

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

**SUPPORTING STATEMENT**

**Financial Responsibility - Motor Carriers, Freight Forwarders and Brokers  
OMB Control No.: 2126-0017**

The purpose of this document is to support the Federal Motor Carrier Safety Administration's (FMCSA) request to revise a currently-approved information collection request (ICR) entitled, "Financial Responsibility – Motor Carriers, Freight Forwarders and Brokers," under OMB Control Number 2126-0017, that will be submitted to the Office of Management and Budget (OMB) for its review and approval. This ICR is currently due to expire on May 31, 2012.

FMCSA is revising this information collection due to a program change set forth in a final rule entitled, "Cargo Insurance for Property Loss or Damage," (75 FR 35318), June 22, 2010 (see Attachment A). Changes are required to this information collection due to FMCSA's decision to limit cargo insurance filings and cancellation of cargo insurance filings to only motor carriers and freight forwarders involved in the transportation of household goods for individual shippers. These changes are being made because Congress mandated that motor carriers no longer be classified as "common" and "contract" motor carriers in the ICC Termination Act of 1995 and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. FMCSA's cargo insurance filing requirements, which applied to common carriers, but not contract carriers, thus became obsolete and needed to be amended to be consistent with these statutes. The Agency determined that the public interest was better served by eliminating the requirements for most former common carriers rather than expanding them to former contract carriers not previously subject to the requirements. The requirements were maintained for household goods motor carriers and freight forwarders for the protection of individual shippers.

**1. Circumstances that make collection of information necessary:**

The Secretary of Transportation (Secretary) is authorized to register for-hire motor carriers of regulated commodities under the provisions of 49 U.S.C. § 13902 (see Attachment B); surface freight forwarders under the provision of 49 U.S.C. § 13903 (see Attachment C); and property brokers under the provisions of 49 U.S.C. § 13904 (see Attachment D). These persons may conduct transportation services only if they are registered pursuant to 49 U.S.C. § 13901 (see Attachment E). Authority pertaining to these carrier, freight forwarder and broker registrations has been delegated to FMCSA. The registration authority remains valid only as long as the transportation entities maintain, on file with the FMCSA, evidence of the required levels of insurance coverage (see Attachment B, and 49 U.S.C. § 13906 at Attachment F). FMCSA regulations governing the minimum levels of financial responsibility are found at 49 CFR part 387 (see Attachment G).

Section 4303 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, August 10, 2005) (see Attachment H) mandated that the transition rule be terminated by January 1, 2007. Consequently, effective

January 1, 2007, all for-hire motor carriers subject to the Agency's commercial jurisdiction under Title 49, United States Code, Subtitle IV, Part B, were required to be issued Motor Carrier Certificates of Registration which no longer classified them as common or contract carriers. Section 4303 also provided that all "exempt" for-hire<sup>1</sup> and private motor carriers registered with FMCSA on January 1, 2005, under any section of title 49 U.S.C. (including FMCSA's safety registration requirements adopted under 49 U.S.C. 31136) would automatically be considered registered "to provide such transportation or service for purposes of sections 13908 [Unified Registration System] and 14504a [Unified Carrier Registration]."

As a result of the termination of the transition rule, FMCSA's cargo insurance regulations, which expressly applied only to common carriers and freight forwarders, were no longer consistent with the governing statute. Because of this inconsistency and the resulting confusion over the scope of the Agency's cargo insurance requirements, FMCSA considers it necessary to issue a final rule amending these requirements prior to issuance of a final rule in the section 13908 rulemaking proceeding.<sup>2</sup>

Certificates of insurance (Forms BMC-91, BMC-91X and BMC-34); surety bonds (Forms BMC-82, BMC-83 and BMC-84); and trust fund agreements (Form BMC-85) satisfy this statutory requirement. The attachment of endorsements (Forms BMC-90 and BMC-32) to insured motor carriers' or freight forwarders' policies of insurance establish continuing compliance with a statutory requirement, which terminates only when a policy is canceled. Notices of cancellation (Forms BMC-35 and BMC-36) notify FMCSA when regulated motor carriers and freight forwarders have canceled their required bodily injury and property damage (BI&PD) liability and/or cargo liability coverage. In all instances, notices of cancellation (Forms BMC-36 and BMC-85) notify FMCSA when property brokers have canceled their surety bonds or trust fund agreements.

