

**AMENDMENT**  
**OFFERED BY MR. TAYLOR OF OHIO**

Add at the end of subtitle C of title V the following:

1 **SEC. 52\_\_\_ . CHAMELEON CARRIERS.**

2 (a) GAO REPORT.—

3 (1) IN GENERAL.—Not later than 1 year after  
4 the date of enactment of this Act, the Comptroller  
5 General shall submit to Congress a report that con-  
6 tains the results of a study that examines chameleon  
7 carriers on United States roadways.

8 (2) CONTENTS.—The report under paragraph  
9 (1) shall include—

10 (A) the estimated number of chameleon  
11 carriers on United States roadways at any  
12 given time;

13 (B) the prevalence of chameleon carriers  
14 on United States roadways since the issuance of  
15 the report of the Government Accountability  
16 Office titled “Motor Carrier Safety: New Appli-  
17 cant Reviews Should Expand to Identify  
18 Freight Carriers Evading Detection”, issued  
19 March 22, 2012;

1 (C) the estimated number of fatalities  
2 caused by chameleon carriers since the report  
3 described in subparagraph (B), including the  
4 number of fatalities broken down by State;

5 (D) the estimated number of serious bodily  
6 injuries caused by chameleon carriers since the  
7 report described in subparagraph (B), including  
8 the number of serious bodily injuries broken  
9 down by State;

10 (E) the estimated amount of property  
11 damage caused by chameleon carriers since the  
12 report described in subparagraph (B);

13 (F) an identification and analysis of the  
14 methods and techniques used by chameleon car-  
15 riers to evade Federal enforcement, including  
16 how such methods and techniques have evolved  
17 over time;

18 (G) an identification and analysis of the  
19 existing monitoring and enforcement capabili-  
20 ties, along with any shortcomings, of the De-  
21 partment to detect and mitigate chameleon car-  
22 rier activity, including—

23 (i) the registration processes for De-  
24 partment numbers;

1 (ii) the existing software capabilities  
2 of the Department to detect chameleon  
3 carrier applicants;

4 (iii) any recommendations for improv-  
5 ing data fields within the Motor Carrier  
6 Management Information System; and

7 (iv) any existing penalties laid out  
8 under Federal statute and regulation for  
9 chameleon carriers;

10 (H) any other relevant priorities deemed  
11 necessary by the Department; and

12 (I) any legislative recommendations to ad-  
13 dress chameleon carriers.

14 (3) COLLABORATION.—In carrying out the  
15 study under paragraph (1), the Comptroller General  
16 may collaborate with other Federal agencies, State  
17 and local governments, institutions of higher edu-  
18 cation, and private sector entities.

19 (b) ADVANCED AUTOMATION TOOL.—

20 (1) IN GENERAL.—Not later than 1 year after  
21 the date of enactment of this Act, the Administrator  
22 of the Federal Motor Carrier Safety Administration  
23 shall develop, test, and implement an advanced auto-  
24 mation tool to help Federal Motor Carrier Safety  
25 Administration registration personnel detect chame-

1       leon carrier applications under the registration proc-  
2       ess for Department numbers.

3               (2) COLLABORATION.—

4                       (A) IN GENERAL.—In developing the tool  
5       under paragraph (1), the Administrator may  
6       collaborate with other Federal agencies, State  
7       and local governments, institutions of higher  
8       education, and the private sector as necessary  
9       to develop and test the advanced automation  
10      tool.

11                      (B) FEDERAL AGENCIES.—The Adminis-  
12      trator and any Federal agency the Adminis-  
13      trator determines is relevant shall enter into a  
14      memorandum of understanding to share infor-  
15      mation needed to implement the requirements  
16      of the tool under paragraph (3), which may in-  
17      clude—

- 18                               (i) the Department of Treasury;  
19                               (ii) the Department of Justice;  
20                               (iii) the United States Postal Service;  
21                               (iv) the Department of Homeland Se-  
22      curity;  
23                               (v) the Department of Commerce;  
24                               (vi) the Department of State; and

1 (vii) relevant operating administra-  
2 tions within the Department.

3 (C) STATE AGENCIES.—The Administrator  
4 shall enter into a memorandum of under-  
5 standing with any relevant State agency to  
6 share information needed to implement the re-  
7 quirements of the tool under paragraph (3).

8 (3) REQUIREMENTS.—The advanced automa-  
9 tion tool developed under paragraph (1) shall in-  
10 clude—

11 (A) the ability to detect chameleon carrier-  
12 like characteristics that support evidence of  
13 substantial continuity between entities, includ-  
14 ing—

15 (i) whether the new or affiliated entity  
16 was created for the purpose of evading  
17 statutory or regulatory requirements, a  
18 Federal Motor Carrier Safety Administra-  
19 tion order, enforcement action, or negative  
20 compliance history;

21 (ii) the previous entity's safety per-  
22 formance history, including, among other  
23 things, safety violations and enforcement  
24 actions of the Secretary, if any;

