SUPREME COURT OF THE UNITED STATES

No. 03–1234

MID-CON FREIGHT SYSTEMS, INC., ET AL., PETITIONERS *v.* MICHIGAN PUBLIC SERVICE COMMISSION ET AL.

ON WRIT OF CERTIORARI TO THE COURT OF APPEALS OF MICHIGAN

[June 20, 2005]

JUSTICE BREYER delivered the opinion of the Court.

This case concerns pre-emption. A Michigan law imposes "an annual fee of $100.00" upon each Michigan license-plated truck that is "operating entirely in interstate commerce." Mich. Comp. Laws Ann. §478.2(2) (West 2002) (hereinafter MCL). A federal statute states that "a *State registration requirement* . . . is an unreasonable burden" upon interstate commerce when it imposes so high a fee. 49 U. S. C. §14504(b) (emphasis added); see also §14504(c)(2)(B)(iv)(III). Does this federal statutory provision pre-empt the Michigan law? We conclude that the Michigan fee requirement is not the kind of "State registration requirement" to which the federal statute refers. And for that reason, the statute does not pre-empt it.

I

A

Federal law has long required most motor carriers doing interstate business to obtain a permit—which we shall call a Federal Permit—that reflects compliance with certain

federal requirements. See 49 U. S. C. §13901 *et seq.;* 49 CFR §365.101 *et seq.* (2004). In 1965, Congress authorized States to require proof that the operator of an interstate truck had secured a Federal Permit. 49 U. S. C. §302(b)(2) (1976 ed.); see generally *Yellow Transp., Inc.* v. *Michigan*, 537 U. S. 36, 39 (2002). By 1991, 39 States demanded such proof by requiring some form of what we shall call State Registration (of the Federal Permit). Those States typically would require truckers to file with a state agency evidence that each interstate truck was covered by a Federal Permit. They would require the trucker to pay a State Registration fee of up to $10 per truck. And they would issue a State Registration stamp that the trucker would affix to a multistate "bingo card" carried within the vehicle. See 49 CFR §§1023.32, 1023.33 (1990); *Yellow Transp.*, 537 U. S., at 39.

In 1991, Congress focused upon the fact that the "bingo card" system required a trucking company to obtain a separate stamp from each State through which an interstate truck traveled. It found this scheme inefficient and burdensome. See *id.,* at 39–40. And it enacted a statute setting forth a new system, the Single State Registration System (SSRS), which remains in effect today. Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), 49 U. S. C. §14504. The SSRS allows a trucking company to fill out *one* set of forms in *one* State (the base State), and by doing so to register its Federal Permit in *every* participating State through which its trucks will travel. §14504(c); 49 CFR §367.4(b) (2004).

The SSRS statute says that the base State can demand: (1) proof of the trucking company's possession of a Federal Permit, (2) proof of insurance, (3) the name of an agent designated to receive "service of process," and (4) a total fee (charged for the filing of the proof of insurance) equal to the sum of the individual state fees. 49 U. S. C. §§14504(c)(2)(A)(i)–(iv); 49 CFR §§367.4(c)(1)–(4) (2004).

Each individual state fee, it adds, cannot exceed the amount the State charged under the "bingo card" system, and in no event can it exceed $10 per truck. 49 U. S. C. §14504(c)(2)(B)(iv)(III). After a truck owner registers, base state officials provide the owner with a receipt to be kept in the cab of each registered truck. 49 CFR §§367.5(a), (b), (e) (2004). The base State distributes to each participating State its share of the total registration fee. §367.6(a).

The SSRS statute specifies that a State may not impose any additional "registration requirement." It states specifically, in the statutory sentence at issue here, that when a State Registration requirement imposes further obligations, "the part in excess is an unreasonable burden." 49 U. S. C. §14504(b). It adds that a State may not require "decals, stamps, cab cards, or any other means of registering . . . specific vehicles." §14504(c)(2)(B)(iii). And it provides that the "charging or collection of any fee under this section that is not in accordance with the fee system established [in this provision] shall be deemed to be a burden on interstate commerce." §14504(c)(2)(C). At the same time, the statute makes clear that a State that complies with the SSRS system need not fear Commerce Clause attack, for it says that a state requirement that an interstate truck "must register with the State" is "not an unreasonable burden on transportation," provided that "the State registration is completed" in accordance with the SSRS statute. §14504(b).

