

SUPPORTING STATEMENT - WAGE FORM A & B

**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). For each reporting railroad, the annual and quarterly Wage Forms A & B, which are required to be filed by Class 1 railroads pursuant to 49 U.S.C. 11145 and 49 CFR 1245, show the number of employees, service hours, and compensation by employee group (executive, professional, maintenance-of-way, maintenance-of-equipment, transportation(train and engineer), and transportation (other than train and engineer)). This information is collected on the same form (Wage Form A & B) in two phases: the Quarterly Report of Railroad Employees and the Annual Report of Railroad Employees.

2. The information is used by the Board to forecast labor costs, to measure the efficiency of the reporting railroads, and to evaluate proposed regulated transactions under 49 U.S.C. 10902-03 and 11326 that may impact rail employees: mergers, acquisitions of control, purchases, and abandonments,. Other Federal agencies and industry groups, including the Railroad Retirement Board, Bureau of Labor Statistics, and Association of American Railroads, depend on the information contained in these reports to monitor railroad operations.

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 each maintained this form in a computerized format. Each railroad enters its data on its own computerized version of the form and submits 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. The Board is the primary Federal agency having jurisdiction over the railroad industry and its holding companies. No other Federal agency collects the information in this report, and 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 quarterly and annual Wage Form A & B report. The annual summary is due within 45 days after the close of the year. Quarterly reports are due within 30 days after the close of the quarter.

(3) Annual hour burden per respondent: 160 hours, based on information provided by the railroad industry during the 1990's. This estimate includes the time needed to gather the information, edit, review, and complete the quarterly and annual report. It is estimated that each of the seven Class I railroads requires no more than 30 hours for each of the four quarterly reports and 40 hours for the annual report. The total annual burden hours on the industry is estimated to be 1120 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 the seven Class I railroad companies require an average of 160 hours to prepare the quarterly and annual reports. 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 \$33,600 (7 (number of respondents) x 160 (hours to prepare the quarterly and annual report) x \$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 8 hours annually to compile and post this report on our website (Wage Statistics of Class I Railroads), resulting in a cost of \$556.

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 Annual Report of Railroad Employees (Wage Form A & B) is due from each Class I railroad by February 15<sup>th</sup> of the following year. By March 31<sup>st</sup> of that year, the Board prepares the Annual Compilation of Wage Statistics of Class 1 Railroads, which is published on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), at <http://www.stb.dot.gov/econdata.nsf/dc81d49e325f550a852566210062addf/1967691fac1d0087852571320053422a?OpenDocument>

17. Not applicable.

18. Not applicable

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

Not applicable