Department of Transportation
Office of the Chief Information Officer

SUPPORTING STATEMENT

Commercial Motor Vehicle Marking Requirements

INTRODUCTION

This is to request the Office of Management and Budget (OMB) to revise the current approval of the OMB Control Number 2126-0054, "Commercial Motor Vehicle Marking Requirements," information collection request (ICR), which is currently due to expire on January 31, 2017, and extend it for three years. This request to revise the ICR is based upon new FMCSA program requirements in a final rule entitled, "Lease and Interchange of Vehicles; Motor Carriers of Passengers," (80 FR 30164 dated May 27, 2015) (Attachment A). The final rule will modify how leased and interchanged passenger-carrying vehicles operated by for-hire and private motor carriers of passengers must be marked.

These marking regulations require vehicles and intermodal equipment to display certain information about motor carriers, freight forwarders or intermodal equipment providers (IEPs) engaging in interstate transportation.

Part A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The USDOT number is used to identify all motor carriers in FMCSA's registration and information systems. It is also used by States as the key identifier in the Performance and Registration Information Systems Management (PRISM) system, a cooperative Federal/State program that makes motor carrier safety a requirement for obtaining and maintaining commercial motor vehicle registration and privileges.

FMCSA has authority to require motor carriers to conduct recordkeeping, reporting, and disclosure of information (see 49 U.S.C. 31133(a)(8) or 31133(a)(10)) (Attachment B).

49 U.S.C. 31133. **General powers of the Secretary of Transportation**
(a) GENERAL.—In carrying out this subchapter and regulations prescribed under section 31102 of this title, the Secretary of Transportation may—

* * *
(8) prescribe recordkeeping and reporting requirements;
* * *; and
(10) perform other acts the Secretary considers appropriate.

Vehicle marking requirements are intended to ensure that FMCSA, the National Transportation Safety Board (NTSB), and State safety officials are able to identify motor carriers and correctly assign responsibility for regulatory violations during inspections, investigations, compliance reviews, and crash studies. These marking requirements will also provide the public with beneficial information that could also assist in identifying carriers for the purposes of commerce, complaints or emergency notification.

The burden for the CMV marking requirement was initially documented in the final rule entitled, "Federal Motor Carrier Safety Regulations: General Commercial Motor Vehicle Marking," (65 FR 35287), June 2, 2000 (Attachment C).

FMCSA discovered that the annual burden for the CMV marking requirement needed to be updated during the development of the Notice of proposed rulemaking (NPRM) entitled, "Lease and Interchange of Vehicles; Motor Carriers of Passengers," (78 FR 57822), September 20, 2013 (Attachment D). The Agency, therefore, submits this revised ICR to add the final rule for this rulemaking.

This information collection supports the DOT strategic goals of safety and organizational excellence.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE IS THE INFORMATION USED

The marking requirements apply to motor carriers, freight forwarders and intermodal equipment providers (IEPs) engaging in interstate transportation. The Agency provides performance-based requirements for the marking but does not require a specific method of marking as long as the method complies with FMCSA's regulations. These requirements ensure that FMCSA, NTSB and the States are able to identify motor carriers and correctly assign responsibility for regulatory violations during inspections, investigations, compliance reviews, and crash studies. These requirements will also provide the public with beneficial information that could also assist in identifying carriers for the purposes of commerce, complaints or emergency notification.

3. EXTENT OF AUTOMATED INFORMATION COLLECTION

Motor carriers will not be subject to any reporting requirement in response to this ICR.

4. EFFORTS TO IDENTIFY DUPLICATION

There are no other Federal agencies that have the commercial motor vehicle marking requirement.

5. EFFORTS TO MINIMIZE THE BURDEN ON SMALL BUSINESSES

The marking requirements impose minimal burden on small businesses. Considerable flexibility is afforded in meeting those requirements. Marking may be painted on the vehicles, applied with stencils, decals, or affixed by any other means, including paper, provided the method(s) meets the requirements. The cost of marking includes the cost of materials, labor, and the opportunity cost of the vehicles' time out of service (negligible).

