

SUPPORTING STATEMENT - CBS

**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, the construction, acquisition and abandonment of rail lines, carrier mergers, and interchange of traffic among carriers (49 U.S.C. §§ 10101-11908). Under 49 U.S.C. §§ 11145, the Board may require regulated carriers to submit financial and statistical data and reports that the Board needs to carry out its mission.

The Board requires all Class I railroads to file Quarterly Condensed Balance Sheet (CBS) reports. See 49 C.F.R. § 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. How the collection will be used. 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 to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the Nation's transportation system.

3. Extent of automated information collection. The Board facilitates timely filing by permitting responders to fax or email the required data as a pdf document. The Board has considered electronic filing, but determined that, because the data is maintained in different electronic formats by the respondent carriers, 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 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. Effects on small business. 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 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. Without quarterly reporting for this collection, the Board cannot fulfill its statutory responsibilities.

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: quarterly.

(3) Annual hour burden per respondent: Based on information provided by the railroad industry, we estimate a per-respondent-railroad burden of not more than 24 hours (6 hours per report), which 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 C.F.R. §§ 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 not more than 168 hours.

13. Other costs to respondents: (a) Continuing this existing collection will impose no start-up costs on respondents. (b) This collection is submitted electronically. No non-hour costs

for operation, maintenance, or purchase of services associated with this collection has been identified. These forms are submitted electronically.

14. Estimated costs to the Board: We estimate that it takes eight hours (GS 13/1 at \$52.90 salary including benefits) annually to compile selected data from these reports and an additional two hours to post the results on the website (GS 14/10 at \$81.26, including benefits) to post the report on our website (Class I Freight Railroads, Selected Earnings Data), resulting in a total cost of \$586.

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

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. 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