

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

SUPPORTING STATEMENT

**Annual Report of Class I and Class II Motor Carriers of Property
(Formerly OMB Control No. 2139-0004)**

Introduction: The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget its request to revise a currently-approved information collection request (ICR) titled, “Annual Report of Class I and Class II Motor Carriers of Property,” (Including Household Goods and Dual Property Motor Carriers), covered by OMB Control Number 2126-0032. This ICR is due to expire on September 30, 2012. FMCSA also requests approval of a minor modification of its estimate of the total burden hours for this ICR due to changes in the number of annual responses.

Part A. Justification.

1. Circumstances That Make the Collection of Information Necessary

Section 103 of the ICC Termination Act of 1995 (ICCTA), Pub. L. 104-88, 109 Stat. 803, 852 (Dec. 29, 1995) (See Attachment A), now codified at 49 U.S.C. § 14123 (See Attachment B), transferred to the Secretary of Transportation (Secretary) the responsibility to require Class I and Class II motor carriers to file annual financial and safety reports that include balance sheets and income statements. Under section 14123, the Secretary may also require motor carriers, freight forwarders, brokers, lessors, and associations, or classes of them, to file quarterly, periodic, or special reports with the Secretary and respond to surveys concerning their operations.

Initially, the Secretary transferred this reporting authority to administer the Financial and Operating Statistics (F&OS) program to the former Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192) (See Attachment C). 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 title 49 CFR part 1420 (See Attachment D). On September 29, 2004, the Secretary transferred the responsibility for the F&OS program from BTS to FMCSA (69 FR 51009) (See Attachment E). On August 10, 2006, DOT published a final rule (71 FR 45740) (See Attachment F) that transferred and redesignated certain motor carrier financial and statistical reporting regulations of BTS, that were formerly located in chapter XI of title 49 CFR part 1420, to FMCSA under chapter III of title 49 CFR, and established a new part 369 (Attachment G) to accommodate the redesignated regulations.

Under the F&OS program, FMCSA collects balance sheet and income statement data, along with information on safety needs, tonnage, mileage, employees, transportation

equipment and other related data. FMCSA may also ask carriers to respond to surveys concerning their operations. The data and information collected will be made publicly available and used by FMCSA to determine a motor carrier's compliance with the F&OS program requirements prescribed at Chapter III of 49 CFR part 369.1(a).

FMCSA is requesting OMB's approval to renew this information collection for motor carriers reporting their annual financial and operating data.

This ICR supports the Department of Transportation's strategic goal of safety by collecting information for reviewing the financial status of Class I and Class II motor carriers and the evaluation of any aggregate relationship between their financial conditions and safety performance.

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

The annual report (Form M) will be used to collect financial, operating, equipment and employment data from individual motor carriers of property and household goods. All for-hire (common and contract) motor carriers of property with gross annual operating revenue of \$3 million or more must file the annual report Form M.

FMCSA makes the data 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 track the performance of the trucking industry and subgroups within it. The information is valuable in analyzing various aspects of the motor carrier industry, such as productivity and its role in the economy. The data is also used by public and private entities to review of the financial status of Class I and Class II motor carriers to evaluate any aggregate relationship between financial conditions and safety performance.

The Bureau of Economic Analysis (BEA) uses the data to help develop the national annual input-output accounts and GDP estimates. The BEA uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers collected by the Bureau of the Census.¹ Other users include the International Brotherhood of Teamsters, shippers, investment and industry analysts, and data vendors. The FMCSA has worked closely with BEA and others in designing the data collection instruments to ensure they meet the needs of the Federal, public and private entities noted above.

3. Extent of Automated Information Collection

Information relevant 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

¹ The United States Census Bureau (officially the "Bureau of the Census," as defined in title 13 U.S.C. § 11), is the government agency that is responsible for the United States Census. It also gathers other national demographic and economic data. The Bureau of the Census is part of the United States Department of Commerce.

forms can be printed and mailed to FMCSA. Electronic submission of Form M is not available.

4. Efforts to Identify Duplication

The Bureau of the Census, through its Services Annual Survey, provides similar statistical data for the transportation industry. However, the Census Bureau does not collect the same information as FMCSA. The Bureau is prohibited under law from providing data about individual carriers available to the public. Further, some Federal agencies, such as Department of Defense (DoD) and General Services Administration (GSA), and private entities have requested continued public access to carrier-level data that would enable monitoring financial and operating measures of particular carriers.

5. Efforts to Minimize the Burden on Small Businesses

For motor carriers of property, the Small Business Administration (SBA) defines small trucking businesses as those with annual revenues or receipts up to \$23.5 million. Approximately 299 companies that file Form M would be considered small businesses under SBA guidelines. The Agency estimates that about 155,000 for-hire property carriers operate in the United States and that over 100,000 of them would be considered small businesses. The 299 small businesses that file Form M represent a minor fraction of this total.

Form M was reduced to eight pages in 1999, which reduced burden hours for all carriers.

FMCSA plans to initiate a regulatory proceeding in the near future that will result in the elimination of two quarterly reporting requirements that are currently reported to OMB under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520). These forms include: (1) Form QFR Quarterly for property carriers, authorized by OMB under information collection 2126-0033; and (2) the Class I passenger carrier financial quarterly survey (MP-1 Quarterly), authorized by OMB under information collection 2126-0031. The FMCSA does not have the statutory authority to eliminate the annual reporting requirements for property or passengers carriers. FMCSA will be publishing a direct final rule that will include additional information, including the reduced paperwork burden, resulting from this future action.

