

SUPPORTING STATEMENT - FORM QCS

**A. Justification:**

1. Why the collection is necessary. The Surface Transportation Board (Board) has broad statutory authority to provide economic regulatory oversight of railroads, addressing such matters as rates, service, and the construction, acquisition and abandonment of rail lines, as well as carrier mergers and the interchange of traffic among carriers (49 U.S.C. §§ 10101-11908). The collection in Form QCS, which is based on information contained in waybills used by railroads in the ordinary course of business, reports car loadings and total revenues by commodity code for each commodity that moved on the railroad during the reporting period. See 49 C.F.R. § 1248. The Board has authority to collect this information pursuant to 49 U.S.C. § 11145.

2. How the collection will be used. Information reported on Form QCS is entered into the Uniform Rail Costing System (URCS), which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. §§ 11161-62 and is used in rail rate proceedings as a tool to calculate the variable costs of providing a particular rail service in accordance with 49 U.S.C. § 10707(d). The Board uses variable costs, for example, to calculate revenue-to-variable cost ratios to make threshold determinations about whether a rate complaint can proceed. Specifically, 49 U.S.C. § 10709 now limits the Board's jurisdiction over maximum rates to those instances where the revenue-to-variable cost ratio exceeds a specific percentage.

The Board also uses URCS to analyze the information that it obtains through the annual railroad waybill sample, pursuant to 49 U.S.C. §§ 721, 10707, and 11144-45, as well as in railroad abandonment proceedings to measure "off-branch costs" (see 49 U.S.C. § 10904(a); 49 C.F.R. § 1152.32(n)). In addition, this information is essential for determining regional and system costs. And many other Federal agencies and industry groups depend on Form QCS for information regarding the cost of the movement of goods by railroads.

3. Extent of automated information collection. 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 Form QCS in a computerized format. The railroads enter their data on the computerized version of the form and submit a pdf of the required signed copy to the Board. The Board facilitates timely filing by permitting responders to fax or email the signed form. The Board has considered electronic filing, but determined that, because the data is maintained in different electronic formats by the respondents, electronic filing would not be useful to the Board. In addition, any requirement for this report to be filed in a specific electronic format would necessarily impose a greater cost burden on the respondents.

4. Identification of duplication. No other Federal agency collects the information reported on Form QCS, 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. Effects on small business. No small entities will be affected by the collection of this information. This reporting requirement applies 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 that will ensure that regulated carriers are classified based on real business expansion, rather than the effects of inflation.

6. Impact of less frequent collections. The QCS data is aggregated in the annual QCS report. The agency uses the annual QCS data in its URCS calculations; while the quarterly data is primarily for public consumption. Thus, less frequent collection would either diminish the utility of the data for the agency or diminish the public availability of the quarterly information.

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

8. Compliance with 5 C.F.R. § 1320.8. The Board published a notice in the Federal Register, providing a 60-day comments period regarding this collection. See 77 Fed. Reg. 2129-01 (Jan. 13, 2012). No comments were submitted. As required, the Board has published a notice providing a 30-day comment period, with comments to be sent to OMB. See 77 Fed. Reg. 27540.

9. Payments or gifts to respondents. The Board does not provide any payment or gift to respondents.

10. Assurance of confidentiality. All information collected through this report is available to the public.

11. Justification for collection of sensitive information. This collection contains no information of a sensitive nature.

12. Estimation of burden hours for respondents. The following information pertains to the estimate of burden hours associated with this collection:

(1) Number of respondents: 7.

(2) Frequency of response: Each Class I carrier is required to file the quarterly and annual QCS report.

(3) Annual hour burden per respondent: Based on information provided by the railroad industry, it is estimated that it takes not more than 217 man-hours each time a report is prepared. This estimate includes the time needed to gather the information; edit, review, type

and proofread the data, and submit the form. It is estimated that each of the seven Class I railroads requires not more than 1,085 hours to complete the four quarterly and one annual report. The total annual burden hours for all seven carrier responds is, therefore, estimated at 7,595 hours.

13. Other costs to respondents: (a) Continuing this existing collection will impose no start-up costs on respondents. (b) This report is sent to the agency electronically; so no non-hour costs for operation, maintenance, or purchase of services associated with this collection has been identified.

14. Estimated costs to the Board: We estimate that it takes two hours annually (GS 13/1 hourly rate with benefits of \$52.90) to review these seven filings, five minutes (0.08 hours) (GS 14/5 hourly rate with benefits of \$70.84) to enter the annual QCS report data (which is provided in spreadsheet form by the Association of American Railroads) into URCS, and four hours annually (GS 14/10 hourly rate with benefits of \$81.26) to post on the website, resulting in a cost of \$437.

15. Changes in burden hours. No change in burden hours is requested.

16. Plans for tabulation and publication: This report is not published.

17. Display of expiration date for OMB approval. No exception is sought. The control number and expiration date for this collection appear on the form.

18. Exceptions to Certification Statement. Not applicable

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

Not applicable