

**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 final rulemaking entitled, "Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes," (74 FR 2895) dated January 16, 2009 (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. A notice of proposed rulemaking (NPRM) was published in the **Federal Register** on May 19, 2005, at 70 FR 28989. 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 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.

On December 16, 2008, the FMCSA published a final rule entitled, "New Entrant Safety Assurance Process," at 73 FR 76472 which created a new Form OP-1(NNA) titled "Application for U.S. Department of Transportation (USDOT) Registration by Non-North America-domiciled Motor Carriers." A non-North America-domiciled motor carrier is one whose principal place of business is located in a country other than the United States, Canada or Mexico. These entities will use the OP-1(NNA) when requesting either a USDOT new entrant registration as a private or exempt for-hire carrier.

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

Forms	Percent of Forms Submitted Electronically
OP-1 (MX)	0%
OP-1	95%
OP-1(FF)	93%
OP-1(P)	87%
OP-1(NNA)	0%

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 land transportation access provisions of NAFTA are fully implemented.

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 D). 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. Notice of the application is filed in the FMCSA Register, but a copy of the actual application is not publicly accessible.

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),OP-1(MX)) and OP-1(NNA) is currently approved at 55,868 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 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

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.

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 about 65 new entrant carriers and 25 existing regular carriers will experience burden reductions from the relief from the requirements to provide descriptions and maps of regular routes for the Form OP-1(P) application. Based on information provided by regular-route carriers, FMCSA estimates that it takes about 2 hours to prepare the required materials *per route*. FMCSA analyzed 29 regular route applications filed between September 1, 2007 and April 15, 2008, and from this analysis estimated the new entrants included about 2 routes per application, and existing carriers included about 10 routes per update. FMCSA therefore estimates a reduction of 4 burden hours per new entrant (2 routes × 2 hours per route), and a reduction of 20 burden hours per existing carrier (10 routes × 2 hours per route). Existing carriers submitting new route descriptions will also no longer have to submit updates to the OP-1(P) form itself, resulting in an additional burden reduction for existing carriers of 30 minutes (0.5 hours). The total burden reduction per existing carrier will be 20.5 hours. (20 hours for route updates + 0.5 hours for OP-1(P) form updates).

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: 55,095 hours [55,868 currently approved annual burden hours – 773 ((4 hours per application for descriptions and maps of regular routes × 65 new entrants) + (20.5 hours per update for descriptions and maps of regular routes × 25 existing carriers)) = 55,095].

Estimated Annual Number of Responses: 21,237 [21,262 currently approved number of

responses – 25 updates of OP-1(P) with descriptions and maps of regular routes = 21,237].

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-1(MX) + \$6,009,000 previously approved costs for filing remaining forms] = \$7,299,000.

Estimated Annual Cost to Respondent: \$7,291,500 [\$7,299,000 currently approved cost to respondents – \$7,500 (\$300 applicant filing fee × 25 updates to route applications) = \$7,291,500].

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 × \$22.00 per hour salary + 38,000 currently approved annual burden hours for the remaining OP-1 forms × \$32.00 per hour salary = \$1,291,350]. The estimated annual cost for processing updates to the OP-1(P) regular route application forms is **\$5,200** [25 updates to route applications per year × 6.5 hours to process each update × \$32.00 per hour salary = \$5,200].

Estimated Annual Cost to Federal Government: \$1,286,150 [\$1,291,350 for processing all OP-1 forms - \$5,200 cost for processing updates to routes applications = \$1,286,150].

15. Explanation of program changes or adjustments:

This program change decrease of 773 annual burden hours [55,868 currently approved burden hours – 55,095 proposed annual burden hours] is due to a final rule that would eliminate the route designation requirement for motor carriers transporting passengers over regular routes. In addition, the respondents' annual cost will decrease from \$7,299,000 to \$7,291,500 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. Final Rulemaking, entitled “Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes,” (74 FR 2895), dated January 16,, 2009.
- 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.
- C. Final Rulemaking entitled, “New Entrant Safety Assurance Process,” (73 FR76472) dated December 16, 2008.
- D. Notice of Proposed Rulemaking (NPRM) entitled, “Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers Over Regular Routes,” (73 FR 45929), dated August 7, 2008.

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