

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

**SUPPORTING STATEMENT
Licensing Applications for Motor Carrier Operating Authority**

Introduction: This is to request the Office of Management and Budget's (OMB) approval for the revision of the OMB Control Number 2126-0016, "Licensing Applications for Motor Carrier Operating Authority," information collection request (ICR), which 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 collection of information necessary:

The FMCSA registers for-hire motor carriers of regulated commodities and of passengers under 49 U.S.C. § 13902(a) (Attachment A); surface freight forwarders under 49 U.S.C. § 13903 (Attachment B); property brokers under 49 U.S.C. § 13904 (Attachment C); and certain Mexican motor carriers under 49 U.S.C. § 13902(c) (Attachment A). These motor carriers may conduct transportation services in the United States only if they are registered with the FMCSA. Each registration is effective from the date specified and remains in effect for such period as the Secretary of Transportation (Secretary) determines by regulations. The ICC Termination Act of 1995 (ICCTA), Public Law No. 104-88, 109 Stat. 803 (December 29, 1995) (Attachment D), transferred this registration authority from the former Interstate Commerce Commission (ICC) to the Secretary who subsequently delegated the registration function to the Federal Highway Administration (FHWA) (FMCSA's predecessor agency), then to the FMCSA at the time that agency was created.

The ICCTA directed the Secretary to issue regulations to replace the current identification number system, the single State registration system, and the registration and insurance monitoring systems formerly administered by the ICC, with a single, on-line Federal system (see 49 U.S.C. § 13908). An advance notice of proposed rulemaking (ANPRM), which solicited comments on the parameters of the single integrated system, was published in the **Federal Register** on August 26, 1996, at 61 FR 43816 (see Attachment E) and a notice of proposed rulemaking (NPRM) was published in the **Federal Register** on May 19, 2005, at 70 FR 28990 (see Attachment F). It is anticipated that the OP-1 registration forms will remain in use until the Agency's adoption of the unified on-line Federal registration system required by the ICCTA.

On March 19, 2002, the FMCSA published an interim final rule (IFR) at 67 FR 12702 (Attachment G) which proposed to amend 49 CFR part 365 and revise Form OP-1(MX). Under the amended regulations, Mexico-domiciled motor carriers seeking to operate within the United States beyond the commercial border zones, including carriers that previously filed pending Form OP-1(MX) applications, would be required to submit the revised Form OP-1(MX). Under the

revised Form OP-1(MX), the FMCSA would collect more detailed information on an applicant motor carrier's size, operations and history than could be collected previously by using the existing form.

On December 16, 2008, the FMCSA published a final rule entitled, "New Entrant Safety Assurance Process," at 73 FR 76472 (Attachment H) which created a new Form OP-1(NNA) titled "Application for U.S. Department of Transportation (USDOT) Registration by Non-North America-domiciled Motor Carriers." A non-North America-domiciled motor carrier is one whose principal place of business is located in a country other than the United States, Canada or Mexico. These entities now use the OP-1(NNA) when requesting either a USDOT new entrant registration as a private or exempt for-hire carrier.

On January 16, 2009, the FMCSA published a final rule entitled, "Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers over Regular Routes," (74 FR 2895) (Attachment I) which discontinued the requirement that applicants seeking for-hire authority to transport passengers over regular routes submit a detailed description and a map of the route(s) over which they propose to operate.

This information collection supports the DOT's Strategic Goals of Safety and Economic Growth and Trade by allowing foreign motor carriers to conduct operations in the United States pursuant to the North American Free Trade Agreement and Central American Free Trade Agreement, but requiring foreign (Mexico- and non-America domiciled) motor carriers to comply with similar registration procedures as U.S. motor carriers to ensure safety on our Nation's highways.

2. How, by whom, and for what purpose is the information used:

Data contained on the completed Forms OP-1, OP-1(P), OP-1(FF) OP-1(MX) or new OP-1(NNA) provides information to the FMCSA on the type of surface transportation operations which the registration applicant proposes to conduct. The forms also enable FMCSA staff to make a determination concerning the level of insurance coverage which the applicant will be required to obtain to maintain its registration, the applicant's familiarity with relevant safety requirements and its willingness to comply with those requirements in its operations, and applicant's ability to meet any specific statutory and regulatory requirements applicable to its particular proposed operations.

