SUPPORTING STATEMENT
A Guide to Reporting Highway Statistics (*Guide*)

INTRODUCTION: This request is for the Office of Management and Budget (OMB) clearance for **A Guide to Reporting Highway Statistics** (*Guide*) information collection, OMB No. 2125-0032. This information collection was last cleared in March 2006, and is due to expire on March 31, 2009. The *Guide* describes policies and procedures for assembling statistical information from the existing files of State agencies on motor-vehicle registration and fees, motor-fuel use and taxation, driver licensing, highway taxation and finance, and other related subjects, and the reporting of these data to the Federal Highway Administration (FHWA).

A. Justification

1. Circumstances that make the collection of information necessary.

The information collected in accordance with the *Guide* is authorized under 23 U.S.C. 315, which places the responsibility on the Secretary of Transportation for management decisions which affect transportation. In addition, 23 CFR 1.5 provides the FHWA with authority to request such information deemed necessary to administer the Federal-aid highway program. Congress mandates estimates of future highway needs of the Nation on a biennial basis (23 U.S.C 502(g)--. Data are used for apportioning Federal-aid highway funds under The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, enacted August 10, 2005. This is the principal Federal legislation currently authorizing Federal highway programs for fiscal year 2005-2009. Data are used for relating highway system performance to investment under FHWA's strategic planning and performance reporting process in accordance with requirements of the Government Performance and Results Act (GPRA, Sections 3 and 4). 23 CFR 420.105(b) requires States to provide data that support FHWA's responsibilities to the Congress and the public.

The data are also collected to support the Departmental strategic goals for Mobility, Productivity, and Safety as well as the FHWA's Vital Few (Safety, Environmental Stewardship and Streamlining, and Congestion Mitigation). The *Guide* data is used by FHWA to assess the policies and programs to ensure performance of the Nation's highway transportation system as well as identify future highway system investment needs. Among other things, the data is used as a basis for Federal policies and programs to support overall highway system performance. The resulting policies and programs facilitate the mobility, and safety of the highway users while enhancing the productivity opportunities on the part of providers of goods and services and consumers.

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

Data collected under *Guide* instructions are extensively used by various agencies of the Federal, State, and local governments, including offices from within the Department of Transportation, Department of Defense, State governors and legislators; Congress; institutions of higher learning, industry, consultants, professional organizations, and the general public for a host of

purposes. The data collected in accordance with the *Guide* is fundamental to the program and policy needs of the FHWA. It is extensively used as the primary data source for a wide range of program development and policy analysis, such as:

- To assess highway system performance under FHWA's strategic planning and performance reporting process developed in accordance with requirements of the GPRA;
- To develop and evaluate Federal legislation;
- To apportion Federal-aid highway funds;
- To evaluate the effectiveness of the Federal-aid highway program, providing the motor-fuel-related components of apportionment formulae;
- To develop and implement legislation;
- To adequately plan, finance, and administer effective, safe, and efficient transportation systems by State and Federal transportation officials.

The data collected under the *Guide* comprise the continuing source of data used to support Federal transportation programs, legislatively required studies, special studies, operational functions and decision-making. Some activities that rely on *Guide* data include:

- The legislatively mandated biennial report to Congress, *Status of the Nation's Surface Transportation System: Condition and Performance* and related legislative development;
- Federal apportionment and allocations;
- FHWA publications including *Highway Statistics* and *Our Nation's Highways;*
- Various State studies and analyses.

The highway finance data collected under *Guide* instructions are essential to FHWA and Congress in evaluating the effectiveness of Federal-aid highway programs by providing financial data at all levels of government. This information is used by FHWA in the development and implementation of legislation and in the resolution of inquiries, including those of Congress.

Using registration and license data, numerous reports are prepared in response to requests from within the FHWA, National Highway Traffic Safety Administration (NHTSA) and BTS. The vehicle registration data and the driver license data serve a wide range of analytical and study purposes. For example, these data are used in safety analyses to calculate "exposure" rate. Additionally, the vehicle registration data when related to travel data serves several critical purposes. The vehicle-miles of travel data, which represent annual travel on the Nation's highways, serve as the basis for FHWA estimation of annual travel (use) by truck type and for highway allocation among the various vehicle classes. Travel by all vehicles and heavy truck travel is used in the development of accident statistic rates. Estimates of travel by vehicle type and vehicular weight are also the basis for the estimation of pavement loadings (equivalent axle loadings) and are the fundamental input to pavement design, pavement management and administration of vehicular weight enforcement laws.

