

SUPPORTING STATEMENT - RE&I

**A. Justification:**

1. The Surface Transportation Board (Board) has broad statutory authority to provide economic regulatory oversight of railroads, addressing such matters as rates, service, the construction, acquisition and abandonment of rail lines, carrier mergers, and interchange of traffic among carriers (49 U.S.C. 10101-11908). All Class I railroads are required to file Quarterly Report Revenues, Expenses, and Income (RE&I), pursuant to authority in 49 U.S.C. 11145 and 11162-64 and the Board's regulations at 49 CFR 1243.1. The Quarterly RE&I Report discloses net railway operating income on a quarterly and year-to-date basis for the current and prior year.

2. The Board uses the information in the RE&I report to ensure competitive and efficient transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is also used by the Board, other Federal agencies, and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual carrier information, as well as the accumulation of meaningful data from this group of seven railroads, is needed in the Board's decision making process.

3. Generally, no improved technology has been identified by the Board to reduce the burden of these collections. However, the Board does not prohibit the use of improved technology where appropriate. For many years, the respondent carriers have maintained the form for the RE&I report in a computerized format. Each railroad enters its data on its own computerized version of the form and submit the required signed hard copy to the Board. The Board facilitates timely filing by permitting responders to fax or email the required data and then follow-up with the hard copies. The Board has considered electronic filing, but determined that because the data is maintained in a different format by each of the seven respondent carriers, electronic filing would not be useful to the Board. In addition, any requirement for this report to be filed in a specific format would necessarily impose a greater cost burden on the respondents.

4. No other Federal agency collects the information in the RE&I report, nor is this information available from any other source. Therefore, there will be no duplication of information. In most instances, the information sought is unique to each carrier.

5. No small entities will be affected by the collection of this information. This report is applicable only to Class I railroads, which have operating revenues in excess of \$250 million

(1991 dollars) adjusted for inflation. The Board has adopted an indexing methodology which will insure that regulated carriers are classified based on real business expansion and not from the effects of inflation.

6. The Board cannot fulfill its statutory responsibilities with less than quarterly and annual reporting.

7. Board reporting requirements for this collection do not impose any of the special circumstances described in question 7.

8. The Board's 60-day notice was published in the Federal Register on August 12, 2008. See 73 FR 46977.

9. The Board does not provide any payment or gift to respondents.

10. All information collected through this report is available to the public.

11. There are no questions of a sensitive nature with respect to the information collected.

12. The following represents the estimates of hour burden of the collections of information:

(1) Number of respondents: 7

(2) Frequency of response: Each Class I carrier is required to file the RE&I report quarterly. Quarterly reports are due within 30 days after the close of the quarter to which they relate.

(3) Annual hour burden per respondent: 24 hours (6 hours per report), based on information provided by the railroad industry during the 1990's. This estimate includes time spent converting the data from the carrier's individual accounting system to the Board's Uniform System of Accounts (USOA) (see 49 U.S.C. 11141-43, 11161-64; 49 CFR 1200-1201) for presentation in the R-1 format for consistency of information across all reporting railroads. The total annual burden hours for all seven carriers is estimated at 168 hours. It is likely that the time required to produce this report is overstated, given the advances in computerized data collection and processing systems.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: It is estimated that each of the seven Class I railroad companies requires an average of no more than six hours to prepare each report. Because this collection involves data that respondents already compile to make internal business decisions, this collection does not otherwise increase the respondent's accounting burden. The total industry cost is estimated at not more than \$5,040 (7 (number of respondents) x 6 (hours per filing) x 4 filings per year @ \$30/hour).

13. Other costs to respondents: (a) These information collection requirements impose no start-up costs on respondents. (b) We estimate that there are no costs for the operation, maintenance, or purchase of service associated with these reporting requirements.

14. Estimated costs to the Board: We estimate that it takes 16 hours annually to compile selected data from the 28 filings for the report our website (Class I Freight Railroads, Selected Earnings Data) resulting in a total cost of \$1,112.

15. Estimates in items 13 and 14 are unchanged. However, it is likely that the time required to produce this report is overstated, given the advances in computerized data collection and processing systems.

16. Plans for tabulation and publication:

The RE&I reports are due 50 days after the end of the reported quarter. Approximately 30 days after receipt of the reports, certain information from these reports is compiled and published on the Board's website as a Quarterly Selected Earnings Report at <http://www.stb.dot.gov/econdata.nsf/c1f494991e449221852566050060ff1e?OpenView>.

17. Not applicable.

18. Not applicable

**B. Collections of Information Employing Statistical Methods:**

Not applicable