

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

SUPPORTING STATEMENT

Annual Report of Class I Motor Carriers of Passengers (formerly Annual and Quarterly Report of Class I Motor Carriers of Passengers (formerly OMB Control Number 2139-0003))

Introduction: The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget (OMB) its request to revise a currently-approved information collection request (ICR) titled, “Annual and Quarterly Report of Class I Motor Carriers of Passengers,” covered by OMB Control Number 2126-0031. This ICR is due to expire on September 30, 2012. This request to revise the ICR is based upon new FMCSA program requirements contained in a direct final rule entitled, “Rescission of Quarterly Financial Reporting Requirements,” (77 FR 38211) dated June 27, 2012 (Attachment A). The direct final rule would eliminate the quarterly financial reporting requirements for certain for-hire motor carriers of passengers. In addition, the name on the Form MP-1 contained in this ICR would change from an annual and quarterly report to just an annual report.

Part A. Justification

1. Circumstances that Make the Collection of Information Necessary

Section 103 of the Interstate Commerce Commission Termination Act of 1995 (ICCTA), Public Law 104-88, 109 Statute 803 (December 29, 1995) (See Attachment B), now codified at 49 United States Code (U.S.C.) § 14123 (See Attachment C), transferred responsibility for collecting the financial and operating statistics (F&OS) data to the Secretary of Transportation (Secretary). The ICCTA requires the Secretary to collect annual financial reports from Class I and Class II motor carriers of passengers. However, the Secretary has exercised his authority under 49 U.S.C. 14123 to only require Class I motor carriers of passengers to file annual report to ensure that they are in compliance with the F&OS program requirements (See 49 CFR 369.4).

The ICCTA further allows the Secretary to collect quarterly, periodic or special reports concerning motor carrier operations from motor carriers, freight forwarders, brokers, leasers and associations. The Secretary transferred the authority to administer the F&OS program to the Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192 at Attachment D). Pursuant to this authority, the BTS, now part of the Research and Innovative Technology Administration (RITA), became the responsible DOT modal administration for implementing the F&OS program and requirements set forth in 49 CFR 1420 (See Attachment E). The Secretary later transferred this program to the Federal Motor Carrier Safety Administration (FMCSA) on September 29, 2004 (69 FR 51009) (see Attachment F). On August 10, 2006, DOT published a final rule (71 FR 45740) (see Attachment G) that transferred and redesignated certain motor carrier financial and statistical reporting regulations of BTS, that were formerly located at

chapter XI, title 49 CFR part 1420, to FMCSA under chapter III of title 49 CFR part 369 (Attachment H).

This IC supports the Department of Transportation's strategic goal of safety.

2. How, by Whom, and for What purpose is the Information Used

The Form MP-1 annual report will be used to collect financial, operating, equipment and employment data from individual motor carriers of passengers. All Class I for-hire motor carriers of passengers with gross annual operating revenues of \$5 million or more are to file annual and quarterly reports.

The data will be available to users in various forms, e.g., tables, graphs, photocopies, raw data. The data are used by the USDOT, trucking associations, insurance companies, consultants, law firms, academia, trade publications and others to assess industry growth and its impact on the economy, to identify industry changes that may affect national transportation, and to monitor company financial stability. No other Federal agency collects the information requested by this report. Other Federal agencies and industry groups, including the American Bus Association and the National Bus Traffic Association, Inc., depend on these forms for information regarding the operations of the bus industry. The data also help public and private entities review the financial status of Class I Motor Carriers of Passengers to evaluate any aggregate relationship between financial conditions and safety performance. The Bureau of Economic Analysis (BEA), U.S. Department of Commerce uses the data to inform the national annual input-output and GDP estimates. BEA uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers of passengers collected by the Bureau of the Census.

3. Extent of Automated Information Collection

Information relative to collection of the data and the necessary forms are available on FMCSA's website, http://www.fmcsa.dot.gov/forms/reporting/mcs_info.htm#fos. The forms can be printed and mailed to FMCSA. Electronic submission of Form MP-1 is not available.

