QUICK LOGISTICS US, LLC

MOTOR CARRIER SELECTION POLICY

**POLICY STATEMENT**

Title 49 of the Code of Federal Regulations, Part 385 establishes procedures for the Federal Motor Carrier Safety Administration (“FMCSA”) to determine the safety fitness of motor carriers. Accordingly, industry leaders, such as the Transportation Intermediaries Association, have clearly stated that FMCSA is the only possible motor carrier safety “authority.”

To that end, FMCSA prioritizes and targets motor carriers for FMCSA intervention and possible enforcement action through its comprehensive, internal, non-public processes applied to all its data. However, without exception, results arising from and actions taken by FMCSA after intervention and enforcement action, and comprehensive compliance reviews, are the only mechanism to confer, change, or confirm the safety rating of a motor carrier.

In July 2011, FMCSA published the following disclaimer with respect to the unintended use of SMS information:

*The Federal Motor Carrier Safety Administration's (FMCSA) Safety Management System (SMS) is an automated data system used by FMCSA to monitor motor carrier on-road safety performance. FMCSA analyzes safety performance by grouping carrier data in the SMS into seven Behavioral Analysis and Safety Improvement Categories (BASICs) which are, in turn, used to identify potential safety problems with individual carriers and determine when an enforcement intervention might be appropriate.*

*The data and BASICs are used by the enforcement community to prioritize investigations and roadside inspections. The SMS data system is not a Safety Fitness Determination (SFD), is not a Safety Rating pursuant to 49 C.F.R. Part 385, and does not represent FMCSA's final determination regarding the accuracy of the data contained in the SMS.*

*Use of the SMS data system for purposes other than those identified above may produce unintended results and inaccurate conclusions.*

Therefore, Quick Logistics US, LLC (“QUICK LOGISTICS”) adopts the position of its industry leaders that the FMCSA Safety Rating alone determines a motor carrier’s fitness for use, and should always take precedence over, and clearly outweighs any single score, or collection of scores, or data set, including CSA’s SMS or BASIC scores.

MOTOR CARRIER SELECTION CONSIDERATIONS

1. Verify that the motor carrier has completed, signed, and returned to QUICK LOGISTICS each part of the motor carrier packet:
   1. Broker-Motor Carrier Agreement
   2. Carrier Profile Sheet
   3. IRS Form W-9
   4. List of References
2. Verify the motor carrier has a DOT number and MC number on file and is active with FMCSA through the FMCSA website (<http://safersys.org/CompanySnapshot.aspx>).
   1. Confirm that the motor carrier authority type is for common and/or contract.
   2. Verify that the name on the authority is the same as the name on the Broker-Motor Carrier Agreement with the motor carrier.
3. Verify the motor carrier’s safety rating through the FMCSA website ).
   1. Do not select or engage a motor carrier that has an “unsatisfactory” safety rating.
   2. If the motor carrier has a “conditional” safety rating:
      1. Verify through the FMCSA website or the motor carrier when the “conditional” rating was received.
      2. Obtain a copy from the motor carrier of the FMCSA “conditional” rating report.
      3. Obtain from the motor carrier a written safety management plan or statement of corrective action addressing the violations identified in the FMCSA report.
      4. Determine whether the motor carrier has submitted a request for change in safety rating with FMCSA.
4. Verify the motor carrier has a BOC-3 filing with the FMCSA through the FMCSA website:
   * 1. Go to <https://safer.fmcsa.dot.gov/CompanySnapshot.aspx>.
     2. Enter carrier MC or DOT number.
     3. Click on Licensing and Insurance.
     4. Click on Report.
     5. Look under Insurance Requirements to make sure BOC-3 is marked with a Yes.
     6. Print the FMCSA company snapshot page and place in motor carrier’s file.

1. Verify and obtain a current certificate(s) of insurance (COI) directly from the insurance agent/insurance carrier of the motor carrier.
   1. Do not accept COIs directly from the motor carrier.
   2. Verify that the COI identifies QUICK LOGISTICS and its shippers and/or customers as additional insureds under Auto Liability policy and loss payees under Cargo Liability policy where possible, and provides QUICK LOGISTICS at least 30 days written notice before the policy is cancelled, where possible.
2. Verify the motor carrier’s insurance meets or exceeds minimum federal or state requirements or the requirements set forth in the Broker-Motor Carrier Agreement, as follows:
   1. $1,000,000 – Auto Liability.
      1. Verify that the auto liability policy covers any auto (owned, non-owned, and hired autos).
      2. If a scheduled policy, verify that the driver and equipment are endorsed onto the COI.
   2. $100,000 – Cargo Liability. Also, if Shipper load value is greater than $100,000, ensure that a higher cargo limit is shown on the COI.
   3. Statutory Workers Compensation for those states requiring same or, Occupational Accident as allowed, as applicable.
3. In the event of a business name or ownership question or dispute, review the Secretary of State corporate filings to ensure the motor carrier’s name provided to QUICK LOGISTICS is the same as those on file with the state (including, address, phone number and street and P.O. Box numbers).