Motor carriers can also satisfy this statutory insurance requirement by qualifying to self-insure bodily injury and property damage and/or cargo liability in lieu of filing certificates of insurance or surety bonds with the FMCSA. See 49 CFR §§ 387.11(d)(3) and 387.309. Form BMC-40 is the application form carriers use to apply for self-insurance authority.

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

The purpose of certificates of insurance, when filed with FMCSA, is to certify that the insurance company making the filing is providing the motor carrier or freight forwarder named thereon with liability insurance coverage in the amounts prescribed. By filing Forms BMC-91, BMC-91X and BMC-34, the Agency ensures that the public is protected and will be compensated for any claims involving bodily injury and property damage, or loss or damage to cargo, respectively.

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<sup>1</sup> For-hire carriers not subject to 49 U.S.C. Subtitle IV, Part B.

<sup>2</sup> Because certain SAFETEA-LU provisions impacted proposals made in the May 2005 NPRM implementing section 13908, a Supplemental Notice of Proposed Rulemaking will be published in that proceeding revising the NPRM and soliciting additional public comment, further delaying issuance of a final rule.

Surety bonds (Forms BMC-82 and BMC-83), when filed with FMCSA, certify that the surety company making the filing is liable for cargo losses and damages of the motor carrier or freight forwarder named thereon. A property broker's bond (Form BMC-84) or trust fund agreement (Form BMC-85), on the other hand, only holds the surety company or trustee liable for transportation charges if the broker fails to provide transportation services for which it has been paid. The filing of these bonds or trust agreements ensure that the public is protected and will be compensated for any claims which the motor carrier, freight forwarder or property broker is unable to settle.

An endorsement (Forms BMC-90 and BMC-32) sets forth the minimum limits of liability insurance coverage which a FMCSA-regulated motor carrier or freight forwarder is required to maintain. Attachment of the endorsement to the insurance policy establishes continuing compliance with this statutory requirement. The purpose of the endorsement is to hold an insurance company liable for any damages which may occur to the public, and to avoid any stipulations or limitations which may be contained in the insured motor carrier's or freight forwarder's policy.

Notices of cancellation (Forms BMC-35, BMC-36 and BMC-85) are used by insurance and surety companies or trustees to notify FMCSA that a certificate of insurance, surety bond or trust fund agreement has been canceled. Since evidence of security is to be maintained on a continuous basis, FMCSA may begin proceedings to revoke the operating authority of the regulated entity if replacement insurance, a surety bond or trust fund agreement is not filed with FMCSA by the effective date of the cancellation.

The only alternative motor carriers have to filing certificates of insurance and surety bonds with FMCSA is to qualify to act as self-insurers for their bodily injury and property damage and/or cargo liability. Form BMC-40 is the application form used by carriers to apply for such authority. Data contained on the completed self-insurance form, and in exhibits attached thereto, provide pertinent information regarding the carrier's or forwarder's financial claims and safety condition. FMCSA uses this data to make a determination regarding whether the entity qualifies for the grant of self-insurance authority.

This ICR has been disaggregated into 10 information collections (ICs) as follows:

- a. IC-1, Form BMC-91 entitled, "Motor Carrier Automobile Bodily Injury and Property Damage Liability Certificate of Insurance."
- b. IC-2, Form BMC-91X entitled, "Motor Carrier Automobile Bodily Injury and Property Damage Liability Certificate of Insurance."
- c. IC-3, Form BMC-34 entitled, "Household Goods Motor Carrier Cargo Liability Certificate of Insurance."
- d. IC-4, Form BMC-82 entitled, "Motor Carrier Bodily Injury Liability and Property Damage Liability Surety Bond Under 49 U.S.C. § 13906."
- e. IC-5, Form BMC-83 entitled, "Household Goods Motor Carrier Cargo Liability Surety Bond Under 49 U.S.C. § 13906."
- f. IC-6, Form BMC-84 entitled, "Property Broker's Surety Bond Under 49 U.S.C. § 13906."

