

Freight Broker/Agent Frequently Asked Questions

1. What is a Freight Broker?

A freight broker is legally a property broker, which is the term established by the Federal Motor Carrier Safety Administration (FMCSA), a division of the United States Department of Transportation. It describes licensed individuals or corporations that help make a shipper and an authorized motor carrier successful in the transporting of freight.

2. What are the requirements to be a Freight Broker?

There are four legal documents needed to operate as a freight broker:

1. A Broker's Authority, available through the FMCSA for a \$300 fee. You fill out Form OP-1 and file for your authority to operate as a broker.
2. A Surety Bond or Trust Fund, which you can obtain from a bank or bonding company. The cost varies depending on your personal credit. You're required to carry a \$75,000 bond or trust. The form filed with this is BMC-84 or BMC-85.
3. Processing Agent, which runs approximately \$50, with form BOC-3.
4. File a Unified Carrier Registration (UCR)

3. Is this a growing field? Is it in demand?

As of this writing, there are approximately 15,000 licensed transportation brokers in the nation, but a large number are inactive. This is still a relatively new industry, as there were only around 70 brokers in 1970. It's estimated that freight brokers accounted for over 10% of the shipping industry, or roughly \$40 billion out of \$400 billion, in revenues. A recent article in the Wall Street Journal cited freight brokerage and logistics as the fastest-growing sector of the transportation industry.

4. Is there another way to get into the industry without having to get a bond and license?

Yes. You can open a freight agency or become a freight broker agent with little risk and without obtaining your own licensing. In that case, you'd operate as an agent, under the umbrella of another broker's authority, and you would do a split with the broker on your profits.

5. What equipment will I need to get started?

If you want to open a freight brokerage or agency, you'll need a computer with high-speed Internet, a fax machine, a telephone and phone service with inexpensive unlimited long distance. If you're opening a brokerage, you'll also most likely want to purchase a transportation software program. If you're an agent, you'll use your broker's software system.

6. Is this a job that I can do from home?

Absolutely. Most agents and many brokers work out of their home office.

7. How long will it take for my business to become profitable?

It will take some time to build up your customer database, just as with any business that you start. Typically it can take three to six months of disciplined work to show a substantial profit. Sometimes it takes much less time, sometimes more. But once you begin securing customers, they normally have residual shipping, so the sale repeats itself over and over. Your level of success depends on many factors, such as your level of determination, your tenacity, and your genuine desire to help your customers succeed.

8. How much money can I make as a freight broker or agent?

Again, your individual earnings will depend on your personal abilities and how determined you are to succeed. As a full-time broker or agent, you can make from \$40,000 to well over \$200,000 or more. The potential is virtually unlimited as you grow.

9. How do I find customers?

In the program, we go into detail on this subject, showing you many different tools for locating your shippers, such as publications, reference sources and Internet sources.

10. How do I decide whether to start my own brokerage or become an agent?

There are many factors in making this decision, which we go over in detail during the program. Three major factors are money, time, and experience, among others. Either way, you'll need three to six months' worth of living expenses or a supplemental income while you establish your business. If you open your own brokerage, you'll also need additional start-up money for cash flow and start-up costs.

11. Can I register for programs if I am an international student?

Yes, because our program is online you never have to actually travel to the school.

12. How long does it take to complete a program?

All of our programs are self-paced and open enrollment, so you can start them when you want and finish them at your own pace. Upon registering, you're given an initial six months to complete this program. Should you need more time beyond the six months, an extension of six months is available at no additional cost.

13. Do I have to buy additional materials?

All the materials you'll need are included, and their cost will be covered by your tuition. Ed2go will ship all materials ground service upon enrollment.

14. Can I get financial assistance?

This course is a non-credit course, so it does not qualify for federal aid. In some states, vocational rehab or workforce development boards will pay for qualified students to take our courses.

15. What happens when I complete the program?

Upon successful completion of the program, you will be awarded a certificate of completion.

16. Am I guaranteed a job?

Our programs will provide you with the skills you need to obtain an entry-level position in most cases. We don't provide direct job placement services, but our facilitators and career counselors will help you build your resume and are available to give advice on finding your first job. Facilitators will also be available to use as a professional reference upon completion of the program. Potential students should always do research on the job market in their area before registering.

17. Who will be my instructor?

Each student is paired up with a facilitator for one-on-one interaction. The facilitator will be available (via e-mail) to answer any questions you may have and to provide feedback on your performance. All of our facilitators are successful working professionals in the fields in which they teach.

18. What software or hardware do I need in order to take online programs and what are the system requirements?

In order to take our online programs, you must have access to a computer and the Internet. You can access the program contents from any Web-enabled computer. You don't have to use the same computer to log-in to the program every time. We recommend that you have a word-processing program (Microsoft Word is best) and the latest version of Internet Explorer.

19. Can I use a Mac?

Yes, you can use a Mac for this program.

20. When can I start the program?

Our programs are all open enrollment. You can register and start the program as soon as you are ready.

Please note: Once the program curriculum is accessed online or through submission of a material shipment confirmation, refunds cannot be issued.