



The Cost of Getting Your Own Trucking Authority

As spot market rates continue to improve, owner-operators leased on with a carrier may begin looking into getting their own trucking authority. Before taking any steps into making this switch, it's important to research and see how much this process is going to cost.

Below is a chart with estimates of the largest additional expenses that an owner-operator faces when getting their own authority. This chart does not include the daily expenses owner-operators already face while leased onto a carrier, but rather new expenses unique to running with your own authority. The chart also does not take into account the lost revenue from taking time off the road to make the switch to your own authority. The extra ramp-up expenses/lost wages must be considered in addition to what the table lists below.

Trailer	Lease: \$500 - \$600 per month Purchase: \$25,000 - \$50,000
Insurance	\$14,000 - \$24,000 per year This will include some if not all of the following <ul style="list-style-type: none"> • Primary Liability \$5,000-\$7,000 • General Liability \$500-\$600 • Umbrella Policy \$500-\$700 • Physical Damage \$1,000-\$3,000 • Bobtail Insurance \$350-\$400 • Uninsured/Under-insured Motorist \$50-\$100 • Occupational Accident \$1,600-\$2,200 • Cargo Insurance Varies
DOT number (Form MCS-150) and operating authority application (Form OP-1).	While there is no fee for a DOT number, each particular authority you desire will be a one time fee of \$300.
Form BOC-3 (Designation of Agents for Process).	The BOC - 3 Form will be necessary if you plan on doing interstate business. This form establishes that you are legally able to operate in each state that you drive. The cost of filing your BOC - 3 form is a one time fee between \$20-\$40.
International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) apportioned plates.	IFTA Decal: \$10 per year IRP Credential: \$1,700 per year
Once you have an active U.S. DOT number, you must pay Unified Carrier Registration (UCR) fees.	This fee is based on fleet size and one-truck operators must pay \$59 per year.
Drug and Alcohol testing.	One-truck owner-operators are required to enroll in a third-party DOT random testing consortium. Reputable consortiums charge between \$75 and \$110 per year.
Load Board	If you want to pay for a load board it is going to cost between \$35-\$150 per month.

Of course, not everyone will experience the same expense totals during the switch to running their own authority. That said, we estimate that **you should be prepared to spend an additional \$30,000 for the first year** under your own trucking authority. Another expense to consider is the cost to set up and run a business entity if you do not have one already. With these costs in mind, it's important to look at your business & personal finances to make sure you are monetarily ready to make this switch.

Overall, we estimate in the first year, **you will need to generate, on average, \$50,000 or \$0.48/mile in additional revenue** to make the switch financially worth it. You also need to consider if it's worth the additional stress to get your own authority. Even if you can cover the costs and make more money, it may be better to stay leased onto a carrier where you can still operate as your own boss but with the security that being leased onto a carrier can provide. These are all factors that must be considered when deciding whether or not you are ready to make the switch to your own trucking authority.