**Registered gross vehicle weight** means the gross weight for which a commercial motor vehicle is registered.

**Restricted plate** means a registration licence plate that has a time, geographic area, distance or commodity restriction. A restricted plate can include for example, a government-owned or leased vehicle (including bus or vehicle part of a mass transit system), collector plate, farm or fishing plates, and dealer, transporter or manufacturer plates.

**Uniform Vehicle Registration Proration and Reciprocity Agreement** also known as the **Western Compact**, allows free reciprocity for commercial vehicle fleets for interstate travel between member jurisdictions, with fees based on percentage of use.
APPENDIX B – INCVA AGREEMENT

INTERNATIONAL NON-APPORTIONED COMMERCIAL VEHICLE AGREEMENT
With Official Commentary

DRAFT

October 4, 2012

Official Repository of the
International Non-apportioned Commercial Vehicle Agreement:

International Registration Plan, Inc.

(703) 522-1905

www.irponline.org
FOREWORD

The purpose of the International Non-Apportioned Commercial Vehicle Agreement (INCVA) is to provide full and free registration reciprocity for those commercial vehicles that are ineligible for registration under the International Registration Plan (IRP) and for those commercial vehicles for which registration under the IRP is optional. INCVA is intended to replace all prior agreements for these non-apportioned vehicles to provide a single North American agreement for full and free registration reciprocity.

This agreement was initially developed in 2012 by representatives of the International Registration Plan’s Motor Carrier Services community. INCVA is modeled after the IRP and is a companion agreement to the IRP.

INCVA incorporates components from existing reciprocity agreements such as the Multistate Agreement (as amended 1962), the American Association of Motor Vehicle Administrators’ Registration Reciprocity Agreement (1988), and the Canadian Agreement on Vehicle Registration (as amended 2008).
ARTICLE I
TITLE AND INTRODUCTION

100 TITLE
This reciprocal agreement shall be known as the International Non-apportioned Commercial Vehicle Agreement, and is referred to as the Agreement.

110 PURPOSE OF AGREEMENT
It is the purpose of the Agreement to provide a mechanism through which Signatories grant Full and Free Registration Reciprocity to Non-apportioned Vehicles.

120 COOPERATIVE AGREEMENT
Each Signatory shall administer the registration of Vehicles covered by this Agreement in such a way that no other Signatory is unfairly disadvantaged.

130 EFFECT OF THIS AGREEMENT ON OTHER AGREEMENTS
This Agreement supersedes any agreement, arrangement, or understanding of any kind between any two or more Signatories concerning matters within the Agreement. The Agreement shall not, however, affect any agreement, arrangement, or understanding between a Signatory and a Jurisdiction that is not a Signatory. Nothing in this Agreement shall affect the International Registration Plan or the privileges of registrants under the International Registration Plan. In the event of a conflict between this Agreement and the International Registration Plan, the International Registration Plan shall prevail.

ARTICLE II
DEFINITIONS

BASE JURISDICTION
“Base Jurisdiction” means a Signatory where a given Non-apportioned Vehicle is registered.

BUS
“Bus” means a motor Vehicle designed for carrying more than 10 persons, including the driver.

CHARTER BUS
“Charter Bus” means a Bus regularly engaged in the movement of a Chartered Party.

CHARTERED PARTY
“Chartered Party” means a group of Persons who, pursuant to a common purpose and under a single contract, have acquired the exclusive use of a passenger-carrying Motor Vehicle to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the group after leaving the place of origin. This term includes services rendered to a number of passengers that a passenger carrier or its agent has assembled into a travel group through sales of a ticket to each individual passenger covering around trip from one or more points of origin to a single advertised destination.
FULL AND FREE REGISTRATION RECIPROCITY
“Full and Free Registration Reciprocity” means mutual recognition by all Signatories of the registration of a Non-apportioned Vehicle in its Base Jurisdiction, including the waiver of Registration Fees imposed by any Signatory except the Vehicle’s Base Jurisdiction.

HOST JURISDICTION
“Host Jurisdiction” means a Signatory, other than the Base Jurisdiction of a given Non-apportioned Vehicle, in which the Vehicle is located.

INTERJURISDICTIONAL MOVEMENT
“Interjurisdictional Movement” means Vehicle movement between or through two or more Jurisdictions.

INTRAJURISDICTIONAL MOVEMENT
“Intrajurisdictional Movement” means Vehicle movement from one point within a Jurisdiction to another point within the same Jurisdiction.