- g. IC-7, Form BMC-85 entitled, “Property Broker’s Trust Fund Agreement Under 49 U.S.C. § 13906 or Notice of Cancellation of the Agreement.”
- f. IC-8, Form BMC-35 entitled, “Notice of Cancellation Motor Carrier Insurance Under 49 U.S.C. § 13906.”
- h. IC-9, Form BMC-36 entitled, “Notice of Cancellation Motor Carrier and Brokers Surety Bonds Under 49 U.S.C. § 13906.”
- f. IC-10, Form BMC-40 entitled, “Application for Authority to Self-Insure Under 49 U.S.C. § 13906.”

Forms BMC-90 entitled, “Endorsement for Motor Carrier Policies of Insurance for Automobile Bodily Injury and Property Damage Liability Under Section 13906, Title 49 of the United States Code,” and BMC-32 being re-titled in this revision, “Endorsement for Household Goods Motor Carrier Policies of Insurance for Cargo Liability Under 49 U.S.C. § 13906,” do not create a paperwork burden for any small businesses. The insurance company merely executes the endorsement, attaches it to the bodily injury and property damage or cargo liability insurance policy, respectively, and forwards it to the motor carrier or freight forwarder.

Data from the FMCSA Licensing and Insurance database indicates that about 76,000 authorized motor carriers (formerly called common carriers), 16,600 carriers which held common and contract authorities, and 1,200 authorized freight forwarders had cargo insurance certificates on file with the Agency in February 2009. This figure includes about 4,100 household goods motor carriers and household goods freight forwarders. This final rule will only require the 4,100 household motor carriers and freight forwarders to continue to have cargo insurance on file with FMCSA.

The 76,000 motor carriers, 16,600 carriers which held common and contract authorities, and 1,200 freight forwarders, including the 4,100 household motor carriers and freight forwarders, will also continue to hold and file public liability insurance certificates or surety bonds after this final rule.

Under this final rule, approximately 93,800 motor carriers and general property freight forwarders will no longer be required to hold BMC-32 endorsements and their insurance or surety carriers will no longer be required to file BMC-34 certificates of insurance or BMC-83 surety bonds with FMCSA.

**3. Extent of automated information collection:**

All filers have the option to file the insurance forms noted above electronically, except the Form BMC-40 entitled, “Application for Authority to Self-Insure Under 49 U.S.C. § 13906.” The FMCSA estimates the percentage of forms submitted annually to the agency on-line as follows:

Submission of BMC Forms

<b>Forms</b>	<b>Electronic Filings</b>	<b>Paper</b>	<b>Total</b>	<b>Percent Submitted On-line</b>
BMC-91	388	27	415	95%

BMC-91X	171,170	360	171,530	100%
BMC-34	4,024	14	4,038	100%
BMC-82	56	0	56	100%
BMC-83	104	0	104	100%
BMC-84	2,019	412	2,431	85%
BMC-85	3,392	426	3,818	90%
BMC-90	0	0	0	0%
BMC-32	0	0	0	0%
BMC-35	138,396	1,675	140,071	99%
BMC-36	874	510	1,384	65%
BMC-40	0	5	5	0%
<b>Total</b>	<b>320,423</b>	<b>3,429</b>	<b>323,852 (rounded to 324,000)</b>	

**4. Efforts to identify duplication:**

There are no similar insurance 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 Forms BMC-91, BMC-91X, BMC-34, BMC-83, BMC-84, BMC-85, BMC-35 and BMC-36 are minimized for small businesses because such entities merely fill in blank spaces with information about the carrier, freight forwarder or broker and the insurer, surety or trustee. Furthermore, since certificates of insurance, surety bonds and trust fund agreements are not renewed or replaced on an annual or periodic basis, and notices of cancellation are only filed with FMCSA when an insurance policy, surety bond or trust fund agreement is terminated by the insurer.

Endorsements (see Forms BMC-90 and BMC-32) do not create a paperwork burden for any small business. The insurance company merely executes the endorsement, attaches it to the bodily injury and property damage or cargo liability insurance policy, respectively, and forwards it to the motor carrier or freight forwarder.

Applications for Authority to Self-Insure (see Form BMC-40) consist of seven pages. However, no consideration has been given to limiting the information requested by this form, since such form is submitted to obtain or retain the benefit of self-insurance authorization rather than purchasing commercial insurance or surety bonds. Further, the filing of less information could result in either FMCSA denying the requested authority and, therefore, defeating the purpose of the form and FMCSA's regulations governing self-insurance authority or its approving the requested authority imprudently.

