

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

**SUPPORTING STATEMENT
Quarterly Report of Class I Motor Carriers of
Property
(Formerly OMB Control Number 2139-0002)**

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, “Quarterly Report of Class I Motor Carriers of Property,”(including Household Goods Carriers) covered by OMB Control Number 2126-0033. 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

In chapter 141 of the ICC Termination Act of 1995 (ICCTA), Pub. L. 104-88, 109 Stat. 803, 893 (Dec. 29, 1995) (See Attachment A), now codified at 49 U.S.C. § 14123 (See Attachment B), Congress 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. This ICR applies only to Class I motor carriers of property and household goods carriers. The ICR for passenger carriers is located under OMB Control 2126-0031.

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

FMCSA is requesting OMB's approval to renew this IC so the quarterly report (Form QFR) and other data collection instruments may be used by motor carriers of property and household goods to report their quarterly financial and operating data (See 49 CFR 369.1(b)).

The agency is working on a notice of proposed rulemaking (NPRM) that proposes to eliminate the quarterly financial reporting requirements for certain for-hire motor carriers of property (Form QFR) and for-hire motor carriers of passengers (Form MP-1). This paperwork burden may be removed without an adverse impact on safety or the Agency's ability to maintain effective commercial regulations over the for-hire trucking and passenger-carrying industries.

This IC supports the Department of Transportation's strategic goal of safety by collecting information for reviewing the financial status of Class I 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 quarterly report (Form QFR) will be used to collect financial, operating, equipment and employment data from individual motor carriers of property and household goods. All for-hire motor carriers of property having \$10 million or more in gross annual operating revenue must file Quarterly Reports (Form QFR).

FMCSA makes the data available to users in various forms, e.g., tables, graphs, photocopies, raw data, etc. 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 are also used by public and private entities to review the financial status of Class I motor carriers and evaluate any aggregate relationship between their financial conditions and safety performance.

The Bureau of Economic Analysis (BEA) uses the data to help develop the national annual input-output accounts and Gross Domestic Product (GDP)¹ 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.² Other users include the International Brotherhood of Teamsters, shippers, investment and industry analyst, 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.

¹ The gross domestic product is the market value of all officially recognized goods and services within a country in a given period.

² The U.S. 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.

Despite the use of this quarterly data by certain entities, as explained in Question 5, below, the FMCSA plans to eliminate the two quarterly financial reports. FMCSA believes, however, that such information can still be obtained through annual Form M, which is covered by OMB ICR number 2126-0032.

3. Extend 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 at:

Department of Transportation
Federal Motor Carrier Safety Administration
IT Operations Division
1200 New Jersey Avenue SE
Washington, DC 20590

Electronic submission of Form QFR is not available.

4. Effort 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 information as does the 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 Service 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 67 companies that file Form QFR 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 67 small businesses that file Form QFR represent a minor fraction of this total.

Form QFR was reduced to two pages in 1999, which reduced burden hours for all carriers.

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 (BEA), 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. For the latter, BEA needs quarterly financial data to prepare its quarterly GDP estimates.

7. Special Circumstances

There are no special circumstances.

8. Compliance with 4 CFR 1320.8

On April 20, 2012, FMCSA published a notice in the Federal Register (77 FR 23792) (See Attachments H) with a 60-day comment period announcing its intentions to seek OMB review and approval to extend this ICR. FMCSA received one comment from the National Motor Freight Traffic Association, Inc., (NMFTA) which requested that the quarterly reports collected by this ICR no longer be required. FMCSA may consider this request in future rulemakings regarding these reports (See Attachment I). FMCSA reply to the comment received is provided in Attachment J).

On September 17, 2012, FMCSA published a second notice in the Federal Register (77 FR 57183) (See Attachment K) with a 30-day comment period that announced this information collection will be 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 for public release (§ 369.9). The decision to grant the exemption is based on the criteria established within those regulations.

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 property are required to file Form QFR. Class I carriers are those with more than \$10 million in operating revenue. Revenue is adjusted to account for inflation since the \$10 million threshold was implemented in 1994. Currently, 111 carriers submit

this report to FMCSA. The data for completing reports are available from carrier records. FMCSA estimates that each carrier will spend an average of 27 minutes completing Form QFR. Responses to this form are submitted quarterly, and the total annual burden per respondent is 1.8 hours. Total annual burden for all 111 respondents is 200 hours.

FMCSA estimates that the total annual hour burden associated with this information collection is 200 hours. A breakout of this burden is provided below:

Title	Number of Respondents	Frequency of Responses	Estimated Time per Response	Total Annual Burden Hours
Quarterly Report of Class I Motor Carriers of Property (including Household Goods Carriers)	111	Quarterly	1.8 hours (27 Minutes x 4 quarters/60 minutes)	200

Estimated Annual Number of Respondents: 111 Class I motor carriers of property and household goods carriers.

Estimated Annual Number of Responses: 444 [111 Class I motor carriers of property and household goods x 4 quarterly reports = 444].

Estimated Annual Burden Hours: 200 hours [111 respondents x 1.8 hours per response = 200].

FMCSA expects completion and submission of Form QFR 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).³ Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 50.0 percent of the employee wage.⁴ Second, employee wage and benefits are increased by 27 percent to include relevant firm overhead.⁵ Applying the estimated 50.0 percent factor for employee benefits and 27 percent for overhead results in \$49.34 in hourly compensation

³ 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.

⁴ 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 August 23, 2011 at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

⁵ Berwick, Farooq. "Truck Costing Model for Transportation Managers." Upper Great Plains Transportation Institute, North Dakota State University (2003) accessed on August 23, 2011 at <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf>.

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 \$9,868 ($\$49.34 \times 200 \text{ hours} = \$9,868.00$).

13. Estimate of Total Annual Cost to Respondents

Approximately 444 QFR forms (4 forms x 111 respondents) 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 QFR to the FMCSA would be \$444 (\$1.00 for each of the 444 forms).

Estimated Annual Cost to Respondents: \$444.

14. Estimate of Cost to the Federal Government

The estimated annual cost to the government is \$4,696 for Form QFR. This figure includes salary cost based on hours, overhead, printing and payment to contractors.

Estimate of Annual Cost to Federal Government: \$4,696.

15. Explanation of Program Changes or Adjustments

The program adjustment decrease of 16 estimated annual burden hours [216 currently approved – 200 proposed = 16] for this ICR is due to the number of annual responses decreasing from 120 to 111. In addition, wages used to assess the cost of employee time devoted to entering data in Form QFR 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 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. Chapter 141 of the ICC Termination Act of 1995 (ICCTA) Pub. L. 104-88, 109 Stat. 803, 893 (Dec. 29, 1995).
- B. Title 49 U.S.C. § 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 Federal Register Notice.
- J. FMCSA reply to comment received.
- I. Federal Register Notice requesting 30-day comment period (77 FR 57183), September 17, 2012.

Form QFR