B

The state law at issue here, §478.2(2) of the Michigan Motor Carrier Act, reads as follows:

> "A motor carrier licensed in this state shall pay an annual fee of $100.00 for each vehicle operated by the motor carrier which is registered in this state [*i.e.*, which has a Michigan license plate] and operating en-

> tirely in interstate commerce." MCL §478.2(2) (West 2002).

Related state rules and regulations require a carrier paying the $100 fee to identify each interstate truck by make, type, year, serial number, and unit number. See Equipment List Form P–344–T, App. to Defendant's Response to Plaintiffs' Motion for Summary Disposition in No. 95–15628–CM etc. (Mich. Ct. Cl.) (hereinafter Equipment List Form P–344–T). They also make clear that, upon payment of the fee, the carrier will receive a decal that must be affixed to the truck. App. 24 (Affidavit of PSC official Thomas R. Lonergan). And they provide that a carrier who pays this fee need not pay the $10 SSRS registration fee if the carrier chooses Michigan as its SSRS base State. See, *e.g., id.*, at 67, n.; *Westlake Transp., Inc.* v. *Mich. Pub. Serv. Comm'n*, 255 Mich. App. 589, 603–604, n. 6, 662 N. W. 2d 784, 790–792, n. 6 (2003); Reply Brief for Petitioners 14–15, n. 8.

C

Petitioners are interstate trucking companies with trucks that bear Michigan license plates and operate entirely in interstate commerce. Hence they are subject to Michigan's $100 fee. MCL §478.2(2) (West 2002). They asked a Michigan court to invalidate §478.2(2) as preempted by the federal SSRS statute. 255 Mich. App., at 592, 662 N. W. 2d, at 789–790. The Michigan Court of Claims rejected their claim. *Id.*, at 593–594, 662 N. W. 2d, at 789–790. And the Michigan Court of Appeals affirmed. *Id.*, at 604, 662 N. W. 2d, at 795.

The Court of Appeals wrote that the $100 fee is a "regulatory fee"—a "fee imposed for the administration" of the State's Motor Carrier Act and for enforcement of Michigan "safety regulations." *Ibid.* As such, it falls outside the scope of the term "registration requirement" as used in the federal SSRS statute, 49 U. S. C. §14504(b). 255 Mich.

App., at 604, 662 N. W. 2d, at 795. The federal statute, according to the Michigan court, consequently does not pre-empt it. *Ibid.*

Petitioners sought leave to appeal to the Michigan Supreme Court; leave was denied. *Westlake Transp., Inc.* v. *Mich. Pub. Serv. Comm'n*, 469 Mich. 976, 673 N. W. 2d 752 (2003). We granted their petition for certiorari and consolidated the case with *American Trucking Assns., Inc.* v. *Michigan Pub. Serv. Comm'n*, No. 03–1230, a case in which interstate truckers sought review of a separate Michigan fee. We now affirm the Michigan court's judgment in this case, though for other reasons.

II

A

The first legal question before us concerns the meaning of the federal statutory words "State registration requirement." They appear in a subsection that reads in relevant part as follows:

> "The requirement of a State that a motor carrier, providing [interstate transportation] in that State, must register with the State is not an unreasonable burden on transportation . . . when the State registration is completed under standards of the Secretary [of Transportation] under subsection (c). When a *State registration requirement* imposes obligations in excess of the standards of the Secretary, the part in excess is an unreasonable burden." 49 U. S. C. §14504(b) (emphasis added).

What is the scope of the italicized words?