6. IMPACT OF LESS FREQUENT COLLECTION OF INFORMATION

The appropriate marking of vehicles, owned, leased or rented, assists FMCSA in identifying motor carriers and monitoring the safety performance and crash involvement, thereby helping the Agency identify unsafe, high risk motor carriers. This ICR also greatly assists FMCSA and its State partners in meeting the standard burden of proof for enforcement actions against non-compliant carriers, as well as assists State partners during accident investigations in determining the responsible motor carrier involved in a CMV crash. The regulations include a marking requirement, which depending on the need and method could be permanent or temporary.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances associated with this ICR.

8. COMPLIANCE WITH 5 CFR 1320.8

On September 20, 2013 (78 FR 57822) (See Attachment D), FMCSA published an NPRM in the Federal Register requesting public comments on a variety of proposals, including changes to the marking requirements for buses and motorcoaches being rented or leased. Several passenger carriers and carrier organizations submitted comments objecting to the burdens associated with the proposal, though none singled out marking as the primary concern.

<u>Emergency Exception</u>

ABA, UMA, Greyhound, and Coach USA noted that mechanical failures can unexpectedly strand passengers at places where safe accommodations may not exist. The commenters argued that, in order to minimize the resulting inconvenience and possible danger to passengers, the carrier must obtain a replacement vehicle as quickly as possible, sometimes from an unknown lessor, and without waiting to negotiate and exchange written lease documents. These commenters requested an exception to the proposed leasing requirements for emergency situations.

FMCSA agrees that negotiating and writing an emergency lease for a replacement vehicle (perhaps with a driver) from a local passenger carrier and exchanging the appropriate documents could unnecessarily prolong the delays and increase the risks experienced by passengers. On the other hand, the benefits the Agency expects to derive from this rule would be lost if the requirement for a lease were simply waived in these situations. FMCSA has therefore adopted an emergency exception to give the operating carrier and the lessor up to 48 hours after the lessee takes possession of the replacement vehicle to reduce to writing the terms of their lease agreement [§ 390.303(a)(3)]. Because the replacement vehicle will pick up the stranded passengers and resume the interrupted trip almost immediately, a lessee that cannot transmit an electronic copy of the subsequently completed lease to the driver’s smartphone, notepad or other computer may not be able to ensure that a copy of the lease is carried on the motorcoach, as required by § 390.303(f)(2). In this limited situation and for the duration of the lease, FMCSA will instead allow the lessee to carry a statement signed by the driver or any available company official that “[Carrier A] has leased this vehicle to [Carrier B] pursuant to 49 CFR 390.303(a)(2).” Nonetheless, the lessee must mark the vehicle in accordance with §§ 390.21(f) and 390.303(f)(1) before operating it.

Revenue Pooling Agreements

ABA pointed out that 49 U.S.C. 14302(b) authorizes the Surface Transportation Board (STB) to approve revenue pooling agreements among carriers. Adirondack Trailways indicated that it is a party to STB-approved revenue pooling agreements and that the requirements of the NPRM were inconsistent with the procedures authorized under the pooling agreements. Greyhound said that, in 2012, it "operated a total of 8,089 trips with buses leased on an interchange basis from its pool or interline partners."

FMCSA agrees that operations under revenue pooling agreements approved by the STB should be exempt from the lease and receipt requirements of this rule. The final rule therefore imposes only a few requirements to enable the agency to track the safety performance of all members of the pool and specifically identify the carrier responsible for safety. Each vehicle must have available, either in hard copy or electronically, the number and date of the STB decision approving the pool and the names of the pool members. In addition, each vehicle must have available a list of (1) all routes covered by the pooling agreement, (2) the carrier or carriers authorized to operate on each route or portion of a route, (3) all points of origin, destination, or interchange (should interchanges be part of the agreement). However, all members of the revenue pool must mark the vehicles with the name of the operating carrier, as required by § 390.21(f). The advantage of this exception is that the parties to a pooling agreement need not exchange lease documents and receipts.