Information on the forms is also used to prepare a notice of the registration application, which is published in the "FMCSA Register." Publication of the notice initiates a 10-day period during which an interested party may file a complaint seeking denial of the registration on a limited number of statutory grounds.

At the end of the 10-day period, the FMCSA will issue the registration authorizing surface transportation operations if no complaints have been filed; if applicant is willing and able to comply with all applicable statutory and regulatory provisions and safety fitness requirements; and if applicant has made the required insurance and process agent filings.

For Form OP-1(MX) applications, such FMCSA publication will occur only after the motor carrier successfully completes the PASA and FMCSA approves the application. Such publication of the application as a preliminary grant of authority in the FMCSA Register is not an issuance of temporary authority, but a notice to the public to permit interested parties wishing to oppose the authority to submit a protest to FMCSA. A preliminary grant of authority cannot become effective or active operating authority for a minimum of 10 days after publication.

3. Extent of automated information collections:

Applicants for registration authority file forms in the OP-1 series on a voluntary and, for the most part, one-time basis. Except for the revised Form OP-1(MX) and new OP-1(NNA), the forms call for a limited amount of information to identify the applicant and the nature and scope of its proposed operations. Forms OP-1(MX) and OP-1(NNA) include narrative descriptions of the applicant's safety policies and procedures and information regarding the drivers and vehicles it plans to use in the U.S. operations. However, the implementation of electronic filings for the Form OP-1(NNA) will be delayed due to the very small number of non-North America-domiciled motor carrier applications the Agency anticipates it will receive each year. Currently, the Form OP-1(MX) can only be filed by using the paper format. It is anticipated that 80 percent (80%) of the responses will be collected electronically.

4. Efforts to identify duplication:

There are no similar filings made with any other Federal agency or within the Department of Transportation that would result in duplication of this information.

5. Efforts to minimize the burden on small businesses:

Paperwork burdens associated with completing most forms in the OP-1 series are minimal for small businesses, as the forms are easy to understand and complete. Most applicants are required only to check appropriate boxes on the forms and to fill in blank spaces with information on their identity and on the nature of the transportation operations and/or services they propose to register. This information is readily available to the applicants and is the minimum necessary to accomplish the purpose of the filing. Further, the application package contains a list of telephone numbers, which allow applicants to contact FMCSA staff and others to discuss any questions concerning the aspects of the application process and regulatory requirements. All of the OP forms, except the Form OP-1(MX), can be filed electronically on the WEB. Mexican and NNA applicants, however, are required to provide additional safety information and certifications of compliance to demonstrate their willingness and ability to comply with applicable safety regulations. The requested information cannot be obtained from any other source since all Mexican and NNA applicants will be domiciled outside of the United States, and we are requesting no more information than is absolutely necessary to ensure compliance with applicable safety regulations.

6. Impact of less frequent collection of information:

There is no requirement that forms in the OP-1 series be filed on a periodic basis. The forms are filed on an “as needed” and usually one-time basis. The purpose of the forms which is to allow transportation entities to meet statutory registration requirements, would be defeated if the information was collected less frequently.

When Mexican motor carriers who have previously filed an OP-1(MX) application form are required to comply with the registration provisions, they may do so by a one-time, re-filing of the revised form. There will be no \$300 filing fee required for this one-time re-filing of the Form OP-1(MX). All Mexican carriers will be required to report changes in basic identifying information, such as addresses and telephone numbers, through supplemental filings as the changes occur. The FMCSA does not require Mexican registrants to re-file the entire form in these circumstances. A new application form is currently required only if the Mexican carrier wishes to extend the scope of its authority or is applying for new authority. Under this proposal, where a Mexican carrier wishes to expand its authority, it must make an “initial filing” of the Form OP-1(MX) and go through the full application process to obtain the additional authority.

7. Special circumstances:

There are no special circumstances associated with this information collection.

8. Compliance with 5 CFR § 1320.8:

On March 14, 2012, FMCSA published a notice in the Federal Register (77 FR 15183) to announce its intent to revise this ICR. No comments were received in response to this notice. On May 24, 2012, FMCSA published a notice in the Federal Register (77 FR 31065) (Attachment K) with a 30-day comment period that announced that FMCSA was sending this ICR to OMB for approval.