4. Efforts to identify Duplication

These data are not available from any other source.

5. Efforts to Minimize the Burden on Small Business

Data are collected only from the largest carriers. Before the program was transferred, the ICC raised the classification level for Class I motor carriers of passengers from \$3 million in annual operating revenue to \$5 million. In addition, the classification process adjusts revenues to account for the impact of inflation. Each carrier's annual operating

revenues will be deflated using the Producer Price Index for Finished Goods. The impact of these changes is to reduce the number of carriers subject to the reporting requirements. Six passenger carriers out of approximately 5,500 for-hire passenger carriers are required to submit this form.

6. Impact of Less Frequent Collection Information

Less frequent data collection would erode DOT's ability to monitor the condition of the intercity passenger bus industry and conduct special studies. The timeliness and frequency of data collection are critical in evaluating trends and monitoring individual carrier operations. The filing frequencies were chosen after careful analysis that balanced the degree of carrier burden imposed against DOT's oversight responsibilities for the intercity passenger bus industry.

7. Special Circumstances

There are no special circumstances that could require the collection to be conducted inconsistent with the guidelines set by OMB.

8. Compliance with 5 CFR 1320.8

On April 20, 2012 (77 FR 23793) (See Attachment I), FMCSA published a notice in the Federal Register requesting public comments on its proposal to extend this ICR. FMCSA received no comments that specifically addressed the cost and burden of this ICR.

9. Payments or Gifts to Respondents

There are no payments or gifts to respondents.

10. Assurance of Confidentiality

Currently all data are made available at the respondent level. Motor carriers may request the agency to keep their reports confidential. The agency's decision to grant the request is based on whether the motor carriers meet the criteria established within the FMCSA regulation 49 CFR 369.9 entitled, "Request for exemptions from public release."

11. Justification for Collection of Sensitive Information

The forms do not include any questions of a sensitive nature.

12. Estimate of Burden Hours for Information Requested

Class I motor carriers of passengers are required to file Form MP-1. Class I carriers are those with more than \$5 million in operating revenue. Revenue is adjusted to account for inflation since the \$5 million threshold was implemented in 1994. Currently, 2 carriers are required to submit one report annually. The data for completing reports are available from carrier records. It is estimated that it would take each respondent 18 minutes to complete the annual report. The table below calculates the burden hours associated with this collection.

Form/Title	Number of Respondents Per Year	Number of Annual Responses Per Year	Frequency of Responses	Estimated Time per Response	Total Annual Burden Hours
MP-1/ Class I Motor Carriers of Passengers (Annual & Quarterly Report)	2	2 (1 Annual per respondent)	Annual	18 minutes	0.6 hours (36 minutes)

Estimated Annual Number of Respondents: 2

Estimated Total Annual Number of Responses: 2 responses (2 carrier respondents x 1 report = 2)].

Estimated Total Annual Burden Hours: 1 hour (0.6 hour rounded to 1 hour) [2responses x 18 minutes per response/60 = 0.6].

FMCSA expects completion and submission of Form MP-1 to be performed by a business and financial operations expert designated by the business entity. The median salary of a business and financial operations expert in the interurban and rural transportation industry is \$26.41 per hour (BLS, May 2010).¹ Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 50.0 percent of the employee wage.² Second, employee wage and benefits are increased by 27

¹ Bureau of Labor Statistics, "Occupational Employment Survey". May 2010. http://www.bls.gov/oes/current/naics4_485200.htm (accessed December 15, 2011). North American Industry Classification System (NAICS) 485200, Interurban and Rural Bus Transportation, Standard Occupational Classification (SOC) 13-2000, Business and Financial Operations Occupations.

²

FMCSA estimates this 50% employee benefit rate by using the private industry average wage (\$16.03 per hour) and benefit information (\$8.01 per hour) for production, transportation, and moving material

percent to include relevant firm overhead.³ Applying the estimated 50.0 percent factor for employee benefits and 27 percent for overhead results in \$50.31 in hourly compensation for the business and financial operations expert ($\$50.31 = \$26.41 \times (1 + 0.50) \times (1 + 0.27)$). The total annual salary cost burden associated with the filings is \$30 ($\$50.31 \times 0.6 \text{ hours} = \30.19), rounded to the nearest dollar).