6. Impact of Less Frequent Collection of Information

As referenced in number 4 above, the FMCSA is aware of many users, including: The Bureau of Economic Analysis, the DOD Military Traffic Management Command and the General Services Administration. Specifically, BEA uses ton and ton-mile information estimating the Producer Price Index for transportation and uses carrier revenue and expense information to estimate trucking industry profits. While the annual survey provides useful information, FMCSA plans to eliminate the two quarterly reports under information collection request, 2126-0031 and 0033. For more information, see the notice dated xx xxxx in the Federal Register (77 FR xxxxx).

7. **Special Circumstances**

There are no special circumstances.

8. **Compliance with 4 CFR 1320.8**

On April 20, 2012 (77 FR 23792) (See Attachment H), FMCSA published a notice in the Federal Register with a 60-day public comment period to announce this proposed information collection request. FMCSA received one comments to the above notice from the National Motor Freight Traffic Association, Inc., (NMFTA) in support of continuing this ICR. FMCSA concurs with this comment (see Attachment I). FMCSA reply to comment received is provided at Attachment J.

The FMCSA published a second notice on August 28, 2012 (77 FR 52109) (See Attachment K), with a 30-day comment period that announced this information collection was being submitted to OMB for approval.

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. Our regulations at 49 CFR Part 369 allow a motor carrier to request an exemption from filing (369.8) or public release (369.9). The decision to grant the exemptions is based on the criteria established within those regulations.

11. **Justification for Collection of Sensitive Information**

There are no questions of a sensitive nature.

12. **Estimate of Burden Hours for Information Requested**

Class I and Class II motor carriers of property are required to file Form M. Class I carriers are those with more than \$10 million in operating revenue, and Class II motor carriers are those with \$3 million to \$10 million in operating revenue. Revenue is adjusted to account for inflation since the \$10 million and \$3 million thresholds were implemented in 1994. Currently, 197 carriers submit this report. The data for completing reports are available from carrier records. FMCSA estimates that each carrier will spend an average of 9 hours completing Form M, resulting in a total of 1,773 burden hours per year for all carriers.

Title	Number of Respondents	Frequency of Responses	Estimated Time per Response	Total Annual Burden Hours
Class I and II Motor Carriers (Annual)	197	Annual	9 hours	1,773

Estimated Number of Annual Respondents: 197 Class I and Class II motor carriers.

Estimated Number of Annual Responses: 197.

Estimated Total Annual Burden Hours: 1,773 hours [197 respondents x 9 hours per response = 1,773].

FMCSA expects completion and submission of Form M to be performed by an accountant designated by the business entity. The median salary of an accountant in the truck transportation industry is \$25.90 per hour (BLS, May 2010).² Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 50.0 percent of the employee wage.³ Second, employee wage and benefits are increased by 27 percent to include relevant firm overhead.⁴ Applying the estimated 50.0 percent factor for employee benefits and 27 percent for overhead results in \$49.34 in hourly compensation for the accountant ($\$49.34 = \$25.90 \times (1 + 0.50) \times (1 + 0.27)$). The total annual salary cost burden associated with the filings is \$87,480 ($\$49.34 \times 1,773 \text{ hours} = \$87,479.82$, rounded to the nearest dollar).

13. Estimate of Total Annual Cost to Respondents

Approximately 197 M 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

² Bureau of Labor Statistics, "Occupational Employment Survey". May 2010. http://www.bls.gov/oes/current/naics3_484000.htm (accessed December 15, 2011). North American Industry Classification System (NAICS) 484000, Truck Transportation, Standard Occupational Classification (SOC) 13-2011, Accountants and Auditors.

³ 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 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>.

⁴ 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>.

envelopes and postage for motor carriers mailing Form M to the FMCSA would be \$197 (\$1.00 for each of the 197 forms).

Estimated Annual Cost to Respondents: \$197.

14. Estimate of Cost to the Federal Government

The estimated annual cost to the government is \$2,089 for Form M. This figure includes salary cost based on hours, overhead, printing and payment to contractors.

Estimate of Annual Cost to Federal Government: \$2,089.

15. Explanation of Program Changes or Adjustments

The program adjustment decrease of -1,435 estimated annual burden hours [3,348 currently approved hours - proposed 1,773 hours = 1,435] for this ICR is due to the number of respondents decreasing from 372 to 197. In addition, wages used to assess the cost of employee time devoted to entering data in Form M have been updated from \$24.59 to \$25.90 per hour.

16. Publication of Results of Data Collection

The FMCSA is required by Federal law to make the data collection information publicly available subject to the exemption described in Question 2 above. There are no plans at this time for the agency to publish analytical reports.

17. Approval for not Displaying the Exemption Date of OMB Approval

The FMCSA is not seeking approval to not display the expiration date of the OMB approval number.

18. Exceptions to Certification Statement

None.

Attachments

- A. Section 103 of the ICC Termination Act of 1995 (ICCTA), Pub. L. 104-88, 109 Stat. 803, 852 (Dec. 29, 1995).
- B. Title 49, U.S.C. Section 14123
- C. DOT Secretary's Transfer of the Authority to Administer the F&OS Program to the Bureau of Transportation Statistics on September 30, 1998 (63 FR 52192).
- D. Title 49 CFR part 1420.
- E. DOT Secretary's Transfer of the Responsibility for the F&OS Program from BTS, to FMCSA on August 17, 2004 (69 FR 51009).

- F. Motor Carrier Transportation; Redesignation of Regulations from the Research and Innovative Technology Administration, Final Rule (71 FR 45740), August 10, 2006.
- G. Title 49 CFR part 369.
- H. Federal Register Notice requesting 60-day comment period (77 FR 23792), April 20, 2012.
- I. Comment received in response to 60-day comment request Federal Register notice.
- J. FMCSA reply to comment received from the public.
- K. Federal Register Notice requesting 30-day comment period (77 FR 52109), August 28, 2012.

Form M