9. Payments or gifts to respondents:

Respondents are not provided with any payment or gift for this information collection.

10. Assurance of confidentiality:

There is no assurance of confidentiality. The OP-1 forms call for information identifying the applicant and the scope of its proposed operations. All registration applications filed with the FMCSA become part of a public docket and are open to the public for inspection and review.

11. Justification for collection of sensitive information:

The information requested and collected is not of a sensitive nature.

12. Estimate of burden hours for information requested:

This ICR currently comprises all of the forms in the “OP-1” series: OP-1, OP-1(FF), OP-1(P), OP-1(MX), and OP-1 (NNA). Forms OP-1, OP-1(P), and OP-1(FF) are estimated to take 2 hours to complete. Forms OP-1(MX) and OP-1(NNA) are estimated to take 4 hours to complete. FMCSA is using the average number of responses for each form over the last three years, 2009 through 2011, to estimate the burden of renewing this ICR. All told, FMCSA estimates 37,204 responses for all OP-1 series forms, and that the associated annual burden is 74,416 hours. FMCSA’s estimated burden hours increase of 19,273 hours is almost entirely due to an increase in the number of responses.

Table 1 shows the annual burden for each IC form and the total annual burden for the entire ICR.

Table 1: Annual Burden for OP-1 Series of Forms			
	Annual Responses	Hours per Response	Annual Burden Hours
IC-1: OP-1	35,700	2	71,400
IC- 2: OP-1(P)	1,000	2	2,000
IC- 3: OP-1(FF)	500	2	1,000
IC- 4: OP-1(MX)	0	4	0
IC- 5: OP-1(NNA)	4	4	16
Total for ICs 1-5	37,204		74,416
Previously Approved	21,249		55,143
Extension	+15,468		+19,273

Estimated Total Number of Annual Respondents and Responses: 37,204 (35,700 IC-1: OP-1 responses + 1,000 IC-2: OP-1(P) responses + 500 IC-3: OP-1(FF) responses + 0 IC-4: OP-1(MX) responses + 4 IC-5: OP-1(NNA) responses).

Estimated Total Annual Burden Hours for ICR: 74,416 (71,400 IC-1: OP-1 burden hours + 2,000 IC-2: OP-1(P) burden hours + 1,000 IC-3: OP-1(FF) burden hours + 0 IC-4: OP-1(MX) burden hours + 16 IC-5: OP-1(NNA) burden hours).

FMCSA expects completion and submission of an OP-1 to be performed by a carrier compliance officer or equivalent. The Agency estimates the labor cost for this occupation to be about \$45 per

hour, comprising wages of \$23.68 per hour,¹ employee benefits equal to 50.0 percent of wages,² and overhead expenses equal to 27 percent of wages and benefits³ ($\$45 = \$23.68 \times (1 + 0.50) \times (1 + 0.27)$). Total annual labor cost of from filing OP-1 forms is estimated to be \$3.3 million ($\$45 \times 74,416$ hours).

13. Estimate of total annual costs to respondents:

All OP-1 applicants are required to pay a \$300 filing fee except OP-1(NNA) applicants that are private carriers.

Estimated Total Annual Cost to Respondents: \$11.2 million (37,200 responses (does not include the 4 private OP-1(NNA) applicants))

14. Estimate of cost to the Federal government:

The OP-1(NNA) and OP-1(MX) forms are processed by Grade 9 Transportation Specialists at the Trans-Border Office. The labor cost of this activity is estimated to be \$34 per hour, comprising wages of \$22.57 per hour⁴, employee benefits equal to 36.45 percent of wages,⁵ and overhead expenses equal to 12 percent of wages and benefits⁶ ($\$34 = \$22.57 \times (1 + 0.3645) \times (1 + 0.12)$). All other OP-1 forms are processed by FMCSA headquarters staff at a labor cost of \$52 per hour ($\$52 = \33.92 base wages⁷ $\times (1 + 0.3645) \times (1 + 0.12)$). Processing an OP-1, OP-1(P), or OP-1(FF) form is estimated to take 6.5 hours; processing an OP-1(MX) or OP-1(NNA) form is estimated to take 8.5 hours. As shown in table 2, the total cost to the Federal government of collecting and processing the OP-1 series of forms is about \$12.6 million per year.

As discussed in item 13 above, \$11.2 million of that cost is recouped via fees charged to applicants.

