

**Department of Transportation
Office of the Chief Information Officer**

SUPPORTING STATEMENT

**Annual Report of Class I and Class II Motor Carriers of Property
(Formerly OMB Control No. 2139-0004)**

Introduction: The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget its request to revise a currently-approved information collection request (ICR) titled, “Annual Report of Class I and Class II Motor Carriers of Property,” (Including Household Goods and Dual Property Motor Carriers), covered by OMB Control Number 2126-0032. This ICR is due to expire on June 30, 2009.

Part A. Justification.

1. Circumstances That Make the Collection of Information Necessary

Section 103 of the ICC Termination Act of 1995 (ICCTA), Public Law 104-88, 109 Stat. 803, 852 (Dec. 29, 1995) (See Attachment A), now codified at 49 United States Code (U.S.C.) § 14123 (See Attachment B), transferred to the Secretary of Transportation (Secretary) the responsibility to require Class I and Class II motor carriers to file annual financial and safety reports that include balance sheets and income statements. Under section 14123, the Secretary may also require motor carriers, freight forwarders, brokers, lessors, and associations, or classes of them, to file quarterly, periodic, or special reports with the Secretary and respond to surveys concerning their operations.

Initially, the Secretary transferred this reporting authority to administer the Financial and Operating Statistics (F&OS) program to the former Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192) (See Attachment C). Pursuant to this authority, the BTS, now part of the Research and Innovative Technology Administration (RITA), became the responsible DOT modal administration for implementing the F&OS program and requirements set forth in part 1420, title 49 of the CFR (See Attachment D). On September 29, 2004, the Secretary transferred the responsibility for the F&OS program from BTS, to FMCSA (69 FR 51009) (See Attachment E). On August 10, 2006, DOT published a final rule (71 FR 45740) (See Attachment F) that transferred and redesignated certain motor carrier financial and statistical reporting regulations of BTS, that were formerly located in chapter XI of title 49 CFR part 1420, to FMCSA under chapter III of title 49 CFR, and established a new part 369 (Attachment G) to accommodate the redesignated regulations.

Under the F&OS program, FMCSA collects balance sheet and income statement data, along with information on safety needs, tonnage, mileage, employees, transportation equipment and other related data. FMCSA may also ask carriers to respond to surveys concerning their operations. The data and information collected will be made publicly

available and used by FMCSA to determine a motor carrier's compliance with the F&OS program requirements prescribed at Chapter III of 49 CFR part 369.1(a).

FMCSA is requesting OMB's approval to renew this information collection for motor carriers reporting their 2008 annual financial and operating data.

This ICR supports the Department of Transportation's strategic goal of safety.

2. How, by Whom, and for What Purpose is the Information Used

The annual report (Form M) will be used to collect financial, operating, equipment and employment data from individual motor carriers of property and household goods. All for-hire (common and contract) motor carriers of property with gross annual operating revenue of \$3 million or more must file the annual report Form M.

FMCSA makes the data available to users in various forms, e.g., tables, graphs, photocopies, raw data. The data are used by the USDOT, trucking associations, insurance companies, consultants, law firms, academia, trade publications, and others to track the performance of the trucking industry and subgroups within it. The information is valuable in analyzing various aspects of the motor carrier industry such as productivity and its role in the economy. The data is also used by public and private entities to review of the financial status of Class I and Class II motor carriers to evaluate any aggregate relationship between financial conditions and safety performance.

The Bureau of Economic Analysis (BEA) uses the data to help develop the national annual input-output accounts and GDP estimates. The BEA uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers collected by the Bureau of the Census.¹ The DOT uses the information for special studies of the motor carrier industry. Other Federal agencies, such as, the Department of Defense's Military Traffic Management Command use the data to assess potential carriers for shipping military goods while the General Services Administration uses it to set rates. Insurance companies use the data as part of their underwriting operations. Trucking companies regularly use the data to benchmark their performance in order to strive for continuous improvement and efficiency. Other users include the International Brotherhood of Teamsters, shippers, investment and industry analysts, and data vendors. The FMCSA has worked closely with BEA and others in designing the data collection instruments to ensure they meet the needs of the Federal, public and private entities noted above.