Common Ownership and Control

Coach USA, a non-carrier that controls many passenger carriers, requested "an exemption from the requirements of proposed section 390.303 for vehicle exchanges between affiliated companies. By 'affiliated companies,' Coach USA means companies that share a common parent company." Similar comments were submitted by Adirondack Trailways, which is commonly owned and controlled with two other carriers, Pine Hill Trailways and New York Trailways. Adirondack stated that "[t]hese three companies interchange buses and drivers on a regular basis every single day" and that operational agreements among these carriers were inconsistent with, and should be exempted from, the requirements of the NPRM

FMCSA agrees that there is no need for individual leases and receipts when vehicles are interchanged between or among commonly owned and controlled passenger carriers. Such a requirement would add nothing to these carriers' standard business practices and impose unnecessary paperwork. In most cases, all of the "family" members are likely to be operating according to the same administrative procedures and safety standards. The carrier responsible for safety and regulatory compliance can be readily identified by the less complex trip summary which § 390.301(b)(2) requires these exchanged or interchanged vehicles to carry. The trip summary is necessary since large holding companies seek to minimize their regulatory and tort exposure by dividing their motor carrier business into multiple limited liability companies (LLCs) while operating them very much like a single corporation. Therefore, each driver in a group of commonly owned and controlled motor carriers must carry a summary document listing all members of the corporate family, along with their USDOT numbers and business addresses. The document must also identify the operating carrier, the trip (by charter number, run number, or something similar), the vehicle (by the carrier's internal number or license plate number), and the date of the trip. These trip summaries are subject to the one-year record retention requirement of § 390.303(d). Each vehicle exchanged or interchanged must be marked as required by § 390.21(f). Like the parties to a pooling agreement, however, commonly owned and controlled carriers need not prepare leases or receipts when they exchange vehicles.

Lease vs. Charter or Hiring

ABA said that the NPRM "does not define, or even mention, the term 'charter' which is how motorcoach carriers of passengers view the hiring or interchange of vehicles." UMA commented that "Interstate passenger carriers routinely charter the services of other passenger carriers for emergencies or capacity reasons. . . . It is generally considered that the chartered company assumes all responsibilities for regulatory compliance. . . . This system is so effective, FMCSA should completely evaluate the positive attributes of these charter arrangements versus the possibilities that a lease may actually reduce an otherwise compliant chartered passenger carrier's responsibilities and motives; thereby reducing their safety and compliance concerns."

The NPRM did not specifically discuss "passenger carriers chartering other passenger carriers" because the Agency believed it was sufficiently clear that such arrangements, depending on their specific terms, either would not be subject to the proposed rule at all because they involved no leases, or would be subject to the rule because the "chartered" carrier was leasing vehicles and drivers to another passenger carrier. Based upon the comments received, it is apparent that clarification is needed.

A passenger carrier that agrees to transport a tour or travel group on a particular trip may find itself without the capacity to accommodate the group. In that case, the carrier might transfer the contract to a second carrier that has the necessary capacity. The second carrier may or may not pay a fee to the transferring passenger carrier. In any case, this rule would not apply to that transaction because the first carrier has not leased equipment from the second. The contract has been reassigned and the second carrier has undertaken the trip in its own name on its own authority with its own vehicle(s), and is therefore responsible for compliance with the FMCSRs. As a good business practice, the transferring passenger carrier should of course immediately notify the tour or travel group that another carrier will provide the transportation. Disgruntled customers have occasionally contacted FMCSA when such notification does not occur and an unknown carrier arrives unexpectedly to pick up a group of passengers. While the final rule does not address this problem, the industry should note that the interests of tour operators and their customers are not adequately protected when transportation contracts are transferred among carriers without prior notice to the passengers affected by the change.

On the other hand, a passenger carrier that needs one or more additional vehicles may subcontract with another carrier to supply the vehicle(s) and possibly also driver(s) while still nominally performing the contract with the tour or travel group. When a passenger carrier hires or charters (i.e., contracts for) the services of another passenger carrier to help perform a contract, it has leased vehicles and services from that carrier. In these circumstances, a lease must be prepared and receipts exchanged in compliance with this rule to indicate that the prime contractor is responsible for the lessor's (i.e., subcontractor's) regulatory compliance. A copy of the lease or written agreement must be on the vehicle obtained from the subcontracted lessor, and the hiring passenger carrier's legal name and USDOT number must be marked on the vehicle as prescribed in 49 CFR 390.21. While the prime contractor (i.e., the lessee carrier) may require the subcontractor to comply with all applicable provisions of the FMCSRs and to indemnify it for any civil penalties assessed for violations of those provisions by the subcontracted lessor, FMCSA and its State partners will hold both the prime contractor and its subcontractor responsible for completion of the lease described in this final rule.