JURISDICTION
“Jurisdiction” means a state of the United States, the District of Columbia, or a province or territory of Canada.

NON-APPORTIONED VEHICLE
“Non-apportioned Vehicle” means a motor Vehicle used for commercial purposes for which registration under the International Registration Plan is optional or which is ineligible for registration under the International Registration Plan, specifically:

i. a motor Vehicle with two axles and an actual gross Vehicle weight and registered gross Vehicle weight of 26,000 pounds or less (11,793 kilograms or less);
ii. a motor Vehicle with two axles, used in combination with a trailer or semi-trailer, when the registered and gross weights of the combination are both less than 26,000 pounds (11,793 kilograms);
iii. a motor Vehicle displaying a Restricted Plate; or
iv. a Charter Bus.

A “Non-apportioned Vehicle” does not include:

i. a one-way rental Vehicle; or
ii. a passenger car or a motorcycle.

RECIPROCITY
“Reciprocity,” where used by itself in this Agreement, has the same meaning as Full and Free Registration Reciprocity.

REGISTRANT
“Registrant” means the person in whose name a registration has been issued for a Vehicle.

REGISTRATION FEE
“Registration Fee” means any fee or tax, whether one-time or recurring, imposed for registering, licensing, or titling a Vehicle.
REPOSITORY
“Repository” means International Registration Plan, Inc., a Virginia non-stock corporation.

RESTRICTED PLATE
“Restricted Plate” means a registration license plate that has a time, geographic area, distance or commodity restriction; a plate identifying a Vehicle as government-owned or leased; or a mass-transit or other special plate issued for a Bus leased or owned by a municipal government, a state or provincial transportation authority, or a private party, and operated as part of an urban mass-transit system, as defined by the jurisdiction that issues the plate.

Official Commentary
Restricted Plates include, by way of example, farm or fishing plates, historic, vintage, or collector plates, and motor dealer industry plates (for example: dealer or demonstration plates and repairer’s plates).

SEMI-TRAILER
“Semi-Trailer” means a Vehicle without motor power that is designed to be drawn by a motor Vehicle and is so constructed that a part of its weight rests upon or is carried by a towing Vehicle.

SIGNATORY
“Signatory” means a Jurisdiction that is a party to this Agreement.

TRAILER
“Trailer” means a Vehicle without motor power, designed to be drawn by a motor Vehicle and so constructed that no part of its weight or that of its load rests upon or is carried by the towing Vehicle.

VEHICLE
“Vehicle” means a device used to transport persons or property on a highway, but does not include devices moved by human power or used exclusively upon rails or tracks.

ARTICLE III
RECIPROCITY

300 INTERJURISDICTIONAL RECIPROCITY
A Signatory shall grant Full and Free Registration Reciprocity for Interjurisdictional Movement to Non-apportioned Vehicles registered in any Signatory.

Official Commentary
Full and Free Registration Reciprocity, whether for Interjurisdictional Movement or Intrajurisdictional Movement, has two aspects:

(1) the waiver by all Signatories of its Registration Fees for a Non-apportioned Vehicle registered in another Signatory; and
(2) the recognition as valid by all Signatories of the registration number plate and other registration credentials issued for the Non-apportioned Vehicle by the Vehicle's Base Jurisdiction.

A Vehicle granted Reciprocity under this Agreement is thus not subject either to the Registration Fees of any Signatory other than its Base Jurisdiction, or to its credential requirements associated with Vehicle registration.

310 INTRAJURISDICTIONAL RECIPROCITY
Except as it may otherwise specify in Appendix A, a Signatory shall grant Full and Free Registration Reciprocity for Intrajurisdictional Movement to Non-apportioned Vehicles registered in any Signatory. Reciprocity granted to motor Vehicles under this section shall be limited to thirty days in any calendar year, unless the Signatory specifies a different period in Appendix A.

Official Commentary

The Reciprocity granted by this Agreement to motor Vehicles for Intrajurisdictional Movements is limited. The Agreement thereby recognizes a balance between the need of a Jurisdiction to collect a Registration Fee for the use of its highways and the impracticality of a Registrant having to register a Vehicle in more than a single Jurisdiction for a given registration period. Nothing in the Agreement, however, prevents a Signatory from expanding the Reciprocity it grants.

320 RESTRICTED PLATES
Where a Vehicle bearing a Restricted Plate is granted Reciprocity under this Agreement, the restrictions and limitations, as well as any allowances, on the use of the Restricted Plate shall be the same as those that would apply to the operations of a Vehicle bearing an equivalent Restricted Plate issued by the Host Jurisdiction.

