

**Department of Transportation  
Office of the Chief Information Officer**

**SUPPORTING STATEMENT  
Licensing Applications for Motor Carrier Operating Authority**

**INTRODUCTION**

The Federal Motor Carrier Safety Administration's (FMCSA) is submitting to the Office of Management and Budget (OMB) a revised information collection request (ICR) titled, "Licensing Applications for Motor Carrier Operating Authority," covered by OMB Control Number 2126-0016, and currently due to expire on January 31, 2009. The Agency revised this IC due to its development of a notice of proposed rulemaking (NPRM) titled, "Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes" (see Attachment A). The Agency proposes to discontinue its requirement that applicants seeking authority to transport passengers over regular routes submit a detailed description and map of the route(s) over which they propose to operate. Instead, the Agency will register such carriers as regular-route carriers without requiring designation of specific regular routes or termini. The Agency believes this action will lessen the burden on regular-route carriers seeking to expand or change their routes, as well as the burden on the Agency, by eliminating the need to file and process multiple applications containing routes.

**1. Circumstances that make collection of information necessary:**

The FMCSA registers for-hire motor carriers of regulated commodities and of passengers under 49 U.S.C. § 13902(a); surface freight forwarders under 49 U.S.C. § 13903; property brokers under 49 U.S.C. § 13904; and certain Mexican motor carriers under 49 U.S.C. § 13902(c). These motor carriers may conduct transportation services in the United States only if they are registered with the FMCSA. Each registration is effective from the date specified and remains in effect for such period as the Secretary of Transportation (Secretary) determines by regulations. The ICC Termination Act of 1995 (ICCTA), Public Law No. 104-88, 109 Stat. 803, transferred this registration authority from the former Interstate Commerce Commission (ICC) to the Secretary, who subsequently delegated the registration function to the Federal Highway Administration (FHWA), then to the FMCSA at the time that agency was created.

Under 49 U.S.C. 13301(a), the Secretary may prescribe regulations to carry out title 49, subtitle IV, part B, which includes registration requirements for motor carriers transporting passengers in interstate commerce for compensation. The Secretary has delegated this authority to the Administrator of FMCSA under 49 CFR 1.73(a). The filing fee is set forth at 49 CFR 360.3(f) (8).

The ICCTA directed the Secretary to issue regulations to replace the current identification number system, the single State registration system, and the registration and insurance monitoring systems formerly administered by the ICC, with a single, on-line Federal system (see 49 U.S.C. §

13908). An advance notice of proposed rulemaking (ANPRM), which solicited comments on the parameters of the single integrated system, was published in the **Federal Register** on August 26, 1996, at 61 FR 43816. It is anticipated that the OP-1 registration forms will remain in use until adoption of the unified on-line Federal registration system required by the ICCTA.

On May 3, 2001, the FMCSA published a notice of proposed rulemaking (NPRM) at 66 FR 22371 (Attachment A) which proposed changes in its regulations to govern applications by Mexican carriers to operate beyond the United States-Mexico border municipalities and commercial zones to points within the U.S. The FMCSA also proposed to revise the application Form OP-1(MX) that would be filed by these Mexican motor carriers. The changes were needed to implement only part of the NAFTA.

On March 19, 2002, the FMCSA published an interim final rule (IFR) at 67 FR 12702 (Attachment B) which proposed to amend 49 CFR part 365 and revise Form OP-1(MX). Under the amended regulations, Mexico-domiciled motor carriers seeking to operate within the United States beyond the commercial border zones, including carriers that previously filed pending Form OP-1(MX) applications, would be required to submit the revised Form OP-1(MX). Under the revised Form OP-1(MX), the FMCSA would collect more detailed information on an applicant motor carrier's size, operations and history than could be collected previously by using the existing form.

This information collection supports the DOT's Strategic Goals of Safety and Economic Growth and Trade by allowing foreign motor carriers to conduct operations in the United States pursuant to the North American Free Trade Agreement, but requiring foreign (Mexican) motor carriers to comply with similar registration procedures as U.S. motor carriers to ensure safety on our Nation's highways.

## **2. How, by whom, and for what purpose is the information used:**

Data contained on the completed Forms OP-1, OP-1(P), OP-1(FF) or OP-1(MX) provides information to the FMCSA on the type of surface transportation operations which the registration applicant proposes to conduct. The forms also enable FMCSA staff to make a determination concerning the level of insurance coverage which the applicant will be required to obtain to maintain its registration, the applicant's familiarity with relevant safety requirements and its willingness to comply with those requirements in its operations, and applicant's ability to meet any specific statutory and regulatory requirements applicable to its particular proposed operations.

Information on the forms is also used to prepare a notice of the registration application, which is published in the "FMCSA Register." Publication of the notice initiates a 10-day period during which an interested party may file a complaint seeking denial of the registration on a limited number of statutory grounds.