**6. Impact of less frequent collection of information:**

If this data were collected less frequently, the purpose of the applicable regulations would be defeated. The information collected is intended to establish continuing compliance with statutory insurance requirements and is not collected on a periodic basis. Also, if notices of cancellation are not filed timely, insurers would remain at risk after their coverages is terminated and would be held liable for claims made against them, even though the policies or bonds are no longer in effect.

Form BMC-40 is not filed periodically, but on an “as needed” basis.

**7. Special circumstances:**

There are no special circumstances related to this information collection

**8. Compliance with 5 CFR § 1320.8:**

On May 19, 2005, FMCSA issued a notice of proposed rulemaking (NPRM) entitled, “Unified Registration System,” (see Attachment I). FMCSA analyzed the comments to the NPRM and has taken them into consideration in formulating this rulemaking. The final rule, Cargo Insurance for Property Loss or Damage, RIN 2126-AB21, addresses all comments raised in the NPRM, including those of small entities subject to the cargo insurance requirements.

**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 statute, regulation or agency policy that provides assurances of confidentiality. On the contrary, the insurance coverage and cancellations evidenced by these filings are public information regularly requested by individuals and groups.

**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:**

The Cargo Insurance final rule eliminates cargo insurance filings for most motor carriers and freight forwarders and limits cargo insurance filings only to household goods motor carriers and freight forwarders.

The percentage of remaining household goods motor carriers and household goods freight forwarders cargo liability filers to the previous total population of motor carriers and freight forwarders cargo liability filers prior to the final rule’s effective date is 5 percent. Thus, the cargo

insurance final rule's requirements will be removing 95 percent of the annual burden hours, number of applications, and number of respondents for the cargo liability requirements.

The annual burden hour estimates are based on motor carrier application data derived from FMCSA's Motor Carrier Management Information System (MCMIS) for fiscal year 2007.

**Estimate of ICR Applications and Responses**

<b>IC/Form Number</b>	<b>Previous Annual Burden Hours</b>	<b>New Annual Burden Hours</b>	<b>Previous Number of Applications</b>	<b>New Number of Applications</b>	<b>Previous Number of Respondents</b>	<b>New Number of Respondents</b>
IC-1, BMC-91	69	69	415	415	315	315
IC-2, BMC-91X	28,588	28,588	171,530	171,530	107,235	107,235
IC-3, BMC-34	13,458	<b>673</b>	80,750	<b>4,038</b>	56,360	<b>2,818</b>
IC-4, BMC-82	9	9	55	55	30	30
IC-5, BMC-83	18	<b>1</b>	105	<b>5</b>	85	<b>4</b>
IC-6, BMC-84	405	405	2,430	2,430	2,115	2,115
IC-7, BMC-85	637	637	3,820	3,820	3,180	3,180
IC-8, BMC-35	23,345	23,345	140,070	140,070	80,760	80,760
IC-9, BMC-36	231	231	1,385	1,385	1,330	1,330
IC-10, BMC-40	200	200	5	5	5	5
<b>Total</b>	66,960	<b>(54,158 round up to) 54,200</b>	400,565	<b>(323,753 round up to) 324,000</b>	251,415	<b>(197,792 round up to) 198,000</b>

NOTE: Endorsement Forms BMC-90 and BMC-32 do not create a paperwork burden for any small business. The insurance company merely executes the endorsement, attaches it to the bodily injury and property damage or cargo liability insurance policy, respectively, and forwards it to the motor carrier or freight forwarder.

**IC-1: Form BMC-91, Bodily Injury and Property Damage -Full requirements**

The FMCSA estimates that Form BMC-91 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 69 Hours** [415 x 10 minutes/60 minutes = 69].

**Estimated Annual Number of Respondents: 315.**

**Estimated Annual Number of Responses: 415.**

**IC-2: Form BMC-91X, Bodily Injury and Property Damage Liability Aggregation**

The FMCSA estimates that Form BMC-91X takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 28,588 Hours** [171,530 x 10 minutes/60 minutes = 28,588].