One important use of the highway finance data is for the preparation of the legislatively mandated biennial report to Congress, *Status of the Nation's Surface Transportation System:*

Condition and Performance. This report to Congress from the DOT Secretary includes information on highway performance, condition, and needs. Data collected under the *Guide* are used in developing the finance portion of this report, which includes a detailed analysis of highway revenue and disbursement trends by jurisdiction, an examination of the effects of inflation on the highway dollar, trends in road-user versus nonuser revenue by jurisdiction, and a graphic description of intergovernmental transfers of highway revenue. This information is also used extensively to project State and local investment in future highway development.

Another critical use of the data collected through the *Guide* is its expanded use as an apportionment factor in the distribution of Federal-aid funds to the States under The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, enacted August 10, 2005. Under SAFETEA-LU**,** a portion of the National Highway System funds is apportioned on each States' share of highway use of diesel fuel. SAFETEA-LU provides for the apportionment of part of Surface Transportation Program funds on the basis of Federal Highway Trust Fund (HTF) revenues to the States. This attribution is based on each State's share of motor-fuel**.** SAFETEA-LU also provides for the apportionment of Interstate Maintenance funds based on commercial vehicle contributions to the Highway Account of the Highway Trust Fund. The Equity Bonus Program, which is a critical factor, also uses Highway Trust Fund (HTF) revenues to the States. This attribution is based on each State's share of motor-fuel. Portions of Motor Carrier Safety grants rely on diesel fuel as a distribution factor. The motor-fuel data presently apportions about $13 billion annually**.**

The fuel consumption data collected under the *Guide* are widely considered to be the most complete and accurate information on gasoline usage available from any source. FHWA, the Department of Energy (DOE), and other Federal agencies use the data extensively to monitor the demand for petroleum products and the sector distribution of that demand. Fuel use is of interest not only in terms of gallons consumed, but also in terms of the revenues generated by the taxes on the fuel. The taxes on motor fuel at both the Federal and State levels are a primary source of highway funds. Currently, Federal and State highway-user taxes fund about 50 percent of the highway program. Motor-fuel taxes account for more than half of the highway user taxes. Fuel consumption is also used as an indicator of the amount of highway travel.

Motor-vehicle registration and driver license data are used by FHWA in a wide variety of planning activities. They provide an understanding of the numbers and types of vehicles, which our highway system and highway programs must serve.

3. <u>Extent of automated information collection</u>.

FHWA has developed and implemented a software application called FUELS and FASH (Financial Analysis System—Highways), a motor fuels and highway finance data processing system. This new system allows the State Departments of Transportation to report motor fuel and finance data into a software application that provides basic validate of the data. Importantly, this application will reduce errors and redundancy, and streamline State data reporting. About 75% of the information collected under *Guide* instructions consists of year-end summaries drawn from automated records of various State agencies. Provisions have been made to allow transmittal to the FHWA of many forms required in the *Guide* via more secure environment

called the User Profile and Access Control System (UPACS). Each user of the web-enabled system has a unique UPACS identification number and password. The creation of user identification and passwords follow common UPACS rules and protocols. These procedures have been implemented successfully by all States and helps ensure data security. As part of an overall data quality effort, modern software technology is being and will continue to be introduced to replace obsolete data collection methods.

4. Describe efforts to identify duplication.

Continuous coordination with other Federal, State, and industry data collectors has ensured that needless duplication does not occur.

5. Efforts to minimize the burden on small businesses.

This information collection does not impose a burden on small businesses. All respondents are State or local government agencies.

6. Impact of less frequent collection of information.

It is essential that the *Guide* data continue to be collected on an annual basis (in the case of motor fuel gallons, every month) rather than less frequently. The annual collection of data is required to facilitate the FHWA's continuing analysis of highway program issues. Without the annual reports included in this Guide, FHWA would be unable to adequately monitor and evaluate the implementation of the SAFETEA-LU legislation, or to analyze the likely effects of changes in the program for future legislative cycles. Many of the variables affecting the success of the Federal program are at the State level. The area of State highway finance is especially volatile as many States seek to address transportation needs and experiment with innovative means of financing their highway programs. Trends in State and local highway finance are critical since they determine the availability of matching funds for Federal dollars and the priorities (within the limits of the Federal program) for highway expenditures. Further, legal mandates for annual motor-fuel data for the apportionment of Federal-Aid Highway Program funds necessitate the continuation of annual collection of this data.

Highway conditions, travel, and many other highway use and performance indicators and statistics are constantly changing. Consequently, it is imperative that we continually monitor changes in vehicle registration and licenses to determine the effectiveness of Federal-aid highway programs.