At the end of the 10-day period, the FMCSA will issue the registration authorizing surface

transportation operations if no complaints have been filed; if applicant is willing and able to comply with all applicable statutory and regulatory provisions and safety fitness requirements; and if applicant has made the required insurance and process agent filings.

The Agency proposes to discontinue the current requirement for motor carriers seeking authority to transport passengers over regular routes to submit a detailed description and map of the route(s) over which they propose to operate. This will affect the Form OP-1(P), "Application for Motor Passenger Carrier Authority," in this ICR which is used by all individuals and businesses requesting authority to operate as motor passenger carriers for compensation.

**3. Extent of automated information collections:**

Applicants for registration authority file forms in the OP-1 series on a voluntary and, for the most part, one-time basis. Except for the revised Form OP-1(MX), the forms call for a limited amount of information to identify the applicant and the nature and scope of its proposed operations. Form OP-1(MX) includes narrative descriptions of the applicant's safety policies and procedures and information regarding the drivers and vehicles it plans to use in U.S. operations. It is anticipated that the responses will be collected electronically as follow:

**On-line Submissions of OP-1 Forms**

<b>Forms</b>	<b>Percent of Forms Submitted Electronically</b>
OP-1 (MX)	0%
OP-1	95%
OP-1(FF)	93%
OP-1(P)	87%

**4. Efforts to identify duplication:**

There are no similar filings made with any other Federal agency or within the Department of Transportation that would result in duplication of this information.

**5. Efforts to minimize the burden on small businesses:**

Paperwork burdens associated with completing most forms in the OP-1 series are minimal for small businesses, as the forms are easy to understand and complete. Most applicants are required only to check appropriate boxes on the forms and to fill in blank spaces with information on their identity and on the nature of the transportation operations and/or services they propose to register. This information is readily available to the applicants and is the minimum necessary to accomplish the purpose of the filing. Further, the application package contains a list of telephone numbers, which allow applicants to contact FMCSA staff and others to discuss any questions concerning the aspects of the application process and regulatory requirements. All of the OP forms can be filed electronically on the WEB. However, implementation of electronic transactions for the OP-1(MX) will be deferred until the U.S./Mexico borders are opened for business.

Mexican applicants, however, are required to provide additional safety information and certifications of compliance to demonstrate their willingness and ability to comply with applicable safety regulations. The requested information cannot be obtained from any other source since all Mexican applicants will be domiciled in Mexico, and we are requesting no more information than is absolutely necessary to ensure compliance with applicable safety regulations.

**6. Impact of less frequent collection of information:**

There is no requirement that forms in the OP-1 series be filed on a periodic basis. The forms are filed on an “as needed” and usually one-time basis. The purpose of the forms which is to allow transportation entities to meet statutory registration requirements, would be defeated if the information was collected less frequently.

When Mexican motor carriers who have previously filed an OP-1(MX) application form are required to comply with the registration provisions, they may do so by a one-time, re-filing of the revised form. There will be no \$300 filing fee required for this one-time re-filing. All Mexican carriers will be required to report changes in basic identifying information, such as addresses and telephone numbers, through supplemental filings as the changes occur. The FMCSA does not require registrants to re-file the entire form in these circumstances. A new application form is currently required only if the carrier wishes to extend the scope of its authority or is applying for new authority. Under this proposal, where a Mexican carrier wishes to expand its authority, it must make an “initial filing” of the Form OP-1(MX) and go through the full application process to obtain the additional authority.

**7. Special circumstances:**

There are no special circumstances associated with this information collection.

**8. Compliance with 5 CFR § 1320.8:**

On August 07, 2008, FMCSA issued a notice of proposed rulemaking (NPRM) entitled, “Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes (73 FR 45929) (see Attachment A). No PRA related comments were received in response to the NPRM.

**9. Payments or gifts to respondents:**

Respondents are not provided with any payment or gift for this information collection.

**10. Assurance of confidentiality:**

There is no assurance of confidentiality. The forms call for information identifying the applicant and the scope of its proposed operations. All registration applications filed with the FMCSA become part of a public docket and are open to the public for inspection and review.

**11. Justification for collection of sensitive information:**

The information requested and collected is not of a sensitive nature.

**12. Estimate of burden hours for information requested:**

This ICR covers all of the forms in the "OP-1" series (OP-1, OP-1(FF), OP-1(P) and OP-1(MX)) and is currently approved at 55,738 annual burden hours.

**Regular Route Form OP-1 (P) Applications:** Based on the FMCSA Licensing and Insurance Database (L&I), the five-year average (mean) from 2003 to 2007 of the number applications filed by new entrants is roughly 65 carriers per year (with a standard deviation of 22.5). The average is significantly influenced by the large number of new entrants in 2007, as shown in Table 1. Prior to 2007, the four-year average number of applications filed by new entrants was 57 per year (standard deviation of 16). The five-year median number of applications filed by new entrants is also 65 per year.