**Estimated Annual Number of Respondents: 107,235.**

**Estimated Annual Number of Responses: 171,530.**

**IC-3: Form BMC-34, Motor Carrier Cargo Liability Certificate of Insurance**

The FMCSA estimates that Form BMC-34 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 673 Hours** [4,038 x 10 minutes/60 minutes = 673].

**Estimated Annual Number of Respondents: 2,818.**

**Estimated Annual Number of Responses (New Applications): 4,038.**

**IC-4: Form BMC-82, Motor Carriers Public Liability Surety Bond**

The FMCSA estimates that Form BMC-82 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 9 Hours** [55 x 10 minutes/60 minutes = 9].

**Estimated Annual Number of Respondents: 30.**

**Estimated Annual Number of Responses: 55.**



**IC-5: Form BMC-83, Motor Carrier Cargo Liability Surety Bond**

The FMCSA estimates that Form BMC-83 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 1 Hour** [5 x 10 minutes/60 minutes =0.833 rounded up to 1.0].

**Estimated Annual Number of Respondents: 4.**

**Estimated Annual Number of Responses: 5.**

**IC-6: Form BMC 84, Property Broker's Surety Bond**

The FMCSA estimates that Form BMC-84 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 405 Hours** [2,430 x 10 minutes/60 minutes = 405].

**Estimated Annual Number of Respondents: 2,115.**

**Estimated Annual Number of Responses: 2,430.**

**IC-7: Form BMC 85, Property Broker's Trust Fund Agreement**

The FMCSA estimates that Form BMC-85 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 637 Hours** [3,820 x 10 minutes/60 minutes = 637].

**Estimated Annual Number of Respondents: 3,180.**

**Estimated Annual Number of Responses: 3,820.**

**IC-8: Form BMC-35, Notice of Cancellation of Motor Carrier Insurance**

The FMCSA estimates that Form BMC-35 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 23,345 Hours** [140,070 x 10 minutes/60 minutes = 23,345].

**Estimated Annual Number of Respondents: 80,760.**

**Estimated Annual Number of Responses: 140,070.**

### **IC-9: Form BMC-36, Notice of Cancellation Motor Carrier and Broker Surety Bonds**

The FMCSA estimates that Form BMC-36 takes approximately 10 minutes to complete for a new application and 2 minutes for the government to process the paper form.

**Estimated Annual Burden to Respondents: 231 Hours** [1,385 x 10 minutes/60 minutes = 231].

**Estimated Annual Number of Respondents: 1,330.**

**Estimated Annual Number of Responses: 1,385.**

### **IC-10: Form BMC-40, Authority to Self-insure Against Bodily Injury and Property Damage Claims.**

The FMCSA estimates that Form BMC-40 takes approximately 40 hours to complete for a new application and 80 hours for the government to process the form.

**Estimated Annual Burden to Respondents: 200 Hours** [5 x 40 = 200].

**Estimated Annual Number of Respondents: 5.**

**Estimated Annual Number of Responses: 5.**

**Estimated Total Annual Burden for ICR:** 54,158 hours [69 hours for IC-1 + 28,588 hours for IC-2 + 673 for IC-3 + 9 hours for IC-4 + 1 hour for IC-5 + 405 for IC-6 + 637 hours for IC-7 + 23,345 hours for IC-8 + 231 hours for IC-9 + 200 hours for IC-10 = 54,158] 54,158 rounded up to **54,200 hours**.

**Estimated Total Annual Number of Respondents for ICR:** 197,792 [315 respondents for IC-1 + 107,235 respondents for IC-2 + 2,818 respondents for IC-3 + 30 respondents for IC-4 + 4 respondents for IC-5 + 2,115 respondents for IC-6 + 3,180 respondents for IC-7 + 80,760 respondents for IC-8 + 1,330 respondents for IC-9 + 5 respondents for IC-10 = 197,792]. 197,792 rounded up to **198,000 respondents**.

**Estimated Total Annual Number of Responses for ICR:** 323,753 [415 responses for IC-1 + 171,530 responses for IC-2 + 4,038 responses for IC-3 + 55 responses for IC-4 + 5 responses for IC-5 + 2,430 responses for IC-6 + 3,820 responses for IC-7 + 140,070 responses for IC-8 + 1,385 responses for IC-9 + 5 responses for IC-10 = 323,753]. 323,753 rounded up to **324,000 responses**.

