



U.S. Department

Federal Motor Carrier Safety Administration

Office of Information Management

Worksheet for Calculating Carrier Classification (Motor Carriers of Passengers)

What Is This About?

This is to help you determine your carrier classification, which affects the reporting requirements of Form MP-1.

Carrier Classification and Reporting Requirements

Motor carriers of passengers are classified based on their adjusted annual operating revenue. Carrier classification, in turn, determines what reports are required by FMCSA. We are providing the worksheet below for your convenience to help you calculate your carrier classification. If your classification has changed or is incorrect, please contact us. We will make any necessary adjustments and give you further instructions on any filing requirements. You are not required to return the completed form.

<i>Classification</i>	<i>Adjusted Annual Operating Revenue</i>	<i>Reports Required By Law</i>
Class I	\$5 million or greater	Form MP-1 Annual and Quarterly
Class II	Less than \$5 million	None

How to Calculate Your Carrier Classification

Upward and downward classification will be effective as of January 1 of the year immediately following the **third consecutive year** that your revenue qualifies. The steps in calculating your carrier classification are as follows:

- 1 Calculate your annual operating revenues. This is revenue from passenger motor carrier operations, including interstate, intrastate, and local service.
- 2 Multiply this figure by the revenue deflator. In Table 1, we have calculated the revenue deflator for you. The revenue deflator is the 1994 average producers price index of

finished goods (PPI) divided by the revenue year's average PPI, as shown in Table 2. Table 3 is an example calculation. This carrier would be a Class II because of its 2004 revenue. If 2007 revenue surpasses \$5 million, it will be reclassified as Class I in 2008.

Company Name: _____ MC #: _____

Worksheet for Calculating Carrier Classification

Page 2 Table 1

<i>Year</i>	<i>Annual Operating Revenue</i>	<i>x Revenue Deflator</i>	<i>= Adjusted Annual Operating Revenue</i>
2004	\$ _____	.85	\$ _____
2005	\$ _____	.80	\$ _____
2006	\$ _____	.77	\$ _____

Table 2

<i>Year</i>	Producers Price Index (PPI)	Revenue Deflator
1994	125.5	1.00
2004	147.8	.85
2005	157.1	.80
2006	163.0	.77

Table 3

<i>Year</i>	<i>Annual Operating Revenue</i>	<i>x Revenue Deflator</i>	<i>= Adjusted Annual Operating Revenue</i>
2004	\$5,795,000	0.85	\$4,925,750
2005	\$6,325,000	0.8	\$5,060,000
2006	\$6,655,000	0.77	\$5,124,350