

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

**SUPPORTING STATEMENT**

**Annual Report of Class I Motor Carriers of Passengers (formerly Annual and Quarterly Report of Class I Motor Carriers of Passengers (formerly OMB Control Number 2139-0003))**

**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, “Annual and Quarterly Report of Class I Motor Carriers of Passengers,” covered by OMB Control Number 2126-0031. This ICR is due to expire on January 31, 2016. This request to revise the ICR is based upon new FMCSA program requirements contained in a final rule entitled, “Rescission of Quarterly Financial Reporting Requirements,” (78 FR 76241 dated December 17, 2013 (Attachment A). The final rule will eliminate the quarterly financial reporting requirements for certain for-hire motor carriers of passengers. In addition, the name on the Form MP-1 contained in this ICR would change from an annual and quarterly report to just an annual report.

**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 B), now codified at 49 U.S.C. § 14123 (See Attachment C), Congress transferred the responsibility for collecting the Financial and Operating Statistics (F&OS) data to the Secretary of Transportation (Secretary). The ICCTA requires the Secretary to collect annual financial reports from Class I and Class II motor carriers of passengers. However, the Secretary has exercised his authority under 49 U.S.C. 14123 to only require Class I motor carriers of passengers to file annual reports to ensure that they are in compliance with the F&OS program requirements (See 49 CFR 369.4) See Attachment D.

The Secretary transferred the authority to administer the F&OS program to the former Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192 at Attachment E). 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 49 CFR 1420 (See Attachment F). The Secretary later transferred this program to the Federal Motor Carrier Safety Administration (FMCSA) on September 29, 2004 (69 FR 51009) (see Attachment G). On August 10, 2006, DOT published a final rule (71 FR 45740) (see Attachment H) 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 D).

This ICR supports the Department of Transportation's strategic goal of safety.

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

The Form MP-1 annual report will be used to collect financial, operating, equipment and employment data from individual motor carriers of passengers. All Class I for-hire motor carriers of passengers with gross annual operating revenues of \$5 million or more are required to file annual reports.

The data will be available to users in its original form. The data are not used by the USDOT, and, based on comments to a proposed rule, the data are no longer used by trucking associations. Insurance companies, consultants, law firms, academia, trade publications and others may use the data to assess industry growth and its impact on the economy, to identify industry changes that may affect national transportation, and to monitor company financial stability. The Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce uses the data to inform the national annual input-output and Gross Domestic Product (GDP)<sup>1</sup> estimates. BEA uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers of passengers collected by the U.S. Census Bureau.

**3. Extent 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](http://www.fmcsa.dot.gov/forms/reporting/mcs_info.htm#fos). The forms can be printed and mailed to FMCSA. Electronic submission of Form MP-1 is not available.

**4. Efforts to identify Duplication**

These data are not available from any other source.

**5. Efforts to Minimize the Burden on Small Business**

Data are collected only from the largest carriers. Before the program was transferred to FMCSA, the former ICC raised the classification level for Class I motor carriers of passengers from \$3 million in annual operating revenue to \$5 million. In addition, the classification process adjusts revenues to account for the impact of inflation. Each carrier's annual operating revenues will be deflated using the Producer Price Index for Finished Goods. The impact of these changes is to reduce the number of carriers subject to the reporting requirements. Two passenger carriers out of approximately 5,500 for-hire passenger carriers are required to submit this financial information on Form MP-1.

---

<sup>1</sup> The gross domestic product is the market value of all officially recognized final goods and services produced within a country in a given period.

In accordance with 49 USC 14123(d), the final rule does simplify and streamline the reporting requirement by eliminating in 49 CFR 369.4 the requirement to submit the annual report in duplicate.

## **6. Impact of Less Frequent Collection Information**

Less frequent data collection would erode DOT's ability to monitor the condition of the intercity passenger bus industry and conduct special studies. The timeliness and frequency of data collection are critical in evaluating trends and monitoring individual carrier operations. The filing frequencies were chosen after careful analysis that balanced the degree of carrier burden imposed against DOT's oversight responsibilities for the intercity passenger bus industry.

## **7. Special Circumstances**

There are no special circumstances that could require the collection to be conducted inconsistent with the guidelines set by OMB.

## **8. Compliance with 5 CFR 1320.8**

On May 24, 2013, FMCSA published the NPRM entitled, "Rescission of Quarterly Financial Reporting Requirements" (78 FR 31475) (See Attachment I) for comment with a 60-day comment period. The NPRM proposed to amend 49 CFR part 369 by eliminating the quarterly reporting requirement under 49 CFR 369.1 and 369.4. Three comments were received. Two industry associations (American Trucking Associations, Inc. (ATA) and National Motor Freight Traffic Association, Inc.) filed comments in support of the proposal to eliminate the quarterly financial report. A third commenter, a private citizen from Florida, supported eliminating the reporting requirement, noting the change will save motor carriers significant time. ATA requested that FMCSA expand the proposal to include elimination of the Form M annual report as well, given the fact that the Agency has not had any staff working on compiling or analyzing the for-hire motor carrier financial reports for many years. These comments were addressed in the final rule (See Attachment 1).

As FMCSA explained in the June 27, 2012, direct final rule entitled, "Rescission of Quarterly Financial Reporting Requirements" (77 FR 38211) (See Attachment H) and the May 24, 2013, NPRM, 49 U.S.C. 14123 requires certain for-hire motor carriers of property and household goods to file annual financial reports. Congress has given FMCSA no discretion to rescind or repeal annual financial reports. In its 2011 reauthorization technical drafting assistance, the Agency proposed a repeal of the annual reporting requirement, but the repeal provision was omitted from the final version of the bill that became the Moving Ahead for Progress in the 21st Century Act, Pub. L. 112-141 (MAP-21).