Petitioners ask us to give these words a broad interpretation, sweeping within their ambit every state requirement involving some form of individualized registration that affects an interstate motor carrier. Brief for Petitioners 15 (federal statute's limits apply "to *all* interstate

motor carriers compelled to register their operations with *any* State regulatory commission under any State law" (emphasis in original)). The United States argues for a somewhat narrower interpretation, submitting that the words apply to "state registration requirements that are imposed on interstate carriers *by reason of* their operation in interstate commerce." Brief for United States as *Amicus Curiae* 19–20 (emphasis in original). In our view, however, the language, read in context, is yet more narrow.

Reference to text, historical context, and purpose discloses that the words "State registration requirement" do not apply to *every* State Registration requirement that happens to cover interstate carriers, nor to *every* such requirement specifically focused on a trucking operation's interstate character. Rather, they apply only to those state requirements that concern *SSRS registration*—that is, registration with a State of evidence that a carrier possesses a Federal Permit, registration of proof of insurance, or registration of the name of an agent "for service of process." §14504(c)(2)(A)(iv). Thus, the federal provision pre-empts only those state requirements that (1) concern the subject matter of the SSRS and (2) are "in excess" of the requirements that the SSRS imposes in respect to that subject matter. See §14504(b).

To begin with, statutory language makes clear that the federal provision reaches no further. Section 14504(b)'s first sentence says that a state "requirement" that an interstate motor carrier must "register with the State is not an unreasonable burden . . . when the State registration is completed under standards of the Secretary under subsection (c)." *Ibid.* It is clear from the text as a whole that "State registration" cannot cover *all* registration requirements, but only some. Cf. *post*, at 9–10 (KENNEDY, J., dissenting). The first sentence's reference to the "standards of the Secretary" (as well as the focus of the entire

statute) tells us which. Those "standards," set forth in subsection (c)—which is titled "Single State Registration System"—exclusively relate to State Registration of "evidence of" a Federal Permit, "proof of" insurance, and the "name of a local agent for service of process," and state fees "for the filing of proof of insurance." §§14504(c)(2)(A)(i)–(iv); §14504(c)(2)(B)(iv). And the rest of the statute similarly deals exclusively with SSRS matters. See §14504(a) ("standards" mean "the specification of forms and procedures required" to prove that a motor carrier is in compliance with federal requirements). Thus, the words "State registration" in the pre-emption provision's first sentence refer only to state systems that seek evidence that a trucker has complied with specific, federally enumerated, *SSRS* obligations. Cf. 49 U. S. C. §13908(d) (§14504's fees relate specifically to state efforts to obtain proof of insurance under the SSRS); §§13908(b)(2)–(3) (indicating that §14504 refers to state requirements having this purpose).

How could the same words in the second sentence refer to something totally different? We have found no language here or elsewhere in the statute (which we reproduce in the Appendix, *infra*) suggesting that the term "State registration requirement" in sentence two refers to all State Registration requirements "imposed on interstate carriers *by reason of* their operation in interstate commerce." Brief for United States as *Amicus Curiae* 20 (emphasis in original). Indeed, to read the words "by reason of . . ." into §14504, a linguistic stretch, would be wholly inconsistent with the statute's basic purposes, because it would leave a State free to implement a regulation in excess of specific SSRS limitations as long as it did not single out interstate carriers (say, a neutral rule that all truckers must pay $50, or $500, per truck for proof of insurance, or must designate multiple agents for service of process). See *post*, at 8 (KENNEDY, J., dissenting).

To avoid this severely incongruous result, the dissent (which adopts the Government's view) must resort to interpretive acrobatics. After first reading subsection (b) to say that a neutral base State requirement, despite being "in excess" of SSRS standards, is not an "unreasonable burden on" commerce, it then reads subsection (c) to say that such a requirement, *because* it is "in excess" of SSRS standards, is nonetheless prohibited by the statute (in effect, an unreasonable burden on commerce). *Post*, at 11–13. Aside from imposing significant complexities on the statute where otherwise none would exist, this reading stretches subsection (c)'s function beyond that which its structure and language will allow.