In this situation described above, the lessee carrier is fully responsible for the regulatory compliance of the lessor carrier and must mark the vehicles leased from the lessor with the information required by 49 CFR 390.21(f). However, because the name and/or logo of the chartered or hired passenger carrier is likely to be displayed prominently on the vehicles, passengers might overlook the smaller placard required by § 390.21(f)(2) and assume that a different carrier was providing the transportation. To reduce the possibility of confusion, FMCSA has added a provision to the rule that requires a passenger carrier that subcontracts all or a portion of a transportation service to notify the tour or travel group within 24 hours of establishing the subcontracting arrangement that all or some of the transportation will be performed by a lessor subcontractor.

While UMA asserted that the chartered passenger carrier generally assumes all responsibilities for regulatory compliance, this final rule does not prevent the two carriers from including in the charter (i.e., lease) contract a provision making the chartered carrier responsible for such compliance, with appropriate indemnification language for penalties imposed by regulatory agencies, but the relationship between the two parties remains that of a lessor and lessee. This rule holds the lessee carrier directly responsible for violations of the FMCSRs. The “charter contract” described by UMA appears to involve negotiation and paperwork burdens similar to those associated with a lease. The net burden imposed by this rule therefore should be minor.

9. PAYMENTS OR GIFTS TO RESPONDENTS

No payments or gifts are provided.

10. ASSURANCE OF CONFIDENTIALITY

There are no confidential reporting requirements associated with this information collection. The requirement is limited to marking vehicles operated in interstate commerce with an FMCSA-furnished USDOT registration number.

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

The estimate of burden hours depends on four factors: the type of entity, size of entity, type of vehicle ownership (owned vs. leased), and the type of marking.

Component 1: Freight-carrying commercial motor carriers (i.e., trucking companies)

- Small carriers are assumed to use individual stencil kits.
- Medium carriers are assumed to use larger stencil kits.
- Large carriers are assumed to use individually developed decals.

The estimated average time for affixing a DOT number is 12 minutes (assuming an average of 7 digits), and the estimated average time for affixing a carrier name is 14 minutes (assuming an average of 21 alphanumeric characters); these estimates incorporate a number of factors that vary, including marking via stencils versus decals, amount of cleaning required, weather, and whether a new or existing vehicle is being marked. (These estimates are based on responses to the Federal Highway Administration [FHWA, the predecessor organization to the FMCSA] interviews with metropolitan Washington, D.C. signage companies and Agency employees formerly employed by the motor carrier industry, which were undertaken during the original rulemaking process. This rule was published June 3, 2000.[1]) The combined total is 26 minutes.

FMCSA's Motor Carrier Management Information System (MCMIS) database indicates that there are 699,000 active freight carriers operating approximately 4,732,000 CMVs, as of a January 23, 2015 snapshot (both figures are rounded). To estimate Component 1's burden on a consistent basis relative to Components 2 and 3, these carrier and (correspondingly) CMV counts are projected forward to the years 2017, 2018, and 2019, and averaged across those three years to account for an estimated annual carrier growth rate of 2.17 percent.[2] As 2017 is two years beyond 2015, the Agency estimates the number of carriers will grow by 4.39% in that time (4.39% = (1.0217 × 1.0217 – 1) × 100). Applying these projections, the Agency projects the count of freight carriers in 2017 to be 730,000 (729,666 = 699,000 × (1.0439), rounded to the nearest thousand to yield 730,000) and the corresponding count of CMVs to be 4,940,000 (4,939,735 = 4,732,000 × (1.0439), rounded to the nearest thousand yields 4,940,000). The analogous growth rates through years 2018 and 2019 are 6.65% (= (1.0217^3 – 1) × 100) and 8.97% (= (1.0217^4 – 1), respectively. Applying these rates of growth yields an estimated carrier population of 745,000 (745,484 = 699,000 × 1.0665) in 2018 and 762,000 (761,700 = 699,000 × 1.0897) in 2019. The three-year average carrier population across years 2017 to 2019 is therefore 746,000 (746,000 = (730,000 + 745,000 + 762,000) ÷ 3). Applying the same growth rates to the corresponding count of CMVs yields counts of 5,047,000 (5,046,678 = 4,732,000 × 1.0665) in 2018 and 5,156,000 (5,156,460 = 4,732,000 × 1.0897) in 2019. The three-year average CMV count across years 2017 to 2019 is therefore 5,048,000 (5,047,666 = (4,940,000 + 5,047,000 + 5,156,000) ÷ 3).