Jurisdictions may specify the type of Restricted Plates that are either provided Reciprocity or prohibited operations under this Article in Appendix A.

If a Jurisdiction does not specify in Appendix A the types of accepted or prohibited Restricted Plates, then it shall grant Reciprocity under this Article to all Restricted Plates.

330 EXCLUSIONS, LIMITS, CONDITIONS AND ALLOWANCES
A Signatory may exclude categories of Vehicles from Reciprocity.

A Signatory may choose not to grant Reciprocity for Intrajurisdictional Movements for Non-apportioned Vehicles or may place limits and conditions on its grant of Reciprocity of Non-apportioned Vehicles for Intrajurisdictional movement.

In order for a Signatory to impose any exclusion, limit, or condition on the Reciprocity it grants under this Agreement the Signatory shall specify such exclusion, limit, or condition in Appendix A. An exclusion, limit, or condition filed by a Signatory shall become effective 30 days after it is filed, or at such later date as the Signatory may specify.
Official Commentary

For the mutual benefit of Signatories and Registrants, Signatories are encouraged to provide Full and Free Registration Reciprocity under this Agreement with few, if any, exclusions, limits, or conditions.

340 REGISTRATION NUMBER PLATES AND CREDENTIALS
The Full and Free Registration Reciprocity provided under this Agreement shall only apply to a Non-apportioned Vehicle that has satisfied the registration requirements in its Base Jurisdiction, has displayed on it a valid registration number plate or equivalent temporary credential, and for which current and valid registration documents are carried in the vehicle if these are required by the Base Jurisdiction.

Where it is the practice of the Base Jurisdiction to issue only one registration number plate, the Host Jurisdiction shall not require the display of two registration number plates.

The other provisions of this section notwithstanding, a Signatory may provide Reciprocity for a Vehicle which does not bear registration credentials. Where such operation is allowed, the Signatory shall specify any such allowances, along with any limits or conditions, in Appendix A.

350 TAXES AND OTHER FEES NOT WAIVED
Except for Registration Fees, nothing in this Agreement shall be construed to waive any fees or taxes authorized by the laws of any Signatory in connection with the ownership or operation of a Non-apportioned Vehicle.

360 OPERATIONAL REQUIREMENTS UNAFFECTED
This Agreement shall not be construed to authorize the operation of a Non-apportioned Vehicle upon the highways of any Signatory in excess of the maximum weight, width, length, or height allowed by the laws of the Host Jurisdiction or contrary to any other provision of its laws, safety rules, and regulations.

ARTICLE IV
ADMINISTRATION

400 REPOSITORY
The Repository shall be responsible for the administrative duties specified in the Agreement.

410 AMENDMENTS TO THE AGREEMENT
This Agreement may be amended upon the affirmative vote of 75 per cent of the Signatories that cast a ballot.
Each Signatory shall be entitled to one vote on a proposed amendment and shall designate to the Repository the person who shall cast the vote for the Signatory.
A ballot to amend the Agreement may be put forward to the Repository by any Signatory.
The Repository shall provide 45 days notice to all Signatories for review and comment on a proposed amendment, and following that period shall submit the proposal to the Signatories for a vote. Signatories shall within 45 days submit their votes to the Repository, which following that period shall announce to all Signatories the outcome of the vote.
The Signatory proposing an amendment to the Agreement may withdraw the proposal at any time prior to the closing of the voting period.
An amendment adopted by the Signatories shall be effective 90 days after the voting period closes unless the ballot specifies a later effective date.

420 JOINING THE AGREEMENT
Any Jurisdiction may become a Signatory to the Agreement by notifying the Repository in writing that the Jurisdiction agrees to be bound by the terms of the Agreement. The Repository shall promptly notify the other Signatories of any such action by a Jurisdiction, and the membership of the new Signatory shall become effective 30 days following the Repository’s notification of the other Signatories.

The Repository shall record in Appendix A the membership of the new Signatory, along with any exclusions, limits, conditions, or allowances the Signatory may file under Article III.