3. Extent of Automated Information Collection

¹ The United States Census Bureau (officially the "Bureau of the Census," as defined in title 13 U.S.C. § 11), is the government agency that is responsible for the United States Census. It also gathers other national demographic and economic data. The Bureau of the Census is part of the United States Department of Commerce.

Information relevant to collection of the data and the necessary forms are available on FMCSA's website, http://www.fmcsa.dot.gov/forms/reporting/mcs_info.htm#fos. The forms can be printed and mailed to FMCSA. FMCSA anticipate that thirty percent (30%) of the forms will be submitted to the agency electronically.

4. Efforts to Identify Duplication

The Bureau of the Census, through its Services Annual Survey, provides similar statistical data for the transportation industry. However, the Census Bureau does not collect the information as does the FMCSA. The Bureau is prohibited under law from providing data about individual carriers available to the public. Further, some Federal agencies, such as Department of Defense (DoD) and General Services Administration (GSA), and private entities have requested continued public access to carrier-level data that would enable monitoring financial and operating measures of particular carriers.

5. Efforts to Minimize the Burden on Small Businesses

For motor carriers of property, the Small Business Administration (SBA) defines small trucking businesses as those with annual revenues or receipts up to \$23.5 million. Approximately 299 companies that file Form M would be considered small businesses under SBA guidelines. The Agency estimates that about 155,000 for-hire property carriers operate in the United States and that over 100,000 of them would be considered small businesses. The 299 small businesses that file Form M represent a minor fraction of this total.

Form M was reduced to eight pages in 1999, which reduced burden hours for all carriers.

6. Impact of Less Frequent Collection of Information

As referenced in number 4 above, the FMCSA is aware of the following users: The Bureau of Economic Analysis, the DOD Military Traffic Management Command and the General Services Administration. Specifically, BEA uses ton and ton-mile information estimating the Producer Price Index for transportation and uses carrier revenue and expense information to estimate trucking industry profits. For the latter, BEA needs quarterly data to prepare its quarterly GDP estimates. BEA continues to support the continuous collection and the program serves as its data source for key components of BEA's economic statistics.

7. Special Circumstances

There are no special circumstances.

8. Compliance with 4 CFR 1320.8

On April 08, 2009 (74 FR 16037) (See Attachment H), FMCSA published a notice in the Federal Register requesting public comments on the proposed renewal of this information collection. FMCSA received no comments to the above notice. In addition, FMCSA published a second notice on June 16, 2009 (74 FR 28587) (See Attachment I), with a 30 day comment period that announced this information collection was being submitted to OMB for approval.

9. Payments or Gifts to Respondents

There are no payments or gifts to respondents.

10. Assurance of Confidentiality:

Currently, all data are made available at the respondent level. Our regulations at 49 CFR Part 369 allow a motor carrier to request an exemption from filing (369.8) or that their reports be kept confidential (369.9). The decision to grant the exemptions is based on whether the motor carrier meets the criteria established within those regulations.

11. Justification for Collection of Sensitive Information

There are no questions of a sensitive nature.

12. Estimate of Burden Hours for Information Requested

Class I and Class II motor carriers of property are required to file Form M. Class I carriers are those with more than \$10 million in operating revenue, and Class II motor carriers are those with \$3 million to \$10 million in operating revenue. Revenue is adjusted to account for inflation since the \$10 million and \$3 million thresholds were implemented in 1994. Currently, 372 carriers submit this report. The data for completing reports are available from carrier records. FMCSA estimates that each carrier will spend an average of 9 hours completing Form M, resulting in a total of 3,348 burden hours per year for all carriers.

| Title | Number of Respondents | Frequency of Responses | Estimated Time per Response | Total Annual Burden Hours |
|--|------------------------------|-------------------------------|------------------------------------|----------------------------------|
| Class I and II Motor Carriers (Annual) | 372 | Annual | 9 hours | 3,348 |

Estimated Number of Annual Respondents: 372 Class I and Class II motor carriers.

Estimated Number of Annual Responses: 372.

Estimated Total Annual Burden Hours: 3,348 hours [372 respondents x 9 hours per response = 3,348].