The U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) published a report in 1994 which suggests that the average operational life of a heavy-duty commercial motor vehicle was 14.7 years.[3] Therefore, the Agency assumes that one new freight-carrying CMV is acquired every 14.7 years (i.e., approximately 6.8 percent of all freight-carrying CMVs are replaced with new CMVs every year).

In addition, the Final Regulatory Evaluation for the FMCSA's *Inspection, Repair, and Maintenance Requirements for Intermodal Equipment Providers* suggests that the average

[1] 65 FR 35287 (June 2, 2000).
[2] FMCSA's estimated annual growth rate of 2.17 percent is similar to the BLS estimate of 2.38 percent (Employment by industry, occupation, and percent distribution, 2010 and projected 2020 484000 Truck Transportation. http://www.bls.gov/emp/ep_table_109.htm). FMCSA used the growth rate obtained from MCMIS data because it captures the dynamic nature of the industry and allows for a separate growth rate for carriers with recent activity and new entrants.
[3] DOT HS 808 080, *Final Report: A Study of Commercial Motor Vehicle Electronics-Based Rear and Side Object Detection Systems*, January 1994, available at www.nhtsa.gov, accessed on March 14, 2013.

life of a weatherproof vinyl label (as attached to an IEP) is 3 years.[4] Without more authoritative information on the lifetimes of both freight-carrying motor vehicles and other types of labeling (e.g., paper), the Agency uses these as estimates of all freight-carrying CMVs and all types of labels (realizing that some labels will likely last less than 3 years [e.g., paper] and some will likely last more than 3 years).

As noted previously, the average useful life of a label of 3 years is used in this analysis; further, because of the absence of more reliable data on the sale and resale of used freight carrying CMVs, for purposes of this analysis and to simplify calculations, the Agency assumes that the average turnover of these vehicles is not more frequent than once every 3 years. The implication of this assumption is that one-third of freight-carrying CMVs are either resold in a secondary market and undergo re-identification or are retained by the owner and undergo relabeling (due to the label reaching the end of its useful life). This implication is employed in the calculation of impacted freight-carrying CMVs.

With these assumptions in mind, the Agency estimates the number of newly-acquired *freight-carrying CMVs to be 343,000 per year (5,048,000 total freight carrying CMVs ÷ 14.7 years average freight-carrying CMV operational life, rounded to the nearest thousand). The number* of resold and re-identified freight-carrying CMVs is estimated to be 1,568,000 per year ([5,048,000 total freight carrying CMVs – 343,000 newly acquired CMVs] ÷ 3 years average re-identification rate, rounded to the nearest thousand). This results in an estimated 1,911,000 freight-carrying CMVs (343,000 + 1,568,000) impacted by marking requirements annually.

The estimated 1,911,000 freight-carrying CMVs impacted by the marking requirements are expected to generate **1,911,000** responses annually.

The estimated total number of annual burden hours (accounting for the total of CMVs) is **828,000** (1,911,000 responses × 26/60 minutes per hour, rounded to the nearest thousand).

The estimated total number of annual respondents (i.e., impacted freight-carrying motor carriers) is **282,000** (1,911,000 impacted vehicles ÷ 5,048,000 total vehicles × 746,000 total freight carriers, rounded to the nearest thousand).

Component 2: Passenger-carrying commercial motor carriers

- Owned vehicles are assumed to use decals or stencils for permanent signage.
- Lease and rented vehicles are assumed to use paper signage, and incur a negligible burden.

The passenger carrier population impacted by the marking requirements consists of motor carriers transporting passengers in interstate commerce in CMVs that either: (1) have a gross vehicle weight rating or gross vehicle weight of at least 10,001 pounds, whichever is greater; (2) are designed or used to transport more than 8 passengers (including the driver) for-hire; or (3) are designed or used to transport more than 15 passengers (including the driver) and are not used to transport passengers for-hire.

[4] Available at http://www.regulations.gov/#!docketDetail;D=FMCSA-2011-0046, accessed on March 14, 2013.

