

TLA
Transportation Lawyers Association

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Regional Seminar
and Bootcamp

January 23–24, 2025

Radisson Blu Aqua Hotel ❁ Chicago, IL





Navigating Carrier/Broker Mergers and Acquisitions in 2025



Elle M. Slattery, Esq. – Partner, Taylor Nelson, PL
eslattery@taylorlawpl.com



Previous Treatment of Authority as Transferable Asset

Distinction between DOT Identifier and MC Docket Number

- DOT Identifier statutory requirement under Moving Ahead for Progress in the 21st Century Act (“Map-21”) (P.L. 112-141).
- MC Docket Number only ever intended to apply to identification of entity, only to proceedings within an entity.
- Blurred lines of distinction between both being referred to as “authority” lead to widespread misunderstanding of use and purpose.



Previous Treatment of Authority as Transferable Asset

Reality of Treatment in Asset/Equity Purchases

- Misunderstanding of purpose lead to belief that a “Seasoned DOT Authority” could be purchased/transferred.
- DOT Identifier can only be used following an acquisition or merger in VERY select cases where the surviving or purchasing entity manages to keep the Tax Identification Number associated with the original DOT identifier.
- Purchasing entities place high value on the MC Docket Number, which CAN be transferred between entities, thinking that it will carry a beneficial history with it, when the history is meant to statutorily rest with the DOT identifier.



Changes on the Horizon

The FMCSA will Stop Assigning MC Docket Numbers

- Change will be concurrent with Registration System (originally planned for October 2024, now October 2025)
 - Likely to be akin to current “Real Time” system for DOT application
- Distinct MC Dockets determined to have lead to confusion, fraud, and redundancy
 - No need with the removal of category assignments that are common, contract, or route-based
- Entities with multiple functions and operating authorities will be assigned distinct suffixes for their singular DOT Identifier for each function
- Existing registrants will need to complete updated identity verification along with their first portal transaction



Potential Effects on Mergers and Acquisitions

- Technically, as the transfer of DOT Identifiers was never allowed, there's not "officially" much change
- Practically, this creates three potential issues:
 - One fewer asset for selling entities
 - Greater diligence protocol for purchasing entities
 - How will SCAC be handled for customer continuity?



Transfer of Driver Qualification Files

- DQ files may be transferred to the acquiring entity if:
 - The acquired or merged entity will be fully deactivating its DOT identifier and authority
 - There is no FMSCA identified “break in employment” for the drivers
- Considerations for Drug & Alcohol Clearinghouse
 - Pre-Employment Screening can be waived if there is no break in employment
 - New annual query dates must be set, or existing ones must be followed
 - New consents may need to be executed to allow for queries



Successor Liability

- As with all company acquisitions, an equity purchase brings greater liability than an asset purchase
- However, with the acquisition of a regulated entity, even an asset purchase can impart significant successor-style liability due to the use of federally regulated files and clearances:
 - DQ files
 - Vehicle Maintenance Files
 - HazMat Issues



Best Practices Moving Forward

- Ensure accurate valuation of assets based on what can be transferred
- Identify how acquired operations will fold in
- Identify how and where records will be housed