430 WITHDRAWAL FROM THE AGREEMENT
A Signatory may withdraw from the Agreement by submitting a notice in writing to that effect to the Repository. The Repository shall thereupon notify the other Signatories. The effective date of a withdrawal from the Agreement shall not be less than 90 calendar days following the date of notification to the Repository.
INCVA APPENDIX A:

(Examples here are for illustrative purposes and do not at this point accurately reflect the actual practices of the jurisdictions)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Date Joined</th>
<th>Intra-jurisdictional Movement allowed (time limits)</th>
<th>Non-apportioned Vehicles excluded (limits/conditions)</th>
<th>Accepted Restricted Plates (specified limits/conditions/prohibitions)</th>
<th>Additional limits, conditions and allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td>01/Jan/201X</td>
<td>Yes (90 days in a calendar year) (farm plated vehicles allowed 365 days a year)</td>
<td>Charter Buses with 3 or more axles or with a GVW over 11,793.</td>
<td>Farm (used by a farmer to transport own goods or supplies and includes pleasure use) Antique, Historic or Collector • motor vehicle sales and service industry floater plates (e.g., Transporter, Demonstration, Dealer, Repairer) • Government</td>
<td>Converter dollies and their equivalent (e.g. Jeeps/Boosters) may operate without a registration number plate provided the device is not the last axle in a commercial vehicle configuration. Appendix A last amended Feb XX, 20XX.</td>
</tr>
<tr>
<td>Illinois</td>
<td>01/Feb/201X</td>
<td>Yes (72 hours continuous operation within the state – no limit to the number of 72 hour continuous periods if vehicle leaves the state at least once every 72 hours)</td>
<td>Charter Buses with 3 or more axles or with a GVW over 26,000 lbs. must obtain permits or prorate under IRP</td>
<td>Farm Truck (Plates issued to a farm or farmer for hauling of his commodity, not for hire, specifically related to agricultural, horticultural or livestock raising purposes.) Farm Machinery (Plates issued to a vehicle having permanently mounted farm machinery (clover huller, hay press, feed unloader, feed</td>
<td>Hosted vehicles without registration number plates or temporary credentials must obtain Illinois registration credentials. Illinois will allow and may require the display of dual plates for vehicles registered in IL and another jurisdiction for vehicles operated outside the Reciprocity granted under this Agreement.</td>
</tr>
</tbody>
</table>
mixer, auger box, fee mill, corn sheller, water well driller) Not allowed to haul any cargo or merchandise not related to the specific machinery.)

- **Fertilizer Spreader**

  (Plates issued to any single unit self-propelled agricultural fertilizer spreader implement designed for both on or off road use equipped with flotation tires. Used within a 50 mile radius of registration address. Maximum width 12 feet, maximum load 36,000 pounds, maximum speed 30 mph.)

- **Permanently Mounted Equipment**

  (used exclusively by the owner for the transporting of such permanently mounted equipment and tools and equipment used incidentally in the work performed by the permanently mounted equipment. Vehicle is not operated more than 50 percent of the registration year. Vehicle is not for hire.)

- **Exempt Vehicle**

  (Plates issued to a unit that qualifies as “Special Mobile Equipment” as defined by 625 ILCS 5/1-191. Not designed for general highway use. No other load or cargo may be hauled on these units. Movement is only incidental to the operation of the unit.)

- **Dealer Registration**

  (Plates issued to a licensed vehicle dealer, trailer dealer or motorcycle dealer on vehicles held for sale or resale. May not haul on this plate. May be issued to one dealership owned vehicle under 8000
<table>
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<tr>
<th></th>
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<th></th>
<th>pounds used to haul parts incidental to the operation of the business. May not be displayed on any second division vehicle for hire, or for hauling other that allowed one-trip demonstration purposes with proper permit. May not be used on any personal use vehicle.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Manufacturer</strong> (Plates issued to a bonafide vehicle manufacturer for the purpose of testing, demonstrating, or delivering such vehicle to a bonafide consignee. May be issued to a vehicle manufactured by a competitor for testing. May not haul on this plate. May not be displayed on any second division vehicle for hire. May not be used on any personal use vehicle)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Repossessor</strong> (Plates issued to a financial institution to move a vehicle used as collateral upon repossession. May not be used on any personal vehicle. May not haul on this registration.)</td>
</tr>
</tbody>
</table>
INCVA

RESOLUTION ADOPTING THE
INTERNATIONAL NON-APPORTIONED COMMERCIAL
VEHICLE AGREEMENT

WHEREAS, it is the purpose of the International Non-Apportioned Commercial Vehicle Agreement (the Agreement) to grant Full and Free Registration Reciprocity to Vehicles that are not eligible for apportioned registration under the International Registration Plan, or for which apportioned registration under the International Registration Plan is optional; and