Analysis of this carrier population for the final rule entitled, "Lease and Interchange of Vehicles; Motor Carriers of Passengers" indicates 12,699 such carriers are in active operation as of June, 2014 (note that this value is comprised of 11,183 distinct carriers; carriers operating in multiple categories covered by the final rule are counted as multiple carriers in such cases). Of these 12,699 carriers, 6,421 are for-hire carriers and 6,278 are privately owned, not for compensation business or non-business carriers. Of the 11,183 distinct carriers comprising the 12,699 (that is, eliminating double-counting of carriers that operate in multiple categories), 5,945 are authorized for-hire, 296 are exempt 9+ for hire, 180 are exempt 16+ for-hire, 2,605 are private (not for compensation) business carriers, and 3,673 are private (not for compensation) non-business carriers. The analysis in support of the final rule focuses on the 11,183 distinct carriers and estimates that 90 percent of private (not for compensation) carriers are not impacted by the final rule (as most private passenger carriers do not lease vehicles to a significant degree). Therefore, the final rule estimates that, as of 2014, 7,049 passenger carriers would be subject to the rule. This is estimated as: 7,049 = (5,945 authorized for-hire + 296 exempt 9+ for hire + 180 exempt 16+ for hire + 0.1 × (2,605 private (not for compensation) business + 3,673 private (not for compensation non-business))).

To project the overall carrier count to 2017, 2018, and 2019 using the same annual carrier growth rate of 2.17 percent as mentioned above, the Agency applied a factor of 1.0217^3 (equal to 1.0665) resulting in a value of 14,000 carriers (13,543 = 12,699 × (1.0665), rounded to the nearest thousand yields 14,000) for the year 2017; for 2018, a factor of 1.0217^4 (equal to 1.0897) is applied, also resulting in a value of 14,000 carriers (13,838 = 12,699 × 1.0897), rounded to the nearest thousand yields 14,000); for the year 2019, a factor of 1.0217^5 (equal to 1.1133) is applied, again resulting in a value of 14,000 carriers (14,138 = 12,699 × 1.1133), rounded to the nearest thousand yields 14,000). The three-year average carrier count across years 2017 to 2019 is therefore 14,000. The average carrier in this group operates 6.6 passenger vehicles. Assuming this ratio remains constant, it is estimated that these 14,000 carriers will operate approximately 92,000 CMVs (92,400 = 6.6 × 14,000, rounded to the nearest thousand yields 92,000).

- Approximately 83,000 (or 90 percent of the 92,000) CMVs are owned and assumed to use decals or stencils for permanent signage.
- The remaining 9,000 (or 10 percent of the 92,000) CMVs are term-leased (both figures are rounded.)

Average annual rates of the resale of used passenger-carrying CMVs could not be readily located. To arrive at an estimate, the Agency makes equivalent assumptions about the proportion of newly acquired and re-identified passenger-carrying CMVs as was made for freight-carrying CMVs (i.e., nearly 1/15 of current fleet are newly acquired, 1/3 of current fleet are resold and/or re-identified every year).

Marking of owned vehicles (which use decals or stencils, see above) takes 26 minutes, consistent with other previous estimates calculated herein. Marking of leased vehicles (which use paper signs, see above) takes a negligible amount of time (i.e., assumed 0 minutes).

The estimated number of newly-acquired owned passenger-carrying CMVs is 6,000 per year (83,000 owned passenger-carrying CMVs ÷ 14.7 years average CMV operational life, rounded to the nearest thousand). The number of resold and owned re-identified passenger-carrying CMVs is estimated to be 26,000 per year ([83,000 owned passenger-carrying CMVs – 6,000] ÷ 3 years average re-identification rate, rounded to the nearest thousand). This results in an estimated 32,000 owned passenger-carrying CMVs (6,000 + 26,000) impacted by marking requirements annually.

The estimated number of newly acquired leased passenger-carrying CMVs is approximately 1,000 per year (9,000 leased passenger-carrying CMVs ÷ 14.7 years average CMV operational life, rounded to the nearest thousand); and the estimated number of resold and re-identified leased passenger-carrying CMVs is estimated to be 3,000 per year ([9,000 leased passenger-carrying CMVs – 1,000 newly acquired CMVs] ÷ 3 years average re-identification rate, rounded to the nearest thousand). This results in an estimated 4,000 leased passenger-carrying CMVs (1,000 + 3,000) impacted by marking requirements annually.