Similarly, we see no language elsewhere in the statute suggesting that the term "State registration requirement" refers to *any* kind of State Registration whatsoever that might affect interstate carriers. And even the Government concedes that certain registration obligations—those in "traditional areas of state regulation"—are beyond the pre-emptive reach of the statute. Brief for United States as *Amicus Curiae* 19. Finally, the implementing regulations do not support these broader constructions. See 49 CFR §367.1 *et seq*. (2004).

Our reading of the text finds confirmation in historical context. Congress enacted §14504 to simplify the old "bingo card" system. See *Yellow Transp.,* 537 U. S., at 39–40. Under the "bingo card" scheme, *each* State could independently demand the same separate filings (evidence of a Federal Permit, proof of insurance, and a service-of-process agent) as well as separate fees. 49 U. S. C. §302(b)(2) (1976 ed.); §11506 (1988 ed.); 49 CFR §§1023.11, 1023.21, 1023.32, 1023.51 (1990). Federal law governing that scheme placed no express constraints on any state filings or fees other than those concerning Federal Permit and insurance requirements. Indeed, federal regulations specified that the federal "bingo card" statute

did not "affect" the "collection or [the] method of collection of taxes or fees by a State" from interstate truckers "for the operation of vehicles within" its "borders." §1023.104. And they further provided that the statute did not "affect" state requirements "as to the external identification of vehicles to indicate the payment of a State tax or fee imposed for revenue purposes or for any other purpose" not governed by the "bingo card" system. §1023.42.

When Congress created the new SSRS, it did not indicate (in the text, structure, or divinable purpose of the new provision) that the pre-emptive scope of the new scheme would be any broader than that of the old. See ISTEA, 105 Stat. 1914. The relevant differences between the SSRS and the "bingo card" regime were that: (1) one State, rather than many, would collect the relevant filings; (2) one State, rather than many, would collect the relevant fees; and (3) these fees, limited to the same amount as before, would relate to filing of proof of insurance rather than to filing of the Federal Permit. Compare 49 U. S. C. §11506 (1988 ed.) with §14504 (2000 ed.); see also §11506 (1988 ed., Supp. IV). These modifications merely sought more efficient, not greater, federal regulation. See *Yellow Transp., supra;* see also 49 U. S. C. §§13908(a), (d) (authorizing the Secretary to replace the SSRS with a yet more streamlined system and pre-empting only those State "insurance filing requirements or fees that *are for the same purposes* as filings or fees the Secretary requires under the new system" (emphasis added)). And while the new regulations implementing the SSRS do not explicitly exempt unrelated state requirements from the statute's pre-emptive reach, neither they nor the rulemaking that produced them suggest any change to pre-existing practice in this respect. See 49 CFR §367.1 *et seq*. (2004); see also *Single-State Insurance Registration*, 9 I. C. C. 2d 610 (1993) (Interstate Commerce Commission decision announcing new regulations); *Single State Insurance Regis-*

tration, No. MC–100 (Sub-No. 6), 1993 WL 17833 (I. C. C., Jan. 13, 1993) (proposing regulations, providing justifications, and soliciting further comments).

Finally, we have found nothing in the statute's basic purposes or objectives—improving the efficiency of the "bingo card" system and simplifying a uniform scheme for providing States with certain vital information—that either requires a broader reading of the statutory term, or that impliedly pre-empts other, non-SSRS-related state rules. Cf. *Geier* v. *American Honda Motor Co.*, 529 U. S. 861, 881 (2000) (federal statutes by implication pre-empt state law that stands "as an obstacle to the accomplishment and execution" of their federal objectives (internal quotation marks omitted)). That is, we can find no indication that Congress sought to use this narrowly focused statute to forbid state fee or registration obligations that have nothing to do with basic SSRS (or earlier "bingo card") objectives—say, for example, a State Registration requirement related to compliance by interstate carriers with rules governing the introduction of foreign pests into the jurisdiction, or with a State's version of the Amber Alert system, or with size, weight, and safety standards. The Constitution's Commerce Clause may (or may not) forbid some such rules. But this statute—which identifies and regulates very specific items—says nothing about them, and there is no reason to believe that Congress wished to resolve *that* kind of Commerce Clause issue in this provision. Cf. 49 U. S. C. §13908 (indicating that the SSRS may well be only a temporary system and similarly focusing on limited, federally enumerated requirements without discussing broad pre-emption).