1 Bureau of Labor Statistics (BLS). Occupational Employment Statistics, May 2010 National Industry-Specific Occupational Employment and Wage Estimates, 13-1041 Compliance Officers. http://www.bls.gov/oes/current/naics4_484100.htm. Accessed January 20, 2012. The BLS does not have a wage estimate for this occupation in the passenger carrier industry, but FMCSA believes that the trucking wage is accurate enough for both property and passenger carriers.

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 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>.

4 The 2012 GS-9, step 5 pay rate.

5 <http://www.whitehouse.gov/omb/memoranda/fy2007/m07-02.pdf>

6 http://www.whitehouse.gov/omb/circulars/a076/a76_incl_tech_correction.html

7 The 2012 GS-12, step 5 pay rate.

Table 3: Cost to U. S. Government for OP-1 Series of Forms					
	Responses	Cost per Hour	Hours per Response	Cost per Response	Annual Cost (millions)
IC 1: OP-1	35,700	\$52	6.5	\$338	\$12.1
IC 2: OP-1(P)	1,000	\$52	6.5	\$338	\$0.3
IC 3: OP-1(FF)	500	\$52	6.5	\$338	\$0.2
IC 4: OP-1(MX)	0	\$34	8.5	\$289	\$0.0
IC 5: OP-1(NNA)	4	\$34	8.5	\$289	\$0.0
Total for ICs 1-5	37,204				\$12.6
Previously Approved					\$7.3
Extension					+\$5.3

Estimated Total Annual Cost to the Federal Government: \$12.6 million (\$12.1 million for the IC-1: OP-1 form + \$0.3 million for the IC-2: OP-1(P) form + \$0.2 million for the IC-3: OP-1(FF) form + \$0.0 million for the IC-4: OP-1(MX) form + \$0.0 million for the IC-5: OP-1(NNA) form).

15. Explanation of program changes or adjustments:

The program adjustment increase of +19,273 annual burden hours (74,416 proposed burden hours – 55,143 currently approved hours) are primarily due to changes in the estimated number of ICR responses. FMCSA now estimate a +15, 955 increase in number of annual ICR responses (37,204 proposed number of annual responses – 21,249 approved number of annual responses). The program adjustment increase of \$3,908,500 in estimated annual costs to respondent (\$11,200,000 proposed estimated annual costs to respondents - \$7,291,500 currently approved estimated annual costs to respondents) is due primarily to a change in the number of responses from 21,249 to 37,204.

16. Publication of results of data collection:

The results of this ICR will not be published or tabulated.

17. Approval for not displaying the expiration data for OMB approval:

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

18. Exceptions to certification statement:

The FMCSA is claiming no exception to any element of the certification statement identified in Item 19 of OMB Form 83I.

ATTACHMENTS

- A. Title 49 U.S.C. § 13902, Registration of motor carriers.
 - B. Title 49 U.S.C. § 13903, Service of notice in proceedings.
 - C. Title 49 U.S.C. § 13904, Service of process in court proceedings.
 - D. The ICC Termination Act of 1995 (ICCTA), Public Law 104-88, 109 Stat. 803 (December 29, 1995).
 - E. An advance notice of proposed rulemaking, entitled “Motor Carrier Replacement Information/Registration System,” dated August 26, 1996 (61 FR 43815).
 - F. A notice of proposed rulemaking, entitled “Unified Registration System,” dated May 19, 2005 (70 FR 28990).
 - G. An interim final rule entitled, “Application by Certain Mexico-Domiciled Motor Carriers to Operate Beyond United States Municipalities and Commercial Zones on the United States-Mexico Border,” dated March 19, 2002 (67 FR 12702).
 - H. A final rule, entitled “New Entrant Safety Assurance Process,” (at 73 FR 76472) dated December 16, 2008.
 - I. A final rule, entitled “Elimination of Route Designation Requirement for Motor Carriers Transporting Passengers over Regular Routes,” (74 FR 2895), January 16, 2009.
 - J. 60-day comment request Federal Register notice, (77 FR 15183), March 14, 2012.
 - K. 30-day comment request Federal Register notice, (77 FR 31065) May 24, 2011.
- Forms OP-1, OP-1(P), OP-1(FF), OP-1(MX) and OP-1(NNA).