

SUPPORTING STATEMENT

A Guide to Reporting Highway Statistics (Guide)

INTRODUCTION: This request is for the Office of Management and Budget (OMB) clearance for *A Guide to Reporting Highway Statistics (Guide)* information collection, OMB No. 2125-0032. This information collection is due to expire on March 31, 2012. The *Guide* describes policies and procedures for assembling statistical information from the existing files of State agencies on motor-vehicle registration and fees, motor-fuel use and taxation, driver licensing, highway taxation and finance, and other related subjects, and the reporting of these data to the Federal Highway Administration (FHWA).

A. Justification

1. Circumstances that make the collection of information necessary.

The information collected in accordance with the *Guide* is authorized under 23 U.S.C. 315 which places the responsibility on the Secretary of Transportation for management decisions which affect transportation. In addition, 23 CFR 1.5 provides the FHWA with authority to request such information deemed necessary to administer the Federal-aid highway program. Congress mandates estimates of future highway needs of the Nation on a biennial basis (23 U.S.C 502(g). Data are used for apportioning Federal-aid highway funds under The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, enacted August 10, 2005. This is the principal Federal legislation currently authorizing Federal highway programs for fiscal year 2005-2009. Data are used for relating highway system performance to investment under FHWA's strategic planning and performance reporting process in accordance with requirements of the Government Performance and Results Act (GPRA, Sections 3 and 4). In addition, 23 CFR 420.105(b) requires States to provide data that support FHWA's responsibilities to the Congress and the public.

The data are also collected to support the Departmental strategic goals for Mobility, Productivity, and Safety as well as the FHWA's Vital Few (Safety, Environmental Stewardship and Streamlining, and Congestion Mitigation). The data is used by FHWA to assess the policies and programs to ensure performance of the Nation's highway transportation system as well as identify future highway system investment needs. Among other things, the data is used as a basis for Federal policies and programs to support overall highway system performance. The resulting policies and programs facilitate the mobility, and safety of the highway users while enhancing the productivity opportunities on the part of providers of goods and services and consumers.

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

Data collected under *Guide* instructions are extensively used by various agencies of the Federal, State, and local governments, including offices from within the Department of Transportation, Department of Defense, State governors and legislators; Congress; institutions of higher learning, industry, consultants, professional organizations, and the general public for a host of

purposes. The data collected in accordance with the *Guide* is fundamental to the program and policy needs of the FHWA. It is extensively used as the primary data source for a wide range of program development and policy analysis, such as:

- To assess highway system performance under FHWA's strategic planning and performance reporting process developed in accordance with requirements of the GPRA;
- To develop and evaluate Federal legislation;
- To apportion Federal-aid highway funds;
- To evaluate the effectiveness of the Federal-aid highway program, providing the motor-fuel-related components of apportionment formulae;
- To develop and implement legislation;
- To adequately plan, finance, and administer effective, safe, and efficient transportation systems by State and Federal transportation officials.

The data collected under the *Guide* comprise the continuing source of data used to support Federal transportation programs, legislatively required studies, special studies, operational functions and decision-making. Some activities that rely on *Guide* data include:

- The legislatively mandated biennial report to Congress, *Status of the Nation's Surface Transportation System: Condition and Performance* and related legislative development;
- Federal statutory requirements for apportionments and allocations;
- FHWA publications including *Highway Statistics* and *Our Nation's Highways*;
- Various Federal, State, and independent studies and analyses.

The highway finance data collected under *Guide* instructions are essential to FHWA and Congress in evaluating the effectiveness of Federal-aid highway programs by providing highway-related financial data at all levels of government. This information is used by FHWA in the development and implementation of legislation and in the resolution of inquiries, including those of Congress.

Motor-vehicle registration and driver license data are used by FHWA in a wide variety of planning activities. They provide an understanding of the numbers and types of vehicles, which our highway system and highway programs must serve. Using registration and license data, numerous reports are prepared in response to requests from within the FHWA, National Highway Traffic Safety Administration (NHTSA) and Bureau of Transportation Statistics (BTS). The vehicle registration data and the driver license data serve a wide range of analytical and study purposes. For example, these data are used in safety analyses to calculate "exposure" rates. Additionally, the vehicle registration data when related to travel data serves several critical purposes. The vehicle-miles of travel data, which represent annual travel on the Nation's highways, serve as the basis for FHWA estimation of annual travel (use) by truck type and for highway allocation among the various vehicle classes. Travel by all vehicles and heavy truck travel is used in the development of accident statistics. Estimates of travel by vehicle type and vehicular weight are also the basis for the estimation of pavement loadings (equivalent axle loadings) and are the fundamental input to pavement design, pavement management and administration of vehicular weight enforcement laws.

