

The Full Reciprocity Plan

Progress Report to the IRP Board of Directors

May 8, 2009

Jay Starling, Alabama
Chair, FRP Task Force



FRP – The Concept

- Eliminate estimated distance as a feature of the Plan
- Automatically grant each registrant registration reciprocity in all Plan member jurisdictions
- Retain the rest of the Plan as it is



How the FRP Would Work I

- First-year registrant:
 - Would pay an “average” fee to all member jurisdictions
 - Would receive registration privileges in all member jurisdictions
 - No estimates
 - No “true-up”



How the FRP Would Work II

- Renewing Registrant:
 - Would pay apportioned fees on the basis of fleet travel in the reporting period, only to jurisdictions in which there was travel
 - Would receive registration privileges in all member jurisdictions



Is the FRP the Dallas Plan?

- NO
- “Dallas Plan” proposed at least three times
- Each concept a little different
- The FRP is similar to Dallas, BUT
- The FRP should be judged on its own merits



Points in Favor of the FRP

- Eliminates estimates from the Plan
- Reduces Plan complexity
- Allows smaller registrants greater operational flexibility & lower costs
- Fewer trip permits to issue
- Tightens Plan enforcement
- Eliminates estimates from the Plan



Potential Concerns Over the FRP

- Loss of revenue associated with second-year estimates
- Need for improved audit programs
- Loss of trip permit revenues
- High first-year fees
- Increased insurance costs for carriers
- Legal & constitutional prohibitions



Why Now?

- Concept often raised during the Plan rewrite
- Rewrite emphasized problems with estimates
- Rewrite raised fees for second-year estimates



What's Next?

- More review by the Task Force
- Preliminary drafting
- Surveys of jurisdictions
- **DISCUSSION**
- Continued development of concept
- Decision on feasibility