WHEREAS, the International Non-Apportioned Commercial Vehicle Agreement shall supersede all prior agreements to the extent those agreements concern matters within this Agreement;

NOW, THEREFORE, in consideration of the mutual and reciprocal benefits to flow therefrom, in accordance with the laws of this Jurisdiction, the authorized person acting in pursuant to ___________________________ [insert statutory authority] ___________________________

and on behalf of _____ [Jurisdiction] ________, does hereby ratify the International Non-Apportioned Commercial Vehicle Agreement, with the attached exclusions, limits, conditions, or allowances, if any, to be included in Appendix A of the Agreement.

IN TESTIMONY WHEREOF, the _____ [Jurisdiction] ________ acting through its duly authorized officials, has caused this resolution to be adopted to make _____ [Jurisdiction] ________ a Signatory to the Agreement, and agrees to be bound by its terms.

Adopted this __________ day of __________, 20__

FOR [Jurisdiction]

BY:

______________________________  ______________________________

Signature                  Title
APPENDIX C – IRP OVERVIEW

The International Registration Plan (the IRP Plan) is an agreement among member states and provinces that allows for the distribution of registration fees for commercial motor vehicles travelling inter and intra-jurisdictionally. The IRP provides blanket registration for trucks and buses (also referred to as apportioned vehicles weighing more than 26,000 lbs/11,793 kg) as an alternative to individual reciprocity agreements, and distributes truck and bus registration fees among member jurisdictions based on the weight travelled in other jurisdictions. Vehicles will have one licence plate and registration document which allows travel in all member jurisdictions, rather than paying in all jurisdictions.

The IRP Plan prescribes the administration and collection of fees commercial non-apportioned vehicles are required to pay when travelling across member jurisdictions. Fees are based not on kilometers travelled, but rather on the ratio of kilometers travelled in each jurisdiction. Fees fluctuate depending on where the non-apportioned vehicle registers to travel, since some jurisdictions have higher registration fees than others.

While the rules and more, importantly, the administration of the IRP is centralized and defined for apportioned vehicles, there are no over-arching agreements that effect all member jurisdictions for lighter non-apportioned vehicles (or those commercial vehicles outside the scope of IRP). Some jurisdictions (Canada and some pocket of states in America) have regional agreements; however, following compliance by obtaining registration and licensing for lighter commercial vehicles travelling across North America is required on a jurisdiction by jurisdiction basis.

The following are key dates and milestones of the IRP history (IRP, 2012):

1968 - AAMVA forms a sub-committee to develop a plan to incorporate all theories of reciprocity. Reciprocity, as applied specifically to motor vehicles, is the granting of privileges or exemptions by one jurisdiction to vehicles or owners of vehicles when such vehicles are properly registered in another jurisdiction granting similar privileges or exemptions. Simply stated, you can drive your vehicles in and through my jurisdiction if I can drive my vehicles in and through your jurisdiction.

1972 - An Ad Hoc Committee for National Proportional Registration forms at the 1972 AAMVA International Conference, assigned with the task of developing the proposed plan into an agreement acceptable to both industry and the licensing jurisdictions. The committee is made up of motor vehicle administrators from AAMVA's four regions.
1973 - Four meetings of the Ad Hoc Committee take place where some areas of the plan were re-worked or expanded, and the plan gains favor among jurisdictions studying the feasibility of the agreement. Kentucky, Missouri and Tennessee initiate this "Pilot Agreement" to put into effect a prototype of the agreement based on the work of the Ad Hoc Committee. As the final draft of the plan is being prepared in July, the name is changed to the International Registration Plan (IRP). At the AAMVA International Conference, the project is presented and a resolution is passed making IRP a reality, with the hope of creating the first national uniform interjurisdictional registration plan.

1974 - IRP becomes international when Alberta becomes the first Canadian IRP jurisdiction.

1991 - The Intermodal Surface Transportation Efficiency Act is signed into law in the US, establishing an approach to highway and transit funding with collaborative planning requirements.

1994 - IRP, Inc. is created to serve as the repository of IRP providing for a stronger leadership board to determine the future and direction of the plan.

1995 - The Federal Highway Administration and IRP, Inc. sign a cooperative agreement to implement a pilot project for an electronic Clearinghouse between the IRP jurisdictions in order to facilitate the electronic exchange and reconcilement of registration information and fees among jurisdictions.

