



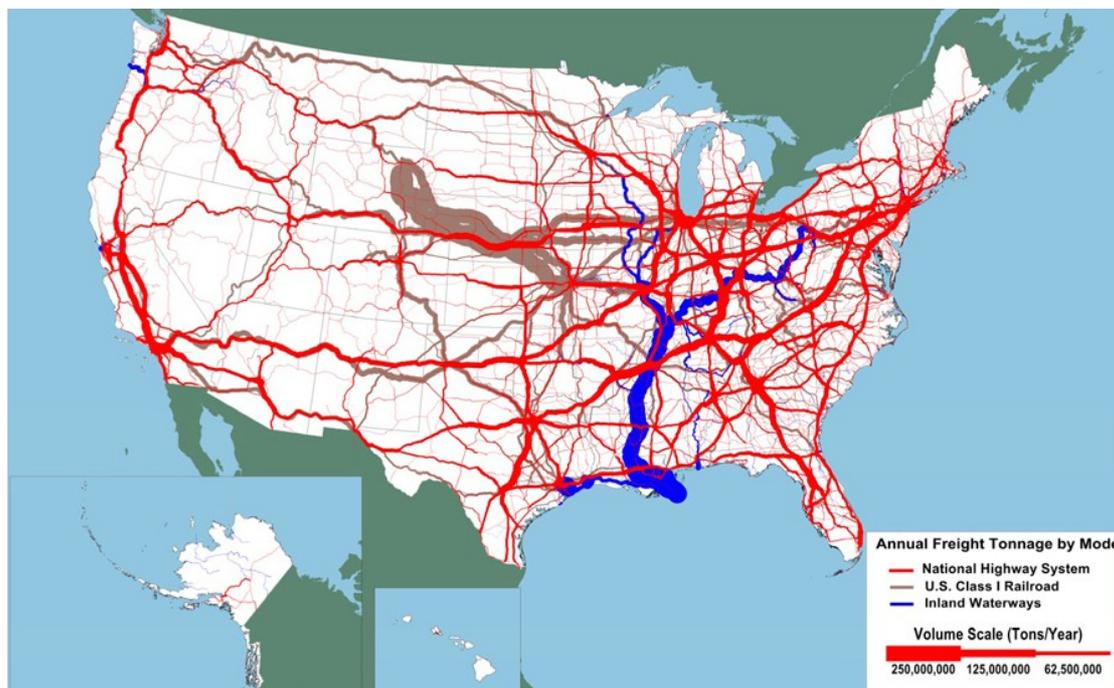
Therefore, do you know what a legal entity is? It is any kind of company that is following the rules and laws. More precisely, a legal entity has the needed capacity to set contracts, as well as to incur and pay debts.

So, when incorporating a trucking company, it is a “**must**” to *pick a suitable name*, as well as to *create your company as an entity*.

## 2. Federal Authority

If a trucking company doesn't have a federal authority, it won't be able to function at all. Trucking companies can get federal authority from the [Federal Motor Carrier Safety Administration](#). Hence, the authority can be specified as "MC," "FF," or "MX" number. Which one of these numbers you will get, depends on the type of the authority.

Moreover, the federal authority, or better said operating authority shows [what load types](#) a trucking company is allowed to transport.



Source: [www.toolkit.climate.gov](http://www.toolkit.climate.gov)

So, the operating authority also depends from the level of insurance that the trucking company has (the level of insurance that FMCSA requires). You will have to be careful when selecting a relevant authority.

## 3. File Incorporation Documents With Your State

When incorporating a company you must file documents within the state of incorporation, that is to say- with your state. The file incorporation documents should

contain a verification that your company has filed Articles of Organization altogether with the [Secretary of the States \(SOS\)](#).

In addition, you shall have verification from the SOS site and this verification will indicate that the documents for incorporation are accepted.



Source: [www.servicetransport.com](http://www.servicetransport.com)

Later-on, what else you should do - is to get a driver's license or a non-driver identification card.

Yet, you must remember that the name of your company has to be identical with the one that you've already filed with the SOS (the one that appears in [IRS 1099 Form](#)).

#### **4. Get The Best Trucks And Equipment**

Equipment types as well as the commodity are the very first things that you will think about when planning to establish and incorporate a trucking company.

We all know that the quality of the load transportation services depend in a great measure by the trucks, equipment, and truck drivers.

