

## **BROKER/CARRIER AGREEMENT**

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of 20\_\_ by and between \_\_\_\_\_ (Carrier), an interstate carrier of property holding authority from the Federal Motor Carrier Safety Administration (FMCSA) MC \_\_\_\_\_, with its offices at \_\_\_\_\_ and \_\_\_\_\_ (Broker) licensed by the FMCSA as a TRANSPORTATION BROKER, Docket No. MC \_\_\_\_\_ with its principal place of business at \_\_\_\_\_.

### **WITNESSETH:**

WHEREAS, Carrier holds appropriate carrier authority from the FMCSA to engage in interstate transportation of property, and

WHEREAS, Broker is duly licensed to a TRANSPORTATION BROKER;

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth in the Agreement, the parties intending to be legally bound agree as follows:

The BROKER and the CARRIER have, upon due consideration, determined that a contract sales agreement is to their mutual advantage and best interest, they hereby agree to the following terms and conditions:

1. BROKER agrees to offer for shipments and CARRIER agrees to transport motor vehicle from and to such points between which service may be required, subject to the availability of suitable equipment.
2. CARRIER agrees to maintain Cargo Insurance in the amount of no less than \$100,000 to compensate BROKER owner, or consignee for loss or damage to property belonging to BROKER, owner, or consignee which property came into the possession of CARRIER in connection with its transportation service. The Cargo Insurance shall be in the form required by 49 C.F.R 1043.2 (b), and shall have no exclusions or restrictions that would to be accepted by the Federal Highway Safety Administration for a filing under the statutory requirements of the above cited section, but shall, in all respects, be identical to the Cargo Insurance filed in accord with the said section. CARRIER shall cause its insurance carrier to forward forthwith to BROKER a standard Certificate of Insurance which Certificate shall required the insurance carrier to give BROKER written 30 days notice prior to the cancellation of such Cargo Insurance.
3. Rates and charges to traffic moved under the AGREEMENT shall be as agreed to between the parties hereto in writing and are to be contained in a rate schedule or memorandum of rates and charges prepared and issued by CARRIER and acknowledged by BROKER. Changes to this schedule or memorandum shall also be made in writing on mutually agreed notice time, and similarly acknowledged. This schedule shall also contain the conditions of, and charges

for, any additional or accessorial services which may be required or performed. That schedule shall also set forth the ways in which statutory provisions as to contract carriage are to be fulfilled, i.e. either (1) by furnishing transportation service through the assignment of motor vehicles for a continuing period of time to the exclusive use of the broker, or (2) by furnishing transportation services designed to meet the distinct needs of the Broker.

4. Rates may be established or amended verbally in order to meet specific shipping schedules as mutually agreed, but such verbal contract shall be reduced to writing within five (5) working days of the movement of the involved freight in order to remain binding between the parties.
5. The CARRIER shall, on each movement, issue a uniform (standard) Bill of Lading, and the traffic shall move under the terms and conditions of the said Bill of Lading, which shall contain the standard provisions as to the filing and settling of claims.
6. BROKER agrees to pay CARRIER for the transportation of authorized commodities under this agreement in accordance with the effective schedules with 21 days of the receipt by BROKER of the CARRIER'S invoice covering such transportation.
7. Neither party hereto shall be liable for the failure to tender or timely transport freight under this AGREEMENT if such failure, delay or other omission is caused by strikes, acts of God, war, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.
8. CARRIER shall be liable to BROKER for the loss or damage to any property transported under this AGREEMENT. Such liability shall begin at the time the cargo is loaded upon CARRIER'S equipment at point of origin, and continues until said cargo is delivered to the designated consignee at destination, or to any intermediate stop off party. The liability shall be for the full value of the item, which shall be understood to mean the replacement cost of the lost or damaged item(s).
9. All claims for loss and damage and any salvage arising there from shall be handled and processed in accordance with the regulations with the regulations of the Federal Highway Safety Administration as published in the Code of Federal Regulations (49 CFR 1005).
10. If any dispute arises about any matter covered by the terms of this Agreement, the dispute may be referred to:
  - a. The Arbitration Procedures of the Transportation Brokers Conference of America, or, the parties do not mutually agree to submit to this arbitration procedures, then,

(CONTINUED)

b. It must be submitted to the arbitration procedures of the American Arbitration Association.

No court action can be taken by either party prior to arbitration, and the decision of the arbitrating association shall be binding on both parties in any subsequent court action.

11. The relationship of the CARRIER to the BROKER shall, at all times, be that of an independent contractor.
12. This Agreement shall be effective as of the date hereof and shall continue in effect for a period of one (1) year of such date, and from year to year thereafter, subject to the right of either party hereto to cancel the Agreement at any time upon not less than thirty (30) days written notice by Certified Mail of one party to the other.
13. Carrier agrees to support and protect Broker's efforts in the performance of the Agreement by refraining from any direct contract or solicitation of accounts that Broker introduces to Carrier. Brokers will identify its account to Carrier and/or as each new account is added, it will be added to the contract. Carrier acknowledges the account as Broker's account when freight begins moving via Carrier, and the account becomes Broker's account with this contract being fully applicable and a commission on all traffic that is moved by Carrier for that account shall be paid to Broker. If Carrier institutes the termination of the contract, Carrier agrees to refrain from contract of solicitation of Broker's company accounts and to refrain from handling any freight that was previously handled under this contract. If after Carrier initiates termination of this contract, Carrier does not refrain from contacting or soliciting or handling freight previously handled under this contract, Carrier agrees to pay Broker ten percent (10%) of any and all billings. Carrier issues for such movements for one (1) year following the date of such termination.
14. Carrier agrees that Broker may publicly report this breach of the Agreement, if it occurs, to any trade association or publication, and that the facts as to the breach may be published.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

CARRIER:

BROKER:

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
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