

SUPPORTING STATEMENT - FORM QCS
(as revised in in proposed rule EP 431 (Sub-No. 4))

A. Justification:

1. (a) 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.

(b) Why the proposed revisions are necessary. In a Notice of Proposed Rulemaking (Ex Parte No. 431 (Sub-No. 4), the Board proposes to modify this collection to require railroads to provide additional data regarding the number of shipments. This modification will provide the Board with information relevant to proposed changes in the way that URCS calculates "switch engine minute" costs and station clerical costs. This change will better account for economies of scale obtained in higher-volume shipments and thus render more accurate unit costs.

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. 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.

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. As part of its proposed rule, the Board has published a notice providing a 45-day comment period regarding the proposed modification. An additional 30 days are provided for replies to comments. The Notice of Proposed Rulemaking is published at 78 Fed. Reg. 7718 (Feb. 4, 2013).

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 reports.

(3) Annual hour burden per respondent and total for all respondents: 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 respondents was, therefore, estimated at 7,595 hours. The Board estimates that the proposed modification will require a one-time addition of 7.5 start-up hours per railroad to this total. Annualized over the three-year approval period, the total number of estimated hours would then be 7,613.

13. Other costs to respondents: There are no non-hour start up costs associated with the proposed modification to this collection. 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. The Board is requesting an additional 18 annual burden hours as a result of one-time start-up costs associated with the modifications to the form required in the proposed rule.

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