- 1 (iii) existing or inactive Department  
2 numbers;
- 3 (iv) consideration exchanged for as-  
4 sets purchased or transferred;
- 5 (v) dates of company creation and dis-  
6 solution or cessation of operations;
- 7 (vi) commonality of ownership be-  
8 tween the current and former company or  
9 between current companies;
- 10 (vii) commonality of officers and man-  
11 agement personnel;
- 12 (viii) identity of physical or mailing  
13 addresses, telephone, fax numbers, or  
14 email addresses;
- 15 (ix) identity of motor vehicle equip-  
16 ment;
- 17 (x) continuity of liability insurance  
18 policies or commonality of coverage under  
19 such policies;
- 20 (xi) commonality of drivers and other  
21 employees;
- 22 (xii) continuation of carrier facilities  
23 and other physical assets;
- 24 (xiii) continuity or commonality of na-  
25 ture and scope of operations; and

1 (xiv) advertising, corporate name, or  
2 other acts through which the company  
3 holds itself out to the public;

4 (B) the ability to detect lapses in insurance  
5 coverage;

6 (C) the ability to compile evidence of the  
7 chameleon carrier-like characteristics under  
8 subparagraph (A) relevant to the determination  
9 of a registration application for Department  
10 numbers;

11 (D) the ability to provide automated deci-  
12 sion support relevant to the determination of  
13 any registration application for Department  
14 numbers, while keeping responsibility for final  
15 determinations on employees of the Administra-  
16 tion;

17 (E) the ability to automate information  
18 sharing between Federal agencies; and

19 (F) any other relevant priorities deter-  
20 mined necessary by the Administrator.

21 (4) APPEALS FOR REDETERMINATION.—

22 (A) IN GENERAL.—In establishing the tool  
23 under this subsection, the Administrator shall  
24 develop an appeals process under which persons  
25 denied a Department number on the basis of a

1 flag by such tool may seek a review of the de-  
2 nial.

3 (B) NOTIFICATION.—In establishing the  
4 tool under this subsection, the Administrator  
5 shall provide for a process under which a per-  
6 son denied a Department number as described  
7 in subparagraph (A) shall receive a notification  
8 of such denial that includes the factors flagged  
9 by the tool and provides instructions to such  
10 person to correct the application for such num-  
11 ber not later than 30 days after receipt of the  
12 notification.

13 (C) TIMING OF REDETERMINATION.—The  
14 appeals process developed under subparagraph  
15 (A) shall provide for a redetermination on the  
16 amended application for a Department number  
17 to take place not later than 30 days after the  
18 receipt of the information described in subpara-  
19 graph (B).

20 (5) BRIEFING.—Not later than 30 days after  
21 the date of enactment of this Act, the Administrator  
22 shall brief the congressional committees of jurisdic-  
23 tion on the issue of chameleon carriers and any on-  
24 going efforts or progress that the Administration

1       has made to combat such issue or meet the objec-  
2       tives of this Act.

3           (6) RULE OF CONSTRUCTION.—Nothing in this  
4       Act shall be construed to allow the final use of an  
5       automated decision by the tool created under this  
6       section for Department number registration.

7           (7) DATA PRIVACY.—In developing the tool  
8       under subsection (a), the Administrator shall ensure  
9       that data used by such tool is not disclosed for a  
10      purpose not described in this section.

11          (8) AUDIT AND REPORT ON EFFECTIVENESS.—

12           (A) IN GENERAL.—Not later than 2 years  
13      after the date of implementation of the tool es-  
14      tablished under this section, the inspector gen-  
15      eral of the Department shall submit to Con-  
16      gress a report on the effectiveness of such tool.

17           (B) CONTENTS.—The report under sub-  
18      paragraph (A) shall contain—

19           (i) the results of an audit of the effec-  
20      tiveness of the tool established under this  
21      section;

22           (ii) empirical data on outcomes of the  
23      use of the tool, including the number of  
24      flagged and rejected applications for De-  
25      partment numbers, any reduction in severe

1 crashes, and the number of errors and ap-  
2 plication redeterminations under sub-  
3 section (d); and

4 (iii) any recommendations to improve  
5 the effectiveness of the tool.

6 (c) DEFINITION OF CHAMELEON CARRIER.—In this  
7 section, the term “chameleon carrier” means a motor car-  
8 rier, intermodal equipment provider, broker, or freight for-  
9 warder, or an officer, employee, agent, authorized rep-  
10 resentative, or other affiliated party of such an entity, that  
11 has, directly or indirectly, operated or attempted to oper-  
12 ate a motor carrier, intermodal equipment provider,  
13 broker, or freight forwarder under a new identity or as  
14 an affiliated entity to—

15 (1) avoid complying with a Federal Motor Car-  
16 rier Safety Administration order;

17 (2) avoid complying with a statutory or regu-  
18 latory requirement;

19 (3) avoid paying a civil penalty;

20 (4) avoid responding to an enforcement action;

21 (5) avoid being linked with a negative compli-  
22 ance history;

23 (6) avoid or evade increased insurance pre-  
24 miums, policy cancellations, or underwriting restric-  
25 tions by obtaining or attempting to obtain insurance

1 coverage under a new or materially different iden-  
2 tity, ownership structure, or corporate form;

3 (7) misrepresent ownership, control, manage-  
4 ment, or operational continuity to an insurer,  
5 broker, or underwriter for the purpose of securing  
6 lower insurance rates or favorable coverage terms; or

7 (8) reincorporate, re-register, or otherwise re-  
8 constitute a carrier entity following the denial, non-  
9 renewal, or cancellation of an insurance policy due  
10 to safety, claims, or compliance history.