If we take a closer look at how things are developing in the trucking industry, we can see crystal clear that if you want to [hire the best truck drivers](#), you will have to provide them not only with a good benefits package, but as well as with [quality trucks](#). Quality and durable trucks can mean only one important thing: **SAFETY!**



Source: [www.pinterest.com](http://www.pinterest.com)

One of the best trucks that I would like to recommend to you are the following ones:

1. [Freightliner](#);
2. [Kenworth](#);
3. [Peterbilt](#);
4. [Volvo](#);

## 5. Insurance And Bonding

The trucking industry as a leading industry in USA imposes strict [insurance requirements](#). That is so because the main duty of trucking companies is to transport goods, and by that to serve all other industries. Straight proportionally to those trucking companies should understand their insurance responsibilities.



Source: [www.vwgouldagency.com](http://www.vwgouldagency.com)

Nowadays, the trucking company insurance is made easier thanks to the [U.S. Department of Labor's Occupational Safety and Health Administration](#). The help therefore comes in a form of compliance assistance to trucking companies.

First and foremost, the bonds that trucking companies are giving, represent “a promise” that they are going to remain loyal, and fulfill their obligations. When a trucking company is bonded it is providing assurance to its clients that if a loss happens, their policy is going to cover everything.

So, if you want to attract customers, then you shall know that insurance policies are one of the first details that they pay attention to.

## **6. Licensing The Tractors And Trailers**

When incorporating a trucking company, you should know that the most important step is to license the tractors and trailers.



Source: [www.propertycasualty360.com](http://www.propertycasualty360.com)

Thereupon, I want to make this step easier for you, and in that direction I'll provide you with the following *step by step* instructions:

1. **First of all you will have to complete all information about the tractor or trailer;**
2. **Proof of insurance form from an insurance provider in your state;**
3. **If you have bought used truck or trailer, then you shall have the original vehicle permit from the seller;**
4. **If the vehicle has already a license plate, then you shall have the plate portion of the permit;**

## 7. BOC-3 Filing

The [BOC-3](#) is a federal filing that has been issued by the U.S., this filling mainly affects the people and companies that are engaged in the trucking industry.

Moreover, the *BOC-3* form can be only filed by a process agent. Still the role of the process agent is to represent the carrier.

**What this form must include?** Let's start with the single completed form that should be on file, later on that form must provide information about all states that the designation is mainly including.

Docket Number: MC- \_\_\_\_\_ FF- \_\_\_\_\_ Date: \_\_\_\_\_

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2126-0015. Public reporting for this collection of information is estimated to be approximately 10 minutes per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Motor Carrier Safety Administration, MC-RR-1, 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Una agencia federal no puede conducir o auspiciar, y una persona no está sujeta a penalidades por fallar en cumplir con una recolección de información sujeta a los requerimientos del Acto de Reducción de Papeles, a menos que la recolección de información muestre un Número de Control OMB válido. El Número de Control OMB para esta recolección de información es 2126-0015. El reporte público para esta recolección de información es estimado en aproximadamente 10 minutos por respuesta, incluyendo el tiempo para revisar las instrucciones, obtener los datos necesarios y completar y revisar la recolección de información. Todas las respuestas a esta recolección de información son mandatorias. Enviar los comentarios respecto a esta carga estimada o cualquier otro aspecto de esta recolección de información, incluyendo sugerencias para reducir esta carga a: Oficial de Clarificación de Recolección de Información, Administración Federal de Seguridad del Autotransporte, MB-RR-1, 1200 New Jersey Avenue, SE, Washington, D.C. 20590.



Designation of Agents for Service of Process / Designación de Agentes del Servicio de Proceso

# FORM BOC-3

FULL AND CORRECT NAME OF CARRIER, BROKER, OR FREIGHT FORWARDER:  
 Nombre Completo y Correcto del Transportista, Agente, o el Destinatario del Flete:

ADDRESS OF CARRIER, BROKER, OR FREIGHT FORWARDER:  
 Dirección del Transportista, Agente, o el Destinatario del Flete:

STREET ADDRESS Dirección	CITY Ciudad	STATE/PROVINCE Estado/Provincia	ZIP CODE + 4 Código Postal + 4	COLONIA (Mexico only) Colonia (sólo México)	FOREIGN COUNTRY País Extranjero
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PERSON AUTHORIZED TO SIGN FORM:  
 Persona Autorizada Para Firmar el Formulario:

TITLE OF AUTHORIZED PERSON Título de la Persona Autorizada	NAME OF AUTHORIZED PERSON (please print) Nombre de la Persona Autorizada (por favor imprimir)
SIGNATURE OF AUTHORIZED PERSON Firma de la Persona Autorizada	TELEPHONE NUMBER Número Telefónico