We conclude, as we have said, that the term "State registration requirement," as used in the second sentence of the SSRS statute, covers only those State Registration requirements that concern the subject matter of that statutory provision, namely the registration of a Federal

Permit, proof of insurance, and the name of an agent for service of process. See *supra*, at 5–6. It neither explicitly nor implicitly reaches unrelated matters.

B

The second legal question involves the Michigan statute imposing the $100 fee on Michigan-plated trucks operating entirely in interstate commerce. MCL §478.2(2) (West 2002). Do the requirements set forth in that statute concern the SSRS statute's subject matter? We think that they do not.

For one thing, the Michigan statute imposing the $100 fee makes no reference to evidence of a Federal Permit, to any insurance requirement, or to an agent for receiving service of process. Nor, as far as we can tell, do any state rules related to the $100 fee require the filing of information about these matters. See Equipment List Form P–344–T (requiring information about truck make, type, year, unit number, and serial number).

For another thing, Michigan law imposed a separate fee on interstate motor carriers with trucks license plated in Michigan before the SSRS existed and before Michigan began to participate in the "bingo card" system. See App. 24–25; Plaintiffs' Second Motion for Partial Summary Disposition in No. 95–15628–CM etc. (Mich. Ct. Cl.), p. 5; Plaintiffs-Appellants' Brief on Appeal, in No. 226052 etc. (Mich. Ct. App.), pp. 5–6; MCL §478.7(4) (West 2002). Hence such a fee does not represent an effort somehow to circumvent the limitations imposed in connection with federal laws governing State Registration of Federal Permits.

Finally, Michigan rules provide that a Michigan-plated interstate truck choosing Michigan as its SSRS base State can apparently comply with Michigan's SSRS requirements even if it does not comply with Michigan's $100 fee requirement. The owner of that truck can fill out Michi-

gan form RS–1, thereby providing Michigan with evidence that it has a Federal Permit. App. 65–66. It can also fill out form RS–2, on which it indicates the total SSRS fees it owes to all participating States whose borders the truck will cross. *Id.,* at 67. Upon submission of the two forms and payment of the fees, Michigan apparently will give the owner form RS–3, an SSRS receipt, a copy of which the owner can place in the vehicle of the truck, thereby complying with Michigan's (and all other participating States') SSRS-related "State registration requirements." If that owner fails to pay Michigan's $100 fee for that truck, the owner will not receive a state fee decal. But that owner will have violated only Michigan's $100 fee statute here at issue, MCL §478.2(2) (West 2002). Petitioners have provided us with nothing that suggests the owner will have violated any other provision of Michigan law. See §478.7(4). And they have not demonstrated that Michigan law in practice holds hostage a truck owner's SSRS compliance until the owner pays §478.2(2)'s $100 fee.

On the other hand, we recognize that Michigan form RS–2, the form that lists all SSRS-participating States together with their SSRS-related fees, places an asterisk next to Michigan and states that "[v]ehicles base-plated in Michigan need not" pay any SSRS fee but "are required to have a $100.00" Michigan decal. App. 67. Michigan thereby forgives Michigan-plated interstate trucks (which must pay Michigan $100) payment of the $10 Michigan SSRS fee that would otherwise be due. And to that extent, there is a connection between the $100 fee and the SSRS.

Michigan appears to forgive its $10 SSRS fee, however, only for the Michigan-plated interstate trucks of a carrier that has chosen Michigan as its SSRS "base" State. See Reply Brief for Petitioners 14–15, n. 8. Michigan-plated trucks operating out of a different SSRS base State, say, Ohio, must pay the fee, which is remitted back to Michigan. Thus, the $10 reduction can be seen simply as an

effort to provide modest, administratively efficient (because Michigan itself is handling both fees) recompense to those motor carriers that operate Michigan-plated trucks and choose Michigan as their SSRS base State. That subsidiary connection cannot transform Michigan's $100 fee, which exclusively involves non-SSRS subject matter (and was created for non-SSRS-related reasons), into a requirement that concerns the subject matter of the SSRS statute.

