



NTSB National Transportation Safety Board

Office of Highway Safety

Motor Carrier Operations

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Chameleon Carrier

- Definitions
 - A carrier that attempts to register as a new carrier to evade detection or consequences of prior or on-going noncompliance
 - A carrier that attempts to evade enforcement actions and/or out-of-service orders issued against it by reregistering as a new entrant and operating as a different entity under a new USDOT number

Hester, Inc.

- For-hire company
- Began in 2004 (new entrant)
- Full authority in 2005
- At the time of accident:
 - Vehicle out of service 20%; nat'l. ave. 22.2%
 - Driver out of service 11%; nat'l. ave. 5.3%
 - Rated as an “E” category carrier

Hester, Inc.

- Postaccident compliance review – April 1, 2010
- “Unsatisfactory”
- Fine \$13,950
- Cease operations order – June 5, 2010
- Submitted 2 corrective action plans
– June 3 and 4, 2010 - denied
- Submitted 2 corrective action plans
- June 8 and 9 - denied

FTS Fleet Services LLC

- Established in 1986
- Little Rock, Arkansas
- Broker authority in 1989
- Friends and business acquaintances with owners of Hester
- FTS agreed to take over Hester

FTS Fleet Services LLC

- May 14, 2010 - New entrant forms submitted and signed by the owner of Hester
- June 7, 2010, under FTS USDOT number
 - Entered in New Entrant Program
 - Retained Hester's operating personnel
 - Retained Hester's physical address

FTS Fleet Services LLC

- Between May and October – FTS submitted 5 MCS-150 forms with differing information
- All submitted by Hester
- FMCSA contacted by the media in October 2010
- October 28, 2010, compliance review – proposed “Satisfactory”

FMCSA Actions

- November 1, 2010 – continued with the investigation
- December 14, 2010 – final compliance review rating of “Non-Rated”
- FTS and FMCSA discussions on ownership and improvements made by new owner (FTS)

FMCSA Actions

- Agreement in January 2011
 - FTS to assume Hester's fine of \$13,950
 - FTS declared a continuation of Hester and fined \$35,080
 - FTS allowed to continue to operate:
 - Continued in the New Entrant Program
 - Subject to compliance review in February 2011
 - \$35,080 fine deferred based on "satisfactory" compliance review
 - "Satisfactory" CR rating released April 2011



Summary

- Hester found “Unsatisfactory” and placed out of service
- Hester and FTS combined as a new carrier
- A trucking magazine notified FMCSA that Hester was operational
- FMCSA conducted compliance review

Summary

- FTS declared a chameleon carrier
- Allowed to continue to operate if:
 - Remained in the New Entrant Program
 - FTS paid fine
 - Passed another compliance review

Conclusions

- Postaccident continuation of Hester as FTS shows the FMCSA's New Entrant oversight was inadequate to detect an unsafe carrier
- Lack of significant consequences for carriers providing false information on new entrant applications encourages noncompliant carriers to try and evade detection

Conclusions

- Expanding the New Applicant Screening Program to include ALL new motor carrier applicants could help identify chameleon carriers



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