**INSTRUCTIONS:** Regulations governing the designation of persons upon whom process may be served are prescribed at [49 CFR 366](#), as amended. An agent must be designated for each state in or through which the carrier, broker, or freight forwarder operates; each person, association or corporation designated must reside in the state for which designated; a carrier, broker or freight forwarder may designate himself/herself for the state in which he/she resides; and state officials may be designated only if such official's agreement to so act is furnished with this designation. Note: a post office box is NOT ACCEPTABLE as an agent's address. FILE THE ORIGINAL, signed copy with the FMCSA, 1200 New Jersey Ave., S.E. (W63-105) Washington, DC 20590. One signed copy should be filed with each state in or through which the operation is conducted; and one copy should be retained by the carrier, broker, or freight forwarder. CHANGES in designation may be made only by filing with the FMCSA, a new form BOC-3. Copies of new designations need to be sent only to those states affected by the change or new filing. Either INDIVIDUAL or BLANKET designations may be made.

**INSTRUCCIONES:** Las regulaciones gubernamentales para la designación de personas a quienes el proceso puede ser servido son prescritas en el [49 CFR 366](#), como se a enmendado. Un agente tiene que ser designado a través de cada estado que el autotransportista, agente o el destinatario del flete que opera; cada persona, asociación o corporación designada debe vivir en el estado que se le a designado. Un autotransportista, agente o el destinatario del flete, puede designarse así mismo por el estado en cual vive; y los oficiales del estado pueden ser designados solamente de acuerdo oficial en el que se facilita de acuerdo al acto de esta designación. Nota: un apartado postal NO ES ACEPTABLE como la dirección de un agente. ARCHIVE LA COPIA ORIGINAL firmada con el FMCSA, 1200 New Jersey Ave. (W63-105) Washington, D.C. 20590. Una copia firmada tiene que ser archivada por cada estado a través de cada operación conducida; y una copia tiene que guardarla el auto transportista, agente o el destinatario del flete. LOS CAMBIOS de cada designación pueden hacerse solamente reportándose con el FMCSA, y una nueva forma BOC-3. Las copias de las nuevas designaciones necesitan ser mandadas solamente a los estados afectados o el nuevo reporte que se ha hecho. Cualquiera de las dos designaciones pueden hacerse ya sea INDIVIDUAL O AMPLIADA.

(continued on next page)

Source: [www.equipmyfinance.com](http://www.equipmyfinance.com)

You should get well informed about the BOC-3 form. The most important things that you should know are that the signed copy should be filed in each state where the operation is taking place. As a transportation provider you shall always retain one copy for yourself.

## 8. IFTA License

In addition, *IFTA License* is also essential step that every trucking company shall go through when incorporation takes place. Moreover, the [International Fuel Tax Agreement](#) represents mutual agreement of all 48 U.S. States. Thanks to this agreement the reporting of fuel use is simplified.



Source: [www.ifta.org](http://www.ifta.org)

Thereupon, when you get [IFTA](#) license, you will also receive two decals for each of your trucks that are qualified. So, after you register your trucking company and get an IFTA license you will have to file a quarterly fuel tax report.

## 9. Federal Heavy Highway Use Tax

While doing your plans of trucking company incorporation, the federal heavy highway tax must have spring to your mind. In other words, the *HVUT* exemplifies a fee that every [heavy duty truck](#) that operates on the highways needs to pay (that is to say, the trucking companies must pay this tax for each of their trucks).

More precisely, trucking companies must pay this tax for every vehicle that is exceeding 55,000 pounds.

## Federal Highway Use Tax



Source: [www.communitytaxsvc.com](http://www.communitytaxsvc.com)

Henceforth, if you've been asking yourself, the minimum HVUT is \$100, whereas the maximum is \$550 annually. So if you want to create a successful trucking company you should be prepared for the [Federal Heavy Highway Use Tax](#).

## 10. [Fuel Optimizer](#)

Creating a successful trucking company is not easy thing to do; there are many things that should be seriously taken into consideration. Part of those important things that should be taken into consideration is the fuel purchase problem that almost all trucking companies have.



Source: [www.cbw.ge](http://www.cbw.ge)

So, speaking of these problems, I would like to suggest you to get fuel optimization systems and tools, straight away you incorporate your company. Thanks to the Fuel Optimization tools, you and your truck drivers will be able to identify the fuel differences.