**Table 1: Number of New Regular Route Authority Applications per Year**

Year	Number of Applications filed by New Entrants	Number of Applications filed by Carriers with Existing Regular Route Authority (Not New Entrants)	New Regular Route Authority Applications
2003	42	33	75
2004	46	31	77
2005	76	23	99
2006	65	16	81
2007	94	34	128

Source: L&I February 22, 2008 snapshot

Over the five-year period between 2003 and 2007, carriers holding existing regular route authority filed an average of 27 new applications per year (standard deviation of 7.7). The five year median number of applications per year filed by existing regular route carriers is 31 applications per year. As shown in Table 1, 2007 had the highest number of applications per year.

The FMCSA estimates that 90 respondents (65 new entrant carriers + 27 existing regular carriers = 92 (rounded to 90)) will take 2 hours less to provide the description and map of regular routes for the Form OP-1(P) application.

Existing regular-route carriers must file applications to serve new routes or to expand an existing route. There are 903 regular route carriers recorded in L&I, however only 272 of these carriers are active carriers.

Thus, the Agency's proposal to eliminate the route designation requirement would result in a change to the total annual burden hours for this information collection as follows:

**Estimated Annual Burden Hours: 55,688 hours** [55,868 currently approved annual burden hours – (2 hours to provide description and map of regular routes in Form OP-1(P) x 90 regular route applications per year) = 55,688].

**Estimated Annual Number of Responses: 20,990** [21,262 currently approved number of responses – 272 active motor carrier with regular routes applicants = 20,990].

### **13. Estimate of total annual costs to respondent:**

There is a registration filing fee of \$300 for each applicant filing Form OP-1(P). The current estimated total annualized cost to the respondents for this ICR is **\$7,299,000** [\$1,290,000 cost to file Form OP-(MX) + \$6,009,000 previously approved costs for filing remaining forms] = \$7,299,000.

**Estimated Annual Cost to Respondent: \$7,272,000** [\$7,299,000 currently approved cost to respondents – (\$300 applicant filing fee x 90 regular route applications) = \$7,272,000].

### **14. Estimate of cost to the Federal government:**

The OP-1(MX) application forms are processed by Grade 9 Transportation Specialists at the Trans-Border Office at an average hourly salary of \$22.00. The remaining OP-1 series forms are processed by Grade 11 Transportation Specialists in Washington, DC at an average hourly salary of \$32.00. The FMCSA estimates that each OP-1 form currently requires approximately 6.5 hours to process through to issuance of a certificate of registration. The FMCSA staff is now required to review the safety fitness and certifications information submitted with the Form OP-1(MX), which in turn will increase the handling of these applications by two hours, for a total of 8.5 hours. Thus, the estimated annual cost to the Federal government of processing the OP-1 application forms is **approximately \$1,291,350** [3,425 currently approved annual burden hours for the OP-1(MX) applications x \$22.00 per hour salary + 38,000 currently approved annual burden hours for the remaining OP-1 forms x \$32.00 per hour salary = \$1,291,350]. The estimated annual cost for processing the OP-1(P) regular route application forms is **\$18,720** [90 regular route applications per year x 6.5 hours to process each application x \$32.00 per hour salary = \$18,720].

**Estimated Annual Cost to Federal Government: \$1,272,630** [\$1,291,350 for processing all OP-1 forms - \$18,720 cost for processing OP-1(P) forms with regular routes requirement =

\$18,720].

**15. Explanation of program changes or adjustments:**

This program change decrease of 180 annual burden hours [55,738 currently approved burden hours – 55,558 proposed annual burden hours] is due to a NPRM proposal that would eliminate the route designation requirement for motor carriers transporting passengers over regular routes. In addition, the respondent's annual cost decreased from \$7,299,000 to \$7,272,000 due to the elimination of the regular route designation requirement.

**16. Publication of results of data collection:**

This information collected is not intended for publication for statistical purposes.

**17. Approval for not displaying the expiration data for OMB approval:**

The FMCSA is not seeking approval to not display the expiration date of OMB approval of the information collection.

**18. Exceptions to certification statement:**

The FMCSA is claiming no exception to any element of the certification statement identified in Item 19 of OMB Form 83I.

**ATTACHMENTS**

- A. Notice of Proposed Rulemaking, entitled "(NPRM) titled, "Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes," (73 FR 45929), dated August 7, 2008.
- B. IFR, entitled "Application by Certain Mexico-Domiciled Motor Carriers To Operate Beyond United States Municipalities and Commercial Zones on the United States-Mexico Border," (67 FR 12702), March 19, 2002.

Forms OP-1, OP-1(P), OP-1(FF) and OP-1(MX).