* * *

For these reasons, we conclude that 49 U. S. C. §14504(b) does not pre-empt Michigan's $100 fee. The judgment of the Michigan Court of Appeals is affirmed.

It is so ordered.

APPENDIX TO OPINION OF THE COURT

Title 49 U. S. C. §14504 provides:

"Registration of motor carriers by a State

"(a) DEFINITIONS.—In this section, the terms 'standards' and 'amendments to standards' mean the specification of forms and procedures required by regulations of the Secretary to prove the lawfulness of transportation by motor carrier referred to in section 13501.

"(b) GENERAL RULE.—The requirement of a State that a motor carrier, providing transportation subject to jurisdiction under subchapter I of chapter 135 and providing transportation in that State, must register with the State is not an unreasonable burden on transportation referred to in section 13501 when the State registration is completed under standards of the Secretary under subsection (c). When a State registration requirement imposes obligations in excess of the standards of the Secretary, the part in excess is an unreasonable burden.

"(c) SINGLE STATE REGISTRATION SYSTEM.—

"(1) IN GENERAL.—The Secretary shall maintain standards for implementing a system under which—

"(A) a motor carrier is required to register annually with only one State by providing evidence of its Federal registration under chapter 139;

"(B) the State of registration shall fully comply with standards prescribed under this section; and

"(C) such single State registration shall be deemed to satisfy the registration requirements of all other States.

"(2) SPECIFIC REQUIREMENTS.—

"(A) EVIDENCE OF FEDERAL REGISTRATION; PROOF OF INSURANCE; PAYMENT OF FEES.—Under the standards of the Secretary implementing the single State

registration system described in paragraph (1) of this subsection, only a State acting in its capacity as registration State under such single State system may require a motor carrier registered by the Secretary under this part—

"(i) to file and maintain evidence of such Federal registration;

"(ii) to file satisfactory proof of required insurance or qualification as a self-insurer;

"(iii) to pay directly to such State fee amounts in accordance with the fee system established under subparagraph (B)(iv) of this paragraph, subject to allocation of fee revenues among all States in which the carrier operates and which participate in the single State registration system; and

"(iv) to file the name of a local agent for service of process.

"(B) RECEIPTS; FEE SYSTEM.—The standards of the Secretary—

"(i) shall require that the registration State issue a receipt, in a form prescribed under the standards, reflecting that the carrier has filed proof of insurance as provided under subparagraph (A)(ii) of this paragraph and has paid fee amounts in accordance with the fee system established under clause (iv) of this subparagraph;

"(ii) shall require that copies of the receipt issued under clause (i) of this subparagraph be kept in each of the carrier's commercial motor vehicles;

"(iii) shall not require decals, stamps, cab cards, or any other means of registering or identifying specific vehicles operated by the carrier;

"(iv) shall establish a fee system for the filing of proof of insurance as provided under subparagraph (A)(ii) of this paragraph that—

"(I) is based on the number of commercial motor

vehicles the carrier operates in a State and on the number of States in which the carrier operates;

"(II) minimizes the costs of complying with the registration system; and

"(III) results in a fee for each participating State that is equal to the fee, not to exceed $10 per vehicle, that such State collected or charged as of November 15, 1991; and

"(v) shall not authorize the charging or collection of any fee for filing and maintaining evidence of Federal registration under subparagraph (A)(i) of this paragraph.

"(C) PROHIBITED FEES.—The charging or collection of any fee under this section that is not in accordance with the fee system established under subparagraph (B)(iv) of this paragraph shall be deemed to be a burden on interstate commerce.

"(D) LIMITATION ON PARTICIPATION BY STATES.—Only a State which, as of January 1, 1991, charged or collected a fee for a vehicle identification stamp or number under part 1023 of title 49, Code of Federal Regulations, shall be eligible to participate as a registration State under this subsection or to receive any fee revenue under this subsection."