



Adding a Broker's License To Your Logistics Business.

Having a broker's license with your logistics business is one of the best ideas. You have the ability to organically go direct to a shipper once your capacity is built. You also have the ability to strategically set your business for the future.

A broker's license does not mean you have a freight broker business, it does however mean you have the legal ability to move a load for compensation. You have a license....

Let's take a look at The FMCSA regulations Of What A Broker License Is:

§ 371.2 Definitions.

(a) *Broker* means a person who, for compensation, arranges, or offers to arrange, the transportation of property by an authorized motor carrier. Motor carriers, or persons who are employees or bona fide agents of carriers, are not brokers within the meaning of this section when they arrange or offer to arrange the transportation of shipments which they are authorized to transport and which they have accepted and legally bound themselves to transport.

(b) *Bona fide agents* are persons who are part of the normal organization of a motor carrier and perform duties under the carrier's directions pursuant to a preexisting agreement which provides for a continuing relationship, precluding the exercise of discretion on the part of the agent in allocating traffic between the carrier and others.

(c) *Brokerage or brokerage service* is the arranging of transportation or the physical movement of a motor vehicle or of property. It can be performed on behalf of a motor carrier, consignor, or consignee.

(d) *Non-brokerage service* is all other service performed by a broker on behalf of a motor carrier, consignor, or consignee.

371.3 Records to be kept by brokers.

Where the broker acts on behalf of a person bound by law or the FMCSA regulation as to the transmittal of bills or payments, the broker must also abide by the law or regulations which apply to that person.

(a) A broker shall keep a record of each transaction. For purposes of this section, brokers may keep master lists of consignors and the address and registration number of the carrier, rather than repeating this information for each transaction. The record shall show:

- (1) The name and address of the consignor.
 - (2) The name, address, and registration number of the originating motor carrier.
 - (3) The bill of lading or freight bill number.
 - (4) The amount of compensation received by the broker for the brokerage service performed and the name of the payer.
 - (5) A description of any non-brokerage service performed in connection with each shipment or other activity, the amount of compensation received for the service, and the name of the payer; and
 - (6) The amount of any freight charges collected by the broker and the date of payment to the carrier.
- (b) Brokers shall keep the records required by this section for a period of three years.
- (c) Each party to a brokered transaction has the right to review the record of the transaction required to be kept by these rules.

§ 371.9 Rebating and compensation.

(a) A broker shall not charge or receive compensation from a motor carrier for brokerage service where:

- (1) The broker owns or has a material beneficial interest in the shipment or
 - (2) The broker is able to exercise control over the shipment because the broker owns the shipper, the shipper owns the broker, or there is common ownership of the two.
- (b) A broker shall not give or offer to give anything of value to any shipper, consignor or consignee (or their officers or employees) except inexpensive advertising items given for promotional purposes.

371.7 Misrepresentation.

(a) A broker shall not perform or offer to perform any brokerage service (including advertising), in any name other than that in which its registration is issued.

(b) A broker shall not, directly or indirectly, represent its operations to be that of a carrier. Any advertising shall show the broker status of the operation.

§ 371.10 Duties and obligations of brokers.

Where the broker acts on behalf of a person bound by law or the FMCSA regulation as to the transmittal of bills or payments, the broker must also abide by the law or regulations which apply to that person.

§ 371.13 Accounting.

Each broker who engages in any other business shall maintain accounts so that the revenues and expenses relating to the brokerage portion of its business are segregated from its other activities. Expenses that are common shall be allocated on an equitable basis; however, the broker must be prepared to explain the basis for the allocation.

Having a Property Broker License Allows you to do the following:

- Go direct to a shipper
- Take your carriers out of non-Solicitation
- Gives carriers satisfaction knowing your not just a dispatcher.
- Allows you to build unlimited income in volume.
- Allows you to become a private broker.
- Allows you to organically grow trucking companies.
- You can build long term relationships with shippers locally.

Do I need Insurance to Get A Brokers License?

No... But you will need a \$75k surety bond.

Do I Need A Website?

No... but a landing page describing your services is a must. Depends on also if you're a private or public broker.

How Much Does A Broker License Cost?

Around \$1500.00 including Surety bond

Is it worth it financially?

Broker 4 loads a day at \$250.00 per load = \$300,000.00 Income Yearly.

What Tools Will I Need?

- TMS Software
- Load Board
- Mapping Solutions
- 24/7 support

How Long does it take to become a broker?

Typically, it takes up to 6 months. You begin to organically build your capacity that will eventually allow you to go to a shipper. This is done thru the Dispatch business model.

Can I add Agents to my license?

Yes, and you should add at least two to build a team. The agents can utilize your license, and this can be the beginning of something great.

Being a private broker can open many doors of opportunity. Time and patience is key and building capacity is the door opener.

File For Your License Here: <https://www.fmcsa.dot.gov/registration>