

SUPPORTING STATEMENT - CBS

**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). The applicable statutes requiring financial and statistical data are:

49 U.S.C. 11123 - Directed rail transportation

49 U.S.C. 11144 - Records; forms; inspection; preservation

49 U.S.C. 11145 - Reports by carriers, lessors, and associations

49 U.S.C. 11323-24 - Consolidations, mergers and acquisition of control; general procedure and conditions of approval

The Board requires all Class I railroads to file Quarterly Condensed Balance Sheet (CBS) reports. See 49 CFR 1243.2. This collection shows the balance at the end of each quarter of the carrier's assets and liabilities (for the current and prior year); the carrier's gross capital expenditures (on a quarterly and cumulative basis for the current and prior year); and the carrier's revenue tons carried (on a quarterly and cumulative basis for the current and prior year).

2. The Board uses the information in this report to ensure competitive and efficient transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad rate and service issues, as well as rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the Nation's transportation system.

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 this report in a computerized format. The railroads enter their data on the 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 different formatting by 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 CBS 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. Only Class I railroads, which have operating revenues in excess of \$250 million (1991 dollars) adjusted for inflation, are required to complete and file this report. 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. Without quarterly and annual reporting, the Board cannot fulfill its statutory responsibilities.

7. No special circumstances described in question 7 apply to this collection.

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 CBS 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 consistent presentation of information in the R-1 format across all reporting railroads. This collection, which is based on data compiled by respondents to make internal business decisions, is available from the carriers' records and will not

otherwise increase the accounting burden. 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: The total cost to all seven Class I railroad companies 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 operation, maintenance, or purchase of services associated with these reporting requirements.

14. Estimated costs to the Board: We estimate that it takes 16 hours annually to compile selected data from these reports for the report posted on 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:

Information from these reports is compiled by the Board and published on its website, [www.stb.dot.gov](http://www.stb.dot.gov). The compilation report is entitled “Class I Railroads, Selected Earnings Data.”

17. Not applicable.

18. Not applicable

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

Not applicable