In fact, I would like to suggest you the Fuel Optimizer that was developed by [Fueloyal](#). *This optimizer can save you monthly up to \$300 per truck.*

## 11. Design A Benefits Package That Is Attractive To Your Employees

Yet, one more thing that you will have to pay attention to is the benefits package for your employees. The benefits package should be attractive to them; in order to make it like that you will have to include the following things:

1. [Health Insurance](#)- One of the most common option for health insurance is the Health Maintenance Organizations;
2. **Perks and bonuses;**
3. **Meal breaks;**
4. **Pay raise;**
5. **Paid vacation;**



Source: [www.inancialengines.com](http://www.inancialengines.com)

You get to choose what kind of benefits package you are going to prepare for your employees, but all in all you should take care of innovative programs that will be the best for offering a safer work environment.

Make sure that the benefits package that your company is going to provide to your truck drivers will provide them a smooth transition in a happy retirement.

## 12. Consistent Cash Flow: Manage Your Finances Frugally

Short on cash? Yes that can happen to your company, it is not something impossible. But you can prevent that by managing your finances frugally.

Here are few simple steps how you can manage a consistent cash flow:

1. **Always have a setback reserve that can cover slow times;**
2. **Assure a drawn loan from some financial institution;**
3. **Make a contract with some factoring company that can purchase your invoices;**

If you are creating a [small trucking company](#) then you shall pay attention to this secret step, because it is the small businesses that most frequently experience a short-cash.

## Additional Tips For Creating and Maintaining Successful Trucking Company

## 1. Get The Best Customers

Getting new and more importantly getting loyal customers is a real challenge in the trucking business. Bidding rock bottom prices, can lead you to customers. But what you should remember is that the long boards' cannot be seen as a promise and security for attracting customers.

Moreover, you can get new customers by:

1. **Creating a lead list/potential clients;**
2. **Get in touch with potential customers via e-mail or phone call;**

This way you will be in the position of building your own customer list. It is a hard process, but be sure that it is worth it!

## 2. Know Your Expenses: Bid Well

Bidding well can mean success and money flow for your company. Know your expenses, that is to say know how much money you are giving for the maintenance of your fleet, including the truck repairs, as well as trailer payments. More precisely know the exact costs that your work brings.



Source: [www.expressfreightfinance.com](http://www.expressfreightfinance.com)

Always pay attention when bidding for a load, pay attention and make your bids to be low enough, so that you will be able to make enough profit.

## 3. Run The Back Office Efficiently

No matter what people say, the back office still stays the core of the trucking business. First of all, you will have to determine how would you like your office to function. A successful back office shall manage all the carrier's procedures, starting from the pickup, the process of transportation, up to the delivery.



Source: [www.itlnow.com](http://www.itlnow.com)

Also, the back office is responsible for the GPS technology and tracking of the trucks. Thereupon, from the back office can trace everything starting from the speed of the truck, up to the ETA, that is to say the estimated time of arrival.

Developing a “**business owner**” mentality is more than welcome!

#### **4. Avoid Cash Flow Problems: [Use Freight Factoring](#)**

Even the best trucking companies in USA have at some point experienced cash flow problems. The cash flow problems mainly happen as a result of the net-40 and net-60 day terms that more and more shippers turn into practice.

Henceforth, the best decision in these kinds of situations is the freight factoring.



Source: [www.mobile-cuisine.com](http://www.mobile-cuisine.com)

In general, the freight factoring is considered to be the best cash-flow solution for trucking companies. Thanks to the freight, or invoice factoring, many companies have experienced growth of their operations.

The freight factoring or invoice factoring is actually working in the manner of selling invoices of trucking companies in exchange for immediate payment. Now you see why freight factoring is a great option for you!

### **5. Know Your Trucking Success Formula**

In the trucking business the real success formula is to get more loads and to drive more miles. Straight proportionally to the miles driven, you will put more and more money in your pocket.



Source: [www.heartlandexpress.com](http://www.heartlandexpress.com)

Still at the end of the day, some people do not measure their success by the money they make. Instead, success can also be defined by the number of loyal customers that speaks volumes about the work of your trucking company.

I know, it is hard to make a map, especially a map with a destination point, when you can't even predict the final destination.

## **Conclusion**

All in all, incorporating a trucking company is not an easy thing to do. If you want to incorporate a trucking company that will succeed in the U.S. trucking industry, then as its leader you shall show dedication, as well as continual improvements.

Yet, some people tend to say that the process of incorporation is hard, but what is way harder is to maintain a good reputation over the years, to keep and improve the quality of work and services.

I sincerely hope that you will find this article useful on your way of incorporating a trucking company. Wish you a good luck!