2003 - IRP, Inc. establishes its own budget and Board of Directors, separate from AAMVA.

2008 - On July 1, the Ballot 333, or the Plan Re-Write Ballot, becomes effective. The re-write gives greater clarity and uniformity in determining IRP registration fees, incorporates principals of reasonableness and accountability concerning Plan administration and provides for the full implementation of NAFTA with anticipation of Mexico to join the Plan as a member jurisdiction.

2011 - IRP, Inc. becomes a fully independent organization. AAMVA is no longer a voting member of IRP, Inc., removing the last formal tie between the two organizations. Today, the 48 contiguous US States, the District of Columbia and ten Canadian provinces are all members of IRP and participate in the Plan, which authorizes registration of over 2.0 million commercial vehicles. In addition, the repository continues to have an open dialogue with Mexico on entering the IRP.
## APPENDIX D – COMPARISON OF CURRENT AGREEMENTS

<table>
<thead>
<tr>
<th>Multi state Reciprocity Agreement Governing the Interstate Operation of Vehicles (Multistate Agreement)</th>
<th>American Association of Motor Vehicle Administrator’s Registration Reciprocity Agreement (AAMVA Agreement)</th>
<th>Canadian Agreement on Vehicle Registration</th>
<th>Uniform Vehicle Registration and Reciprocity Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date signed</td>
<td>Originally signed by 10 southeastern states on December 17, 1949 and later revised, with additional five states by March 21, 1962</td>
<td>1988</td>
<td>January 1, 1956</td>
</tr>
<tr>
<td>Purpose/principle</td>
<td>Reciprocity for interstate vehicle operations, by exempting registration and payment in host jurisdiction</td>
<td>Full or temporary full reciprocity to passenger cars and non-commercial vehicles and interstate reciprocity to commercial vehicles (except those under IRP), exempting registration for interstate or intrastate operations.</td>
<td>Full and free registration reciprocity for Class B (non-apportioned) vehicles for interjurisdictional and temporary intra-jurisdictional operations</td>
</tr>
</tbody>
</table>
| Qualifying vehicles | A. Privately owned and operated passenger vehicles  
B. Other vehicles, where person, firm or corporation maintains a place of business in either one or more of the reciprocating jurisdictions. This includes dealer or in-transit plated vehicles; privately operated property carriers (trucks, tractors, trailers and semi-trailers) operated interstate and transporting property; motor carriers of passengers for hire (charter trips) where carrier is registered with reciprocating jurisdictions; motor carriers of property for hire including trucks, tractors, trailers and semi-trailers, where vehicle is registered with | 1. Full reciprocity:  
1A. Passenger and non-commercial vehicles  
1B. Vehicles owned by schools or charitable organizations  
1C. Vehicles owned and operated by government agency  
1D. Vehicles owned by dealer/manufacturer for sale, testing and demonstration  
1E. Passenger and non-commercial vehicles owned by military personnel on active duty or their spouses  
2. Temporary full reciprocity:  
2A. Vehicles with hunter permits as provided in IRP  
2B. Charter bus (under 30 days)  
2C. Passenger and non-commercial vehicle with temporary license tags  
3. Interstate reciprocity: | A. 2-axle power unit or 2-axle power unit and trailer, having licenced gross vehicle weight and/or weighing less than 11,794 kg (26,000 lbs) used or maintained for transportation of property;  
B. Charter bus  
C. Farm or fishing industry vehicle  
D. Private bus  
E. Recreational motor vehicle  
F. Power unit registered as a government vehicle | Commercial fleet vehicles properly registered by a fleet owner. |
<table>
<thead>
<tr>
<th>reciprocating jurisdictions</th>
<th>3A. Commercial vehicles except those under IRP</th>
<th>3B. Charter bus</th>
<th>3C. Vehicles with restricted plates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-jurisdictional movement</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Intra-jurisdictional movement</td>
<td>No</td>
<td>Only passenger and non-commercial vehicles</td>
<td>Temporary operations allowed; may have additional registration fee. Note: exceptions in BC.</td>
</tr>
<tr>
<td>Exceptions allowed</td>
<td>Yes; Alabama, Florida, Georgia, Indiana, Kentucky, Michigan, Mississippi, Missouri, South Carolina, West Virginia have exceptions</td>
<td>Yes; Maryland has exceptions</td>
<td>Yes; Saskatchewan and BC have exceptions.</td>
</tr>
</tbody>
</table>
APPENDIX F – REFERENCES