Monthly monitoring of motor-fuel consumption is critical in times of fuel emergencies or changes in the business cycle. Form FHWA-551M was developed to include the information needed by the Departments of Energy and Transportation to respond to such situations. Experience with previous fuel shortages proved that a workable reporting system must be in place before the data are needed in order to be helpful.

7. Special circumstances.

There are no special circumstances related to this information collection.

8. Compliance with 5 CFR 1320.8.

The FHWA published a 60-day Federal Register notice on October 1, 288 (73 FR 57193, Attachment F), and a thirty day Federal Register notice on December 18, 2008, (73 FR 77102, Attachment G). No comments were received into the Docket in response to these notices. FHWA, however, received a letter from the Bureau of Economic Analysis (BEA) in response to the Federal Register notice strongly supporting the continued collection of data by the Federal Highway Administration, (FHWA) as described in the ***A Guide to Reporting Highway Statistics.***

9. **Payment or gifts to respondents**

There will be no payments or gifts to the State and local government respondents.

10. Assurance of confidentiality.

The information to be collected is not confidential in nature; there is no need for an assurance of confidentiality.

11. Justification for collection of sensitive information.

The information to be collected is not sensitive in nature.

12. Estimate of burden hours for information requested.

The overall annual burden is estimated to be 42,181 hours. The 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Marianas, and the Virgin Islands share this burden. In addition to the breakout of estimated hours for respondents to provide information for each of the forms in the Guide, the FHWA is including an estimate for the time spent in the continual process of gathering feedback from respondents and users to assure that the data serves its intended use and that the requirements do not become burdens to the data providers.

The estimated hourly salary rate of the State employees who would provide the data is based on an average of $37.73 per hour, as indicated in Table 632 of the *2009 Statistical Abstract of the United States*. Accordingly, the estimated annual salary costs associated with the burden hours to the 56 responding agencies is $ 1,592,432 (42,206 total annual hours x $37.73.)

13. Estimate of total annual costs to respondents.

Other than the salary costs indicated in item 12, there are no additional cost burdens to the responding agencies since the *Guide* data are obtained from the normal business records maintained by the State and local governments that are a basic part of their day-to-day business activities.

14. Estimate of annualized cost to the Federal government.

The estimated annual cost to the Federal government for this information collection is $707,094, which is calculated as follows:

8 FHWA Headquarters staff x average annual salary of $65,825	= $ 499,360
60 FHWA field office staff x 0.5% full time equivalent at $65,825	= 197,475
Total	= $696,835

The estimated annual salary of Federal employees is based on an average of $65,825 per year, as indicated in Table 479 of the *2009 Statistical Abstract of the United States.*

15. Explanation of program changes or adjustments.

No changes – note that much of the data will be transmitted electronically through the software application.

16. Publication of results of data collection.

The results of the data collected are published in required reports to Congress; in the *Highway Statistics*; and posted on the Internet. The data is assembled and/or collected by the States to reflect previous year's data. The data received is processed by FHWA between January 1 and September 1 of each year, with final data tables, charts, and graphs being readied for publication by December 1. This is a cyclical, annual activity.

17. Approval for not displaying the expiration date for OMB approval.

No such approval is being requested for this information collection.

18. Exceptions to the certification statement.

No exceptions to the certification statement are being requested.

Guide to Reporting Highway Statistics
OMB Supporting Statement

Part B: Collections of Information Employing Statistical Methods

1. *Describe potential respondent universe and any sampling selection method to be used:*

The potential respondent universe is State government, the government of District of Columbia, and the Commonwealth of Puerto Rico. Typically, the respondent is either the State Department

of Transportation, or another State agency such as Department of Revenue, or Department of Motor Vehicles. These other State agencies, however, co-ordinate their responses through the State Department of Transportation. There is no sample selection for this survey.

2. *Describe procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles*.

Data Collection: Data collection will be completed via web using available technology, and via EXCEL forms submitted via e-mail, or electronically.

Methodology: Because the universe of respondents (States the District of Columbia, and the Commonwealth of Puerto Rico) responds using actual data, stratification and sample selection are not issues.

Estimation and Accuracy: In the case of fuel, because the data is used to apportion Federal-aid funds to the States, the highest degree of accuracy (zero errors) in actual data is needed. For other data programs, high quality data of a statistical nature is needed.

3. Describe methods to maximize response rate.

Because Federal-aid funds depend on the fuel data, the entire universe responds. In other data programs, Federal-planning funds can be withheld as incentive to reply.

4. Describe tests of procedures or methods

N/A

5. Provide name and telephone number of individuals who were consulted on statistical aspects of the IC and who will actually collect and/or analyze the information

N/A