### **13. Estimate of total annual costs to respondents:**

There is no change to the annual cost to respondents.

The FMCSA estimates that the Form BMC-40 requires an average of 40 hours to complete and that all of the other insurance forms require an average of 10 minutes to complete. The only other cost (other than labor cost) to respondents consists of postage and overnight delivery fees. The estimated number of annual paper filings for fiscal year 2007 was 3,686. Approximately 90

percent of paper insurance filings (3,686 annual filings x 0.90 = 3,317) are sent by overnight delivery companies; the other 10 percent (3,686 annual paper filings x 0.10 =369) are sent by regular mail. Because overnight packages and regular mail envelopes can contain multiple individual filings, it is difficult to estimate costs.

However, the FMCSA estimates that delivery costs for the approximately 3,317 annual paper insurance filings sent by overnight delivery companies would equal \$24,310, if we assume an average of three filings per package and an average shipping charge of \$22 (3,317 annual filings/3 filings per package = 1,105 x \$22 = \$24,310). Postage for the 368 filings that FMCSA receives by U.S. mail would total \$1.00 per package if we assume three filings per package/envelope (368 filings x \$1.00 per package = \$369). Thus, total delivery charges would be approximately \$24,679 per year [\$24,310 + 369].

### Costs Calculations

IC / Form No.	Number of Applications	Time to Complete Form	Average Hourly Wage of Respondent Completing Form <sup>3</sup>	Estimated Annual Cost to Respondents
IC-1/ BMC-91	415	10 minutes	\$16.24	\$1,123
IC-2/ BMC-91X	171,530	10 minutes	\$16.24	\$464,275
IC-3/ BMC-34	4,038	10 minutes	\$16.24	\$10,930
IC-4/ BMC-82	55	10 minutes	\$16.24	\$149
IC-5/ BMC-83	5	10 minutes	\$16.24	\$14
IC-6/ BMC-84	2,430	10 minutes	\$16.24	\$6,577
IC-7/ BMC-85	3,820	10 minutes	\$16.24	\$10,340
IC-8/BMC-35	140,070	10 minutes	\$16.24	\$379,123
IC-9/ BMC-36	1,385	10 minutes	\$16.24	\$3,749
IC-10/ BMC-40	5	40 hours	\$29.69	\$4,750
			<b>Total:</b>	<b>\$881,030</b>

**Total Estimate of Annual Costs to Respondents: \$905,709** [\$881,030 for completing forms and preparing forms for electronic transmission + \$24,679 for overnight delivery of paper insurance filings and postage = \$905,709].

**Estimate of Cost to the Federal Government:** The estimated cost to the Federal Government has decreased due to the increased number of electronic submissions of insurance forms, which do not require direct processing by FMCSA employees. The BMC forms, except for BMC-40, are processed by Grade GS-5 Step 10 Transportation Specialists at FMCSA’s Enforcement

<sup>3</sup>Except for IC-4/BMC 40, the reported hourly wage is the mean hourly wage for an insurance claims and processing policy clerk, USDOL, BLS-Office and Administrative Support Occupations 2008. The reported hourly wage rate for IC-4/BMC 40 is the mean hourly wage rate for a financial specialist, USDOL, BLS, All Occupations.

Division at an hourly wage rate of \$19.78. FMCSA estimates that each of those forms currently requires approximately 2 minutes to process. FMCSA estimates that it requires approximately 80 hours to process Form BMC-40. The processing of Form BMC-40 is conducted by employees ranging from GS-09 to GS-15. Assuming an average grade of GS-11, Step 10, the hourly wage rate is \$36.26. Thus, the estimated total cost to the Federal Government of processing all paper insurance filings is **\$16,761.00** [\$14,504 Cost of processing Form BMC-40 + \$2,257 Cost of processing all other forms].