One important use of the highway finance data is for the preparation of the legislatively mandated biennial report to Congress, *Status of the Nation's Surface Transportation System: Condition and Performance*. This report to Congress from the DOT Secretary includes information on highway performance, condition, and needs. Data collected under the *Guide* are used in developing the finance portion of this report, which includes a detailed analysis of highway revenue and disbursement trends by jurisdiction, an examination of the effects of inflation on the highway dollar, trends in road-user versus nonuser revenue by jurisdiction, and a graphic description of intergovernmental transfers of highway revenue. This information is also used extensively to project State and local investment in future highway development.

Another critical use of the data collected through the *Guide* is its expanded use as an apportionment factor in the distribution of Federal-aid funds to the States under The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, enacted August 10, 2005. Motor-fuel data are used to determine the apportionment of about \$18.0 billion of Federal-aid funds annually. Under SAFETEA-LU, a portion of the National Highway System funds is apportioned on each State's share of highway use of diesel fuel. SAFETEA-LU provides for the apportionment of part of Surface Transportation Program funds on the basis of Federal Highway Trust Fund (HTF) revenues attributed to the highway users in each State. This attribution is based on each State's share of motor-fuel. SAFETEA-LU also provides for the apportionment of Interstate Maintenance funds based on commercial vehicle contributions to the Highway Account of the Highway Trust Fund. The Equity Bonus Program uses Highway Trust Fund (HTF) revenues to the States as the apportionment factor. This apportionment is based on each State's share of motor-fuel. Finally, portions of Motor Carrier Safety grants rely on diesel fuel as a distribution factor.

The fuel consumption data collected under the *Guide* are widely considered to be the most complete and accurate information on gasoline consumption and usage available from any source. FHWA, the Department of Energy (DOE), and other Federal agencies use these data extensively to monitor the demand for petroleum products and the sector distribution of that demand. Fuel use is of interest not only in terms of gallons consumed, but also in terms of the revenues generated by the taxes on the fuel. The taxes on motor fuel at both the Federal and State levels are a primary source of highway funds. Currently, Federal and State highway-user taxes fund about 50 percent of the highway program. Motor-fuel taxes account for more than half of the highway user taxes. Fuel consumption is also used as an indicator of the amount of highway travel.

3. Extent of automated information collection.

FHWA has developed and implemented a FUELS and FASH (Financial Analysis System—Highways), a motor fuels and highway finance data processing system. This new system allows the State Departments of Transportation to process and report motor fuel and highway finance data to an internal FHWA database with automatic validation and checking procedures. These tools have significantly reduced errors, redundancy, and streamlined State data reporting. Much of the information collected under *Guide* instructions consists of year-end summaries drawn from automated records of various State agencies.

Provisions have been made to allow transmittal to the FHWA of many forms required in the *Guide* via more secure environment called the User Profile and Access Control System (UPACS). Each State data provider uses the web-enabled system with a unique UPACS identification number and password. The creation of user identifications and passwords follow common UPACS rules and protocols. These procedures have been implemented by all States, and ensure data security. As part of an overall data quality effort, modern software technology will continue to be introduced to replace obsolete data collection methods as funding permits.

4. Describe efforts to identify duplication.

Continuous coordination with other Federal, State, and industry data collectors has ensured that needless duplication does not occur. As noted above, the FUELS and FASH software application was designed to reduce internal data duplication.

5. Efforts to minimize the burden on small businesses.

This information collection does not impose a burden on small businesses. All respondents are State or local government agencies.

6. Impact of less frequent collection of information.

It is essential that the *Guide* data continue to be collected on an annual basis rather than less frequently. The annual collection of data is required to facilitate the FHWA's continuous addressing of highway program issues. Without the annual reports included in this *Guide*, FHWA would be unable to adequately monitor and evaluate the implementation of the SAFETEA-LU legislation, or to analyze the likely effects of changes in the program for future legislative cycles. Many of the variables affecting the success of the program are determined at the State level. Highway conditions, travel, and many other highway use and performance indicators and statistics are constantly changing. The area of State highway finance is especially volatile as many States seek to address transportation needs and experiment with innovative means of financing their highway programs. Trends in State and local highway finance are critical since they determine the availability of matching funds for Federal dollars and the priorities (within the limits of the Federal program) for highway expenditures.

Only the motor fuel volume data is collected on a monthly basis. This is necessary for several reasons:

- Quick turnaround times for this data are essential for up-to-date analysis of changes in the economy. It is very useful for noting turning points in the business cycle or in times of fuel shortages. Form FHWA-551M was developed to include the information needed by the Departments of Energy and Transportation to respond to such situations. Experience with previous fuel shortages proved that a workable reporting system must be in place before the data are needed in order to be helpful.
- Improves FHWA's ability to develop short term forecasts of revenue into the Highway Trust Fund (HTF).
- Provides FHWA with the ability to double-check Department of Treasury reporting of funds placed in the HTF.

- Provides FHWA with the ability to double-check reporting of State revenue derived from the State-level fuel taxes.

Consequently, it is imperative that we continually monitor changes in all these data areas to determine the effectiveness of Federal-aid highway programs.

