

**Responses to OMB Comments Regarding
3072-0064 – Carrier Automated Tariff Systems – 46 CFR Part 520**

- **Changes in respondents/instances.** Why did FMC adjust the number of annual instances of tariff publications by over 4M (to 250)? Why did FMC adjust its estimate of annual respondents by about 3,000? Although FMC states these numbers now represent the “actual” number of respondents and instances, we recommend providing more information on why previous estimates were so much higher.

The number of annual instances was changed from 4,852 to 250 to reflect the number of new Form FMC-1 filed by carriers in a fiscal year period. The number of annual respondents was changed to 1,300 to reflect the 250 new filers and 1,050 filers who amended the Form during the fiscal year period. The Form FMC-1 is not required to be updated on an annual basis; therefore to list the entire universe of carriers (VOCC and NVOCC) of approximately 4,900 would overstate the number of respondents.

- **Definition of “Total Respondent Universe.”** Q12 states 1,300 respondents is the total respondent universe, yet Footnote 1 states FMC no longer uses the total respondent universe. We recommend FMC clarify the definition of the total respondent universe.

Whereas the total universe of common carriers (VOCC & NVOCC) is approximately 4,900 carriers, the respondent universe differs significantly as this is not an annual requirement. Form FMC-1 is required to be filed prior to the commencement of common carriage service, which accounts for approximately 250 new carriers. Additionally any corrections or revisions to the Form FMC-1 for organization name, organization number, home office address, name and telephone number of the firm’s representative, the location of its tariffs and the publisher, if any, used to maintain its tariffs, are required to be updated by amending the FMC-1. Approximately 1,050 of the 4,900 carriers amended their Form FMC-1 during the fiscal year. The annual respondents consist of the combination of new entrants (250) and amended filings (1,050), for a total of 1,300.

- **Definition of an instance of tariff publication:** What are the 250 instances of “publish tariff & keep open for public inspection”? We recommend FMC clarify whether these are the number of inspections conducted by the public.

A tariff publication occurs prior to the commencement of common carriage service by a Vessel-Operating Common Carrier (VOCC) or Non-Vessel Operating Common Carrier (NVOCC) pursuant to a published tariff. The common carrier is required to submit a Form FMC-1 indicating where the link is to their published tariff(s) governing rules and rates.

- **Number of new respondents.** What is the number of new respondents per year? Does FMC estimate 700 new respondents, 350 of which are subject to start-up costs. If so, we recommend FMC explain the impact of these new respondents on the actual number of respondents over the course of this collection.

Of the 1300 respondents per year, we estimate 250 are new respondents. The 250 new respondents would be subject to start-up costs. The remaining 1,050 filers of the 1,300 are changing their business operation/information and therefore it is more of an administrative function to file a new Form FMC-1.

- **Inclusion of special permission applications.** How does the filing of special permission applications affect burden hours?

The filing of a Special Permission application can be quite simple requiring a minimal amount of effort or could require several days to compile with supporting evidence. It is rather difficult to estimate as each one is unique.

- **Changes in average hours per response.** Q15 states FMC revised its average hours per response. However, after examining the prior supporting statement, I could not discern the revision. We recommend FMC detail this change.

In its revised Supporting Statement, the FMC has revised the average hours per response for the requirement “Maintain data in tariff publication systems” and “Provide reasonable access to FMC.” This hourly burden was greatly overestimated in past submissions. The rationale behind FMC’s new estimate is detailed in the revised supporting statement.

- **Estimate of cost to industry.** Although we appreciate the narrative description for Q13, we did not understand the rationale or basis for the revision to industry cost. Might FMC consider rephrasing its response to this question to make it more accessible to the non-expert reader?

FMC would like to amend the narrative in Q13 as follows:

The total annual cost burden to respondents or recordkeepers resulting from this collection of information is estimated to be \$327,215, a decrease of \$574,385 from the current OMB inventory of \$901,600, as explained below.

¹Since the enactment of OSRA, many carriers have consolidated operations, and some have streamlined the number of tariffs published. The respondent universe is based on the actual number of respondents during FY 2010.

Of the previously estimated costs of \$901,600, \$359,800 was estimated as start-up costs, and \$541,800 was estimated as operation and maintenance (O&M). Per respondent, we derived \$514 start-up costs (700 new respondents) and \$129 O&M (4,200 respondents overall).

For current costs, we added 10% to reflect general increases in costs. Therefore, current start-up costs per respondent would be \$565 (\$514 + \$51), and O&M costs would be \$142 (\$129 + \$13).

Of the 1,300 respondents per year, we estimate 250 are new respondents. The 250 new respondents would be subject to start-up costs. The remaining 1,050 filers of the 1,300 are changing their business operation/information and, therefore, it is more of an administrative function to file an updated Form FMC-1. \$565 start-up costs were multiplied by 250 new respondents to arrive at \$141,250; \$142 O&M costs were multiplied by 1,300 total respondents to arrive at \$184,600.

When you add the start-up costs (\$141,250) to the O&M costs (\$184,600), you arrive at a total cost burden of \$325,850.

The difference in cost estimates for start-up/O&M costs from FMC's 2008 submission to its 2011 submission is substantial since only 250, as opposed to 700, new respondents are subject to start-up costs - usually the lion's share of IT costs. All 1,300 respondents are subject to O&M costs.

In addition to the start-up/O&M costs associated with this information collection, respondents incurred costs for required filing fees in FY 2010 of \$1,365 (7 filings of special permission applications at \$195 each). When these filing fees are added to the start-up/O&M costs, the result is an estimated total cost burden of \$327,215 per annum under the collection. (These filing fees were not reflected in past filings; recent OMB guidance requires that they be accounted for.)

Note: FMC's previous submission incorrectly showed 350 new respondents rather than 250. Accordingly, the total cost burden is less than shown in our original submission. In addition to amending its supporting statement, as above, FMC would like to amend the amount shown in the ROCIS system for annual cost burden (\$) to reflect this modification.

- **Industry Cost Allocation.** Has the percentage of burden allocated to pricing managers versus tariff publishers changed with advancements in technology or adjustments in industry?

No, we do not believe it has changed.