### Cost Calculations

Form No.	Number of Applications	Time to Process Form	Average Hourly Wage of Respondent Completing Form <sup>4</sup>	Estimated Annual Cost to Federal Government
BMC 91	27	2 minutes	\$19.78	\$18
BMC 91X	360	2 minutes	\$19.78	\$237
BMC 34	14	2 minutes	\$19.78	\$9
BMC 82	0	2 minutes	\$19.78	\$0.00
BMC 83	0	2 minutes	\$19.78	\$0.00
BMC 84	412	2 minutes	\$19.78	\$272
BMC 85	426	2 minutes	\$19.78	\$281
BMC-35	1,675	2 minutes	\$19.78	\$1,104
BMC-36	510	2 minutes	\$19.78	\$336
BMC-40	5	80 hours	\$36.26	\$14,504
<b>Total</b>				<b>\$16,761</b>

**IC-1: Form BMC 91**

**Estimated Annual Cost: \$18.00** [27 filings x 2 minutes/60 minutes x \$19.78 = \$18.00].

**IC-2: Form BMC 91 X**

**Estimated Annual Cost: \$237.00** [360 filings x 2 minutes/60 minutes x \$19.78 = \$237.00].

**IC-3: Form BMC 34**

**Estimated Annual Cost: \$9.00** [14 filings x 2 minutes/60 minutes x \$19.78 = \$9.00].

**IC-4: Form BMC 82**

**Estimated Annual Cost: zero** (no paper filings).

**IC-5: Form BMC 83**

**Estimated Annual Cost: zero** (no paper filings).

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<sup>4</sup>Except for IC-4/BMC 40, the reported hourly wage is the mean hourly wage for an insurance claims and processing policy clerk, USDOL, BLS-Office and Administrative Support Occupations 2008. The reported hourly wage rate for IC-4/BMC 40 is the mean hourly wage rate for a financial specialist, USDOL, BLS, All Occupations.

**IC-6: Form BMC 84**

Estimated Annual Cost: **\$272.00** [412 filings x 2 minutes/60 minutes x \$19.78 = \$272.00].

**IC-7: Form BMC 85**

Estimated Annual Cost: **\$281.00** [426 filings x 2 minutes/60 minutes x \$19.78 = \$281.00].

**IC-8: Form BMC 35**

Estimated Annual Cost: **\$1,104.00** [1,675 filings x 2 minutes/60 minutes x \$19.78 = \$1,104].

**IC-9: Form BMC 36**

Estimated Annual Cost: **\$336.00** [510 filings x 2 minutes/60 minutes x \$19.78 = \$ 336.00].

**IC-10: Form BMC 40**

Estimated Annual Cost: **\$14,504** [5 filings x 80 Hours x \$36.26 = \$14,504].

**Estimated Total Annual Costs to the Federal Government: \$16,761.00** [\$18.00 for IC-1 + \$237.00 for IC-2 + \$9.00 for IC-3 + \$272.00 for IC-6 + \$281.00 for IC-7 + \$1,104 for IC-8 + \$336.00 for IC-9 + \$14,504 for IC-10 = \$16,931.00].

**14. Estimate of Cost to the Federal Government:**

None except those identified in Item 13.

**15. Explanation of program changes or adjustments:**

The program change resulted from the final rule's requirements to limit cargo insurance filings and cancellation of cargo insurance filings to household goods motor carriers and household goods freight forwarders. This revision resulted in program adjustment decrease of 12,760 hours annual burden hours [66,960 currently approved annual burden hours - 54,200 proposed annual burden hours = 12,760].

**16. Publication of results of data collection:**

The information collected is not intended for publication.

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

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

**18. Exception to certification statement:**

There are no exceptions to the certification statement.

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

**N/A. This ICR does not employ statistical methodologies.**

**Attachments:**

- A. Final rule titled, “Cargo Insurance for Property Loss or Damage,” (75 FR 35318), June 22, 2010.
- B. Title 49 U.S.C. § 13902.
- C. Title 49 U.S.C. § 13903.
- D. Title 49 U.S.C. § 13904.
- E. Title 49 U.S.C. § 13901.
- F. Title 49 U.S.C. § 13906.
- G. Title 49 CFR part 387.
- H. Section 4303 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, August 10, 2005)
- I. Notice of proposed rulemaking (NPRM) entitled, “Unified Registration System,” May 19, 2005.

**Forms:**

BMC-91  
BMC-91X  
BMC-34  
BMC-82  
BMC-83  
BMC-84  
BMC-85  
BMC-90  
BMC-32  
BMC-35  
BMC-36  
BMC-40

**Part B. Collection of Information Employing Statistical Methods:** N/A. This ICR does not employ statistical methodologies.