

SUPPORTING STATEMENT FOR INFORMATION COLLECTION
14 CFR Part 205

A. Justification

1. Explain the circumstances that make the collection of information necessary. Include identification of any legal or administrative requirements that necessitate the collection.

49 U.S.C. Section 41112 ("the Statute") provides that an air carrier may not be issued or continue to hold air carrier authority unless it has filed with the Department evidence that it possesses insurance in accordance with the Department's regulations. 14 CFR Part 205 establishes procedures for filing evidence of liability insurance for air carriers.

DOT GOAL: DOT is responsible for the safety of the public. Collection of this data ensures that air carriers have the proper insurance coverage in case of damages for bodily injury to or a death of a person, or for damage to the property of others, resulting from the air carrier's operations or maintenance of aircraft in air transportation provided under its authority from the Department.

2. Indicate how, by whom, and for what purpose the information is to be used.

The certificates of insurance (OST Forms 6410 for U.S. air carriers and 6411 for foreign air carriers (copies attached) are kept on file at the Department as evidence that the carriers are in compliance with the liability insurance requirements in the Statute and Part 205. The forms, which may be inspected by the public, identify the name and address of the air carrier and the insurer(s), the policy number(s), and effective date, the limits of liability, and the type of aircraft and operations covered by the insurance policy.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Original certificates are required to be filed with the Department in order to deter falsification of information on the certificates. However, the Office of the Secretary and the Federal Aviation Administration maintain a joint data base containing summarized information about the carriers' insurance coverage.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in Item 2 above.

Evidence of air carrier liability insurance is not required to be filed in any other Federal government location.

5. If the collection of information involves small businesses or other small entities, describe the methods use to minimize the burden.

Certificates of insurance must be filed only when a company initially obtains air carrier authority and thereafter only when there are changes in the policy conditions, e.g., the aircraft covered, the amount of coverage, the policy number or the policy period. In the case of many air carriers, a new certificate is filed annually, although our rules do not require an annual filing. While it is the responsibility of each air carrier to ensure that evidence of liability insurance is kept on file with the Department, the burden of actually filing the required certificate rests with the carriers' insurance brokers and underwriters (who, of course, include the costs of this task in calculating their clients' premium payments).

Several years ago, the Department undertook a significant revision of the liability insurance regulations, including consolidating regulation provisions and simplifying the certificates themselves. Moreover, we note that a number of the insurance companies have converted our insurance certificates into computerized forms to make their completion and revision more efficient and to facilitate the storage and retrieval of the data they contain.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently.

The requirement to file evidence of liability insurance serves as a deterrent against carriers operating uninsured or underinsured. Moreover, if the collection of this information was proscribed, neither the Department, which licenses the carriers, nor the public would have any documentary evidence that injuries and losses would be indemnified.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

These collections are consistent with the guidelines in 5 CFR 1320.6.

8. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The information collection in Part 205 was originally adopted, and subsequently modified several times, after public notice and a period for comment in accordance with the requirements of administrative procedures. A notice (copy attached), pursuant to 5 CFR 1320.8(d), soliciting comments on the proposed extension of the information collection was published in the Federal Register on August 1, 2007 (72 FR 42218). No comments have been received.

9. Explain any decision to provide any payment or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

The information contained in the certificates of insurance is not confidential and may be inspected at any time by the public, as stated in section 205.3. The actual policy to which the certificate refers must be kept available at the carrier's place of business for Department inspection.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no sensitive questions.

12. Provide estimates of the hour burden of the collection of information, including:

Number of annual respondents:	OST Form 6410 (U.S. carriers)	4,220
	OST Form 6411 (Foreign carriers)	<u>386</u>
	Total	4,606

Number of annual responses:	OST Form 6410	5,486
	OST Form 6411	<u>502</u>
	Total	5,988

Frequency of response: on occasion
(average of 1.3 annual responses per respondent)

Annual hour burden:	OST Form 6410	2,743
	OST Form 6411	<u>251</u>
	Total	2,994

Annualized cost to respondents: \$0

Explanation of how the burden was estimated:

Based on the most currently available information, approximately 4,606 (4,220 U.S. and 386 foreign) air carriers are registered with the Department. Approximately 300 aviation insurers provide their liability coverage. Approximately 1.3 insurance certificates are filed annually per registered air carrier, for a total per year of 5,988 (5,486 U.S. and 502 foreign) certificates. In

order to calculate the annual burden hours, we estimated a burden of 0.5 hours per response (or 0.67 hours per respondent, given an average of 1.3 certificate filings per year), giving an annual burden to all carriers of 2,994 hours (2,743 hours for U.S. carriers and 251 hours for foreign carriers).

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection.

- a. Total capital and start-up cost component -- none
- b. Total operation and maintenance and purchase of services component -- none

If evidence of liability insurance were not required of air carriers by the Federal government, it would be required by the carriers' major suppliers, lessors, lender, airport authorities, etc. Therefore, the burden should extend no further than collecting already existing material and putting it in a form appropriate for filing with the Department.

14. Provide estimates of annualized cost to the Federal government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expense, and any other expense that would not have been incurred without this collection of information.

The estimated total annual salary cost to the Federal government of examining the 5,988 certificates (5,486 U.S. carriers and 502 foreign carriers), entering the data into the computer, and filing the documents, is 2,994 hours (2,743 hours for U.S. carriers and 251 hours for foreign carriers) and \$71,856 (\$65,832 for U.S. carriers and \$6,025 for foreign carriers.) The average time required to process a certificate by a Department analyst is 0.5 hours at an average cost per hour of \$24 (based on the CY 2007 hourly GS-9 pay rate of \$22, plus \$2.00 per our for storage, computer, and printing costs).

15. Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Differences between the burden estimates in Items 13 and 14 of OMB Form 83-I and those in OMB's inventory are entirely due to an increase in the number of annual respondents and an increase in the processing costs of responses.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.