7. Special circumstances.

There are no special circumstances related to this information collection.

8. Compliance with 5 CFR 1320.8.

The FHWA published a 60-day Federal Register Notice on October 11, 2011 (Volume 76, No: 196, page 62893). One response to the Notice was received (Docket # FHWA – 2011-0111) as follows:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Federal Highway Administration (FHWA) in *A Guide to Reporting Highway Statistics*. The data collected on the forms included in the guide are crucial to key components of BEA's economic statistics.

BEA uses information from the FHWA's highway statistics program to prepare the regional economic accounts, the annual input-output accounts, and the benchmark input-output accounts. A list of the items used and a description of their use is attached.

Please keep BEA informed about any modifications to these forms. We are particularly interested in any modifications proposed during the forms' approval process that would substantially affect our use of these data. For additional information, please contact Ruth Bramblett, Source Data Coordinator, on (202) 606-9653 or by e-mail at Ruth.Bramblett@bea.gov. Should you need assistance in justifying these forms to the Office of Management and Budget, please do not hesitate to contact BEA.

ATTACHMENT

Items Used by BEA From: *A Guide to Reporting Highway Statistics*

Forms/Items Used	Description of BEA's Use
FHWA-539 Toll Facility Income and Expenditures	Expenses and receipts from Tables SF-3B, SF-4B, LGF 3B, and LGF-4B to estimate state and local government revenue and expenses, as well as gross output for state and local government enterprises in the benchmark input-output accounts.
FHWA-561 State Motor Vehicle Registrations, Registration Fees, and Miscellaneous Receipts	To aid in the estimation of selected states' motor vehicle taxes data received from Census.
FHWA-562 State Driver Licenses and Fees	To aid in the estimation of selected states' motor vehicle taxes data received from Census.
Provided by the U.S. Department of Treasury	Receipts from Table FE-9 to estimate federal excise taxes by state to be included in gross state product.

In response, FHWA notes and acknowledges the general affirmative nature of the above comments.

9. Payment or gifts to respondents.

Provision of funds to the States to assist in the collection of the data comes under a federal highway program called State Planning and Research (SPR) Funds. Data collection activities are one of many eligible items under this program. States may or may not use the funds for these purposes. There are no gifts to the State and local government respondents.

10. Assurance of confidentiality.

The information to be collected is not confidential in nature; there is no need for an assurance of

confidentiality.

11. Justification for collection of sensitive information.

The information collected is not sensitive in nature.

12. Estimate of burden hours for information requested

Respondent	No. of Respondents	Frequency of Responses	Hourly Burden Per Response	Total Annual Hour Burden
State Agencies, District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Marianas, and the US Virgin Islands	56	Annually	579	32,424
TOTAL	56			32,424

The overall annual burden is estimated to be 32,424 hours. The 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Marianas, and the Virgin Islands share this burden. The estimated hourly salary rate of the State employees who would provide the data is based on an average of \$ 33.06 per hour, as indicated in Table 463 of the 2012 *Statistical Abstract of the United States*. Accordingly, the estimated annual salary costs associated with the burden hours to the 56 responding agencies is \$ 1,071,937.44 (32,424 total annual hours x \$37.73.)

13. Estimate of total annual costs to respondents.

Other than the salary costs indicated in item 12, there are no additional cost burdens to the responding agencies since the *Guide* data are obtained from the normal business records maintained by the State and local governments that are a basic part of their day-to-day business activities.

14. Estimate of annualized cost to the Federal government.

The estimated annual cost to the Federal government for this information collection is \$749,007.36, which is calculated as follows:

Labor Group	# of Hours	Hourly Rate	Cost
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	Each		
Eight (8) FHWA HQ Staff	2,000	\$ 33.06	\$ 528,960.00
Sixty (60) FHWA Field Staff	48	\$ 33.06	\$ 95,212.80
Subtotal			\$ 624,172.80
Overhead @20%			\$ 124,834.56
Total			\$ 749,007.36

15. Explanation of program changes or adjustments.

After the agencies programmatic review we reexamined hour estimate burden hours and adjusted them accordingly. The burden has decreased by 9,757 hours.

16. Publication of results of data collection.

The results of the data collected are published in required reports to Congress; in the *Highway Statistics*; and posted on the Internet. The data is assembled and/or collected by the States to reflect previous year's data. The data received is processed by FHWA between January 1 and September 1 of each year, with final data tables, charts, and graphs being readied for publication by October 1. The publication is generally received from the printer and distributed by December 1. This is a cyclical, annual activity.

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

No such approval is being requested for this information collection.

18. Exceptions to the certification statement.

No exceptions to the certification statement are being requested.

ATTACHMENTS

Guide to Reporting Highway Statistics (HPMS Manual)

23 U.S.C. 315

23 CFR 1.5

23 U.S.C. 502(g)

23 CFR 420.105(b)

Table 463 of the 2012 Statistical Abstract of the United States.