FMCSA published a final rule on December 17, 2013 (78 FR 76241) (See Attachment A) which eliminates the quarterly financial reporting requirements for certain for-hire motor

carriers of property (Form QFR) and for-hire carriers of passengers (Form MP-1). The annual reporting requirements remain.

**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. Motor carriers may request the agency to keep their reports confidential. The agency’s decision to grant the exemptions are based on whether the motor carriers meet the criteria established under 49 CFR 369.9 titled, “Request for exemptions from public release.”

**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 passengers are required to file Form MP-1. Class I carriers are those with more than \$5 million in operating revenue. Revenue is adjusted to account for inflation since the \$5 million threshold was implemented in 1994. Currently, 2 carriers are required to submit this report. The data for completing reports are available from carrier records. FMCSA estimates that the 2 carriers will each spend 18 minutes<sup>2</sup> completing 1 annual report, each year.

<b>Form/Title</b>	<b>Number of Respondents Per Year</b>	<b>Number of Annual Responses Per Year</b>	<b>Estimated Time per Response</b>	<b>Total Annual Burden Hours</b>
Form MP-1/ Class I Motor Carriers of Passengers (Annual )	2	2 (1 per year per respondent)	18 minutes	1 hour (2 × 18 minutes = 36, rounded to 1 hour)

<sup>2</sup> The public reporting burden for this collection of information is estimated to be approximately 18 minutes per response, include the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. Most of the data requested on the form is already captured by companies for other purposes in Financial Statements, income tax returns, and other financial documents. This estimate assumes that the motor carriers have an organized system for maintaining and retrieving the required input data and will assign personnel with the necessary knowledge of the firm to complete the Form MP-1 with a minimum of supervision. In addition, first-time respondents may take longer to complete this form. However, most repeat respondents should be able to complete the form within the estimated average timeframe.

**Estimated Annual Number of Respondents: 2**

**Estimated Total Annual Number of Responses:** 2 responses (2 carrier respondents x 1 report= 2).

**Estimated Total Annual Burden Hours:** 1 hour (2 responses x 18 minutes per response/60 = 0.6 rounded to 1].

FMCSA expects completion and submission of Form MP-1 to be performed by a business and financial operations expert designated by the business entity. The median salary of a business and financial operations expert in the interurban and rural transportation industry is \$24.99 per hour (BLS, May 2012).<sup>3</sup> Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 50.0 percent of the employee wage.<sup>4</sup> Second, employee wage and benefits are increased by 27 percent to include relevant firm overhead.<sup>5</sup> Applying the estimated 51 percent factor for employee benefits and 27 percent for overhead results in \$47.92 in hourly compensation for the business and financial operations expert ( $\$47.92 = \$24.99 \times (1 + 0.51) \times (1 + 0.27)$ ). The total annual labor cost burden associated with these reports is \$48 ( $\$47.92 \times 1$  hour, rounded to the nearest dollar).

### **13. Estimate of Total Annual Cost to Respondents**

Approximately 2 MP-1 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 envelopes and postage for motor carriers mailing Form MP-1 to the FMCSA would be \$2 (\$1.00 for each of the 2 forms).

**Estimated Annual Cost to Respondents: \$2.**

### **14. The Estimated Total Annual Cost to the Federal Government**

The estimated total annual cost to the Federal Government is \$22 for Form MP-1. This figure includes salary cost based on hours, overhead, printing and payment to contractors.

---

<sup>3</sup> Bureau of Labor Statistics, "Occupational Employment Survey," May 2010. [http://www.bls.gov/oes/current/naics4\\_485200.htm](http://www.bls.gov/oes/current/naics4_485200.htm) (accessed December 15, 2011). North American Industry Classification System (NAICS) 485200, Interurban and Rural Bus Transportation Standard Occupational Classification (SOC) 13-2000, Business and Financial Operations Occupations.

<sup>4</sup> FMCSA estimates this 50 percent 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>.

<sup>5</sup> 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>.

**Estimate of Annual Cost to Federal Government: \$22.00.**

**15. Explanation of Program Changes or Adjustments**

FMCSA estimated in the past information collection request for this program that each of the 2 respondents would spend 1.5 hours completing 5 reports (4 quarterly reports and 1 annual report) each year (18 minutes per report  $\times$  5 reports  $\div$  60 minutes per hour = 1.5 hours). Total annual burden amounted to 3 hours (2 respondents  $\times$  1.5 hours for completing 5 reports each). As a result of the elimination of the quarterly reporting requirement, each respondent is required to file 1 report per year. Consequently, the total annual burden associated with this program has fallen by 2 hours from 3 hours to 1 hour. In accordance with 49 USC 14123(d), the final rule also simplifies and streamlines the reporting requirement by eliminating in 49 CFR 369.4 the requirement to submit the annual report in duplicate.

**16. Publication of Results of Data Collection**

FMCSA is required by Federal law to make the data collection information publicly available. There are no plans at this time for the agency to publish analytical reports.

**17. Approval for not Displaying the Expiration Data of OMB Approval**

The FMCSA is not seeking approval to not display the expiration date of the OMB approval number on the Form MP-1.

**18. Exceptions to Certification Statement**

No exceptions.