13. Estimate of Total Annual Cost to Respondents

Approximately 2 MP-1 forms filed annually are expected to be mailed to FMCSA. FMCSA estimates a flat cost of \$1.00 for an envelope and postage. The total cost of envelopes and postage for motor carriers mailing Form MP-1 to the FMCSA would be \$2 (\$1.00 for each of the 2 forms).

Estimated Annual Cost to Respondents: \$2

14. The Estimated Total Annual Cost to the Federal Government

The estimated total annual cost to the Federal Government is \$22 for Form MP-1. This figure includes salary cost based on hours, overhead, printing and payment to contractors.

Estimate of Annual Cost to Federal Government: \$22.00.

15. Explanation of Program Changes or Adjustments

The program adjustment to the annual burden estimates for this ICR is due to the number of respondents decreasing from 6 to 2 and rescission of the quarterly report requirement by direct final rule. At the time of the last information collection request for this program, 6 carriers were required to submit both quarterly and annual reports. The number of reporting entities has since fallen from six to two, and the Agency has rescinded the requirement to submit quarterly reports. As a result of fewer reporting entities and the rescinding of the requirement to submit quarterly reports, the burden associated with this information collection request has been reduced.

FMCSA estimated in the past information collection request for this program that each carrier would spend 1.5 hours completing 5 reports - 4 quarterly reports and 1 annual report, each year (18 minutes per report x 5 reports / 60 minutes per hour = 1.5 hours). Since there were 6 carriers required to report, that amounted to 9 total burden hours ($6 \times 1.5 = 9$). Since the form has not changed, we assume the same length of time to complete each report. However, as noted above, the quarterly report requirement has been rescinded by the Agency by direct final rule. As a result, instead of requiring carriers to

workers. Benefits thus amount to 50.0 percent of wages ($0.500 = \$8.01 / \16.03). From "Employer Costs for Employee Compensation—September 2010". Accessed on 23-August-2011 at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

³ Berwick, Farooq. "Truck Costing Model for Transportation Managers". Upper Great Plains Transportation Institute, North Dakota State University (2003) accessed on 23-August-2011 at <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf>.

file 5 reports per year (4 quarterly + 1 annual report = 5 reports), reporting carriers are now only required to file one report per year. As a result of eliminating the requirement to file quarterly reports and the reduction in the number of reporting entities, the total burden associated with this program has fallen from 9 hours per year to 1 hour (0.6 hours rounded to 1 hour) per year. In addition, wages used to assess the cost of employee time devoted to entering data in Form MP-1 have been updated from \$25.67 to \$26.41 per hour.

16. Publication of Results of Data Collection

FMCSA is required by Federal law to make the data collection information publicly available. There are no plans at this time for the agency to publish analytical reports.

17. Approval for not Displaying the Expiration Data of OMB Approval

The FMCSA is not seeking approval to not display the expiration date of the OMB approval number on the Form MP-1.

18. Exceptions to Certification Statement

No exceptions.

Attachments

- A. Direct Final Rule entitled, “Rescission of Quarterly Financial Reporting Requirements,” (77 FR XXXXX), dated June, XX, 2012.
- B. Section 103 of the Interstate Commerce Commission Termination Act of 1995 (ICCTA) Public Law 104-88, 109 Statute 803 (Dec. 29, 1995).
- C. 49 U.S.C. § 14123.
- D. DOT Secretary’s transfer of the authority to administer the F&OS program to the Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192).
- E. 49 CFR 1420
- F. DOT Secretary’s transfer of the responsibility for the F&OS program from BTS to FMCSA on September 29, 2004 (69 FR 51009).
- G. Motor Carrier Transportation; Redesignation of Regulations from the Research and Innovative Technology Administration, Final Rule (71 FR 45740), August 10, 2006.
- H. Title 49 CFR part 369.
- I. Federal Register notices requesting 60-day public comment period (77 FR 23793), March 20, 2012.