

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0801

DAWN M. HIPPIE
DIRECTOR

TELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER

TO: All Class C Certificate Holders

FROM: L. George Parker, ORS Transportation Manager

DATE: August 25, 2009

SUBJECT: ORS Rental Vehicle Policy

Effective immediately, the South Carolina Office of Regulatory Staff (ORS) has established a rental vehicle policy with respect to the purchase and issuance of license decals.

BACKGROUND AND LEGAL REFERENCES

Section 58-23-560 of the South Carolina Code provides that a Class C Certificate holder with less than 20 vehicles must pay license decal fees twice a year on or before January first and July first of each year.

Regulation 103-154 states the following:

License Decals and Vehicle Permit Cards.

All motor vehicles, including substitute or emergency vehicles operated under a Certificate of PC&N, shall have maintained in such vehicles a permit issued by the ORS, and passenger vehicles shall have displayed on the front windshield of the power unit of such vehicles the license decals as issued by the ORS upon proper registration of the vehicle.

The term "substitute" or "emergency vehicles", is further defined by Section 58-23-1030 which reads:

Occasional detours; use of substitute or reserve vehicles in emergencies.

Nothing in this chapter shall be construed to prevent a motor vehicle carrier from making occasional detours from his regular route or from replacing in an emergency any such vehicle by a substitute vehicle in order to maintain an approved schedule, or from operating temporarily in an emergency, reserve vehicles on its route for the public accommodation.

Pursuant to the above-cited statutes and regulation, it has been determined that the current practice of issuing decals to carriers who rent vehicles for a short period of time to accommodate special events and over bookings is a violation of the law. Regulation 103-154 only permits the registration of a temporary vehicle to allow the motor carrier to continue providing reliable service while one or more of the carrier's permanent vehicles are out of service or being repaired.

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The practice of leasing rental vehicles is addressed in Regulation 103-220 where subsection (1) states, in part, that "Carriers may perform authorized transportation in or with motor vehicle power units which they do not own only under contract, lease, or other approved arrangement." However, the following stipulations exist:

1. The regulation specifies that the period for which the lease applies shall be not less than 30 days.
2. The lease agreement shall be filed with the ORS. *(ORS will review all leases filed with it and reserves the right to accept or reject any lease agreement.)*
3. The lease shall provide for exclusive possession, control, and use of the power unit and for the complete assumption of public responsibility (i.e. insurance).

This regulation also prohibits the issuance of license decals for short term rental vehicles.

An additional issue exists regarding vehicles operating solely under a Class C-Charter certificate. The following statute bans ORS from issuing license decals for charter vehicles rented on a short term basis as it provides that regulated Class-C limousines must bear South Carolina "LS" tags issued by the South Carolina DMV:

56-3-5600. Charter limousines to acquire special Class C license plates; biennial fee (A).

(A) In addition to complying with any other registration and license fee requirement contained in this chapter, a "charter limousine" regulated by the South Carolina Public Service Commission must acquire a special license plate from the Department of Motor Vehicles upon submission of proof that the charter limousine is certified as a "Class C Charter Limousine" by the commission.

As the statute specifically prohibits ORS from issuing a license decal to a rental or leased vehicle that does not display a "charter limousine" license plate it has the effect of prohibiting the issuance of ORS decals to any vehicle operating under a Class C Charter certificate which does not carry a South Carolina "LS" tag (out-of-state domiciled and registered vehicles are excluded).

POLICY

ORS will continue to issue license decals for vehicles that are permanently registered, or, upon written proof that the vehicle is a substitute or emergency vehicle as described above. Effectively immediately, however, requests for rental permits for vehicles to be used for one night or one weekend will no longer be issued. In the event the vehicle is operated solely under a Class C-Charter certificate, the carrier must satisfy these requirements as well as the special limousine license tag statute in order to be issued a substitute/emergency decal.

Any questions regarding this policy should be directed to the Office of Regulatory Staff Transportation Department at (803) 737-0800.

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