

**SUPPORTING STATEMENT - MODIFICATION OF COLLECTION OF  
QUARTERLY REVENUE, EXPENSE AND INCOME REPORT, RE&I  
(in EP 701)**

**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; the construction, acquisition and abandonment of rail lines; carrier mergers; and interchange of traffic among carriers (49 U.S.C. §§ 10101-11908). Under 49 U.S.C. §§ 11145, the Board may require regulated carriers to submit financial and statistical data and reports that the Board needs to carry out its mission. Class I (large) railroads are required to file Quarterly Report Revenues, Expenses, and Income (RE&I), pursuant to authority in 49 U.S.C. §§ 11145 and 11162-64 and the Board's regulations at 49 C.F.R. § 1243.1. The Quarterly RE&I Report discloses net railway operating income on a quarterly and year-to-date basis for the current and prior year.

(b) Why the modification is necessary. The Board now proposes to accelerate the due date for this and several other reporting requirements. Under the proposal, the RE&I (49 C.F.R. § 1243.1) would be filed within 15 days, instead of 30 days, after the end of the quarter. The proposed change to the filing deadline would further facilitate oversight of the economic health and operations of Class I railroads. Earlier reporting of financial information would provide the Board and the public with an increased ability to identify and evaluate emerging trends, business conditions, and issues related to Class I railroads. In addition, the Board would be able to more quickly produce the various decisions that depend on the data. Reporting and information technology has changed since the existing deadline was set, allowing data to be more easily compiled and prepared for reports. Given the need for current financial and operational information, as well as improved reporting capabilities, it is appropriate that the Board reexamine and shorten current reporting deadlines.

2. How the collection will be used. The Board uses the information in the RE&I report to ensure competitive and efficient transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is also used by the Board, other federal agencies, and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Timely individual carrier information, as well as the accumulation of meaningful data from the seven Class I railroads, is needed in the Board's decision-making process.

3. Extent of automated information collection. The railroads submit this report electronically in Excel spreadsheet format.

4. Identification of duplication. No other Federal agency has economic regulatory authority over freight rail transportation. Because no other Federal agency collects the information in this report, nor is this information available from any other source, 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 using 2012 data, the revenue threshold for a Class I rail carrier is \$452,653,248). 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 Board cannot fulfill its statutory responsibilities with less than the quarterly reporting required for this collection.

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 this proposed rule, the Board has published a notice providing a 30-day comment period regarding the proposed modification, followed by a 30-day period for replies to comments. 80 Fed. Reg. 39045.

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 RE&I report quarterly.

(3) Annual hour burden per respondent: Based on information provided by the railroad industry, we estimate a per-respondent-railroad burden of no more than 24 hours (6 hours per report), which includes time spent converting the data from the carrier's individual accounting system to the Board's Uniform System of Accounts (USOA) (see 49 U.S.C. §§

11141-43, 11161-64; 49 C.F.R. §§ 1200-1201) for presentation in the R-1 format for consistency of information across all reporting railroads. The total annual burden hours for all seven carriers is estimated at not more than 168 hours. There should be no change in burden hours as a result of the proposed modification, which merely advances the due date of the report.

13. Other costs to respondents: No non-hour costs for operation, maintenance, or purchase of services associated with this collection have been identified: (a) Neither the existing collection, nor the proposed modification, will impose start-up costs on respondents. (b) This report is submitted to the agency electronically.

14. Estimated costs to the Board. We estimate that it takes six hours (GS 11/1 at \$38.93 per hour, including benefits) annually to compile selected data from the 28 filings for the report for our website (Class I Freight Railroads, Selected Earnings Data); three hours (GS 13/1 at \$55.49 per hour, including benefits) to review (QA) the compilation; and two hours (Expert/Consultant at \$68.37 per hour, including benefits) to post the results on the website; resulting in a total annual cost of \$537.

15. Changes in burden hours. No change in burden hours is requested. The proposed modification is not expected to affect the number of burden hours associated with this collection.

16. Plans for tabulation and publication: Certain information from these reports is compiled and published on the Board's website as a Quarterly Selected Earnings Report at < [http://www.stb.dot.gov/stb/industry/econ\\_reports.html](http://www.stb.dot.gov/stb/industry/econ_reports.html) >. These reports are also posted on the website in their entirety.

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