13. Estimate of Total Annual Cost to Respondents

The estimated total annual cost to these respondents is \$133,120, which includes the costs of employee time and those associated with printing and mailing forms. The Agency, having received no supporting data from respondents as to the magnitude of the burden costs on carriers, based its estimates on data from the Bureau of Labor Statistics (BLS). BLS data indicate that the median hourly wage for accountants working for passenger carriers is \$24.59.² To this, fringe benefit costs equal to 49.25 percent of wages³ and overhead costs equal to 12 percent of wages⁴ were added, resulting in a total hourly compensation of \$39.65. This hourly cost is multiplied by the 3,348-hour annual burden estimate to yield the total cost of \$132,748 for employee time. Printing and mailing Form M is estimated to cost \$1 per form, \$372 in total per year for all respondents.

Estimate of Annual Cost to Respondents: \$133,120 [(\$39.65 cost per hour wage x 3,348 annual hours) + (\$1.00 printing and mailing cost per form x 372 forms) = \$133,120].

14. Estimate of Cost to the Federal Government

The combined estimated annual cost to the government is \$11,000 for Form M and the Form QFR. This figure includes salary cost based on hours, overhead, printing and payment to contractors. FMCSA estimates that about \$8,300 of that combined cost is attributable to Form M.

Estimate of Annual Cost to Federal Government: \$8,300.

15. Explanation of Program Changes or Adjustments

The program adjustment to the annual burden estimates for this ICR is due to the number of respondents decreasing from 3,000 to 372.

² Bureau of Labor Statistics, "Occupational Employment Survey". May 2007.

http://www.bls.gov/oes/current/naics4_484000.htm (accessed November 23, 2008). North American Industry Classification System (NAICS) 484000, Truck Transportation, Standard Occupational Classification (SOC) 13-2011, Accountants and Auditors.

³ Bureau of Labor Statistics, "Employer Costs for Employee Compensation". June 2008. http://stats.bls.gov/news.release/archives/ecec_09102008.pdf (accessed November 23, 2008). As indicated in Table 2 of this report, for "transportation and material moving occupations", 67 percent of total employee compensation is wages, and 33 percent is benefits. The ratio of benefits to wages is 33/67=49.25 percent.

⁴ Overhead is difficult to estimate, and few industrial-level estimates are available. The Agency relied on guidance from the Office of Management and Budget (OMB) for evaluating and budgeting commercial services. OMB Circular A-76. http://www.whitehouse.gov/omb/circulars/a076/a76_incl_tech_correction.html (accessed November 23, 2008).

The method of estimating costs to respondents was also revised. Wages used to assess the cost of employee time devoted to entering data in Form M changed from \$25.00 to \$24.59 per hour. The adjustment to hourly compensation for fringe benefits was revised from 45 percent of wages to 49.25 percent, and a second adjustment equal to 12 percent of wages was added to account for overhead. Last, costs to carriers associated with printing and mailing forms to FMCSA have been included for the first time.

16. Publication of Results of Data Collection

FMCSA is required by Federal law to make the data collection information publicly available. There are no plans at this time for the agency to publish analytical reports.

17. Approval for not Displaying the Exemption Date of OMB Approval

The FMCSA is not seeking approval to not display the expiration date of the OMB approval number.

18. Exceptions to Certification Statement

None.

Part B. Collection of Information Employing Statistical Methods

This information collection does not employ statistical methods.

Attachments

- A. Section 103 of the ICC Termination Act of 1995 (ICCTA), Public Law 104-88, 109 Stat. 803, 852 (Dec. 29, 1995).
- B. Section 14123, Title 49, U.S.C.
- C. DOT Secretary's Transfer of the Authority to Administer the F&OS Program to the Bureau of Transportation Statistics on September 30, 1998 (63 FR 52192).
- D. Part 1420, Title 49 of the CFR.
- E. DOT Secretary's Transfer of the Responsibility for the F&OS Program from BTS, to FMCSA on August 17, 2004 (69 FR 51009).
- F. Motor Carrier Transportation; Redesignation of Regulations from the Research and Innovative Technology Administration, Final Rule (71 FR 45740), August 10, 2006.
- G. Title 49 CFR part 369.
- H. Federal Register Notice requesting 60-day comment period (74 FR 16037), April 08, 2009.
- I. Federal Register Notice requesting 30-day comment period (74 FR 28587), June 16, 2009.

Form M