The total number of passenger-carrying CMVs impacted by the marking requirements is therefore estimated to be **36,000** per year (32,000 + 4,000).

The estimated annual number of burden hours (accounting for the respective total number of vehicles) attributed to marking is **14,000 ((**26/60 minutes per hour × 32,000 CMVs marked with decals or stenciled marking) + (0 minutes per hour × 4,000 CMVs marked with paper signage)).

The Agency estimates the total number of annual respondents (i.e., passenger-carrying motor carriers) as **5,000** ([(32,000 impacted vehicles + 4,000 leased vehicles) ÷ 92,000 total vehicles] × 14,000 passenger-carrying carriers).

Component 3: Intermodal equipment providers (IEPs)

- The majority of IEPs, about 90 percent, mark their equipment electronically into the Intermodal Association of North America (IANA) database.
- The remaining 10 percent are assumed to use decals or stencils.

The MCMIS database indicates that there are 105 registered IEPs comprising 555,000 (figure rounded) intermodal trailers, chassis and equipment owned or leased as of a January 23, 2015 snapshot. The number of IEPs has been variable in recent years with no clear trend while the number of intermodal trailers, chassis and equipment has remained steady. The burden hours associated with the marking requirements will only include those incurred by the 10 percent of the impacted IEP population that does not elect to input their equipment information into the IANA database. The total number of IEPs (or respondents) impacted by the marking rules is approximately 11 (equal to 10 percent of the 105 registered IEPs). The estimated count of intermodal trailers/chassis/equipment not marked electronically is assumed to be 10 percent of 555,000, or approximately 56,000. Due to the lack of a clear upward trend in the number of IEPs in recent years and the static number of IEP-owned or leased equipment, the Agency assumes these values will remain representative of the IEP industry.

As noted previously, the Final Regulatory Evaluation for the FMCSA's *Inspection, Repair, and Maintenance Requirements for Intermodal Equipment Providers* suggests that the average life of a weatherproof vinyl label (as attached to an IEP) is 3 years.[5] It also suggests that the operational life of an intermodal chassis is 14.7 years (and thus nearly 1/15 of the intermodal chassis pool turns over each year).[6] Similar to the calculations performed in Component 1, the Agency estimates the count of newly acquired intermodal trailers/chassis/equipment is 4,000 per year (56,000 decal-marked intermodal equipment ÷ 14.7 years average intermodal chassis life, rounded to the nearest thousand); and the number of existing intermodal trailers/chassis/equipment requiring re-identification is estimated to be 17,000 per year ([56,000 decal-marked intermodal equipment – 4,000 newly acquired units] ÷ 3 years average weatherproof vinyl label life, rounded to the nearest thousand).

Thus, the total estimate of intermodal trailers/chassis/equipment impacted by the marking requirements is **21,000** annually (4,000 + 17,000).

The estimated total number of annual burden hours attributed to marking by this segment is **9,000** (26/60 minutes per hour × 21,000 intermodal chassis, trailers, and equipment owned or leased by IEPs not input into the IANA database per year, rounded).

The total number of IEPs (or respondents) impacted by the marking rules is approximately **11** (or 10 percent of 105).

Summary

The totals are presented below in Table 1. The table displays previously calculated estimates, including number of respondents (number of carriers and IEPs with impacted CMVs and intermodal equipment), number of responses (number of impacted CMVs and intermodal equipment), and the total annual hour burden of all responses across vehicles and equipment.

Table 1. Summary of Average Annual Respondents, Responses, and Burden by Component (all figures are rounded)

Component	Number of Respondents	Number of Responses	Hourly Burden
Component 1: Freight Carriers	282,000	1,911,000	828,000
Component 2: Passenger Carriers	5,000	36,000	14,000
Component 3: IEPs	11	21,000	9,000
Total	**287,000**	**1,968,000**	**851,000**

Estimated Average Annual Burden: 851,000 hours spent by motor carriers and IEPs marking CMVs with a DOT number and carrier information.

[5] See footnote 4.
[6] Ibid.

Estimated Average Annual Respondents: 287,000 motor carriers and IEPs.

Estimated Average Annual Responses: 1,968,000 responses regarding the marking of freight-carrying CMVs, passenger-carrying CMVs, and intermodal equipment and vehicles.

FMCSA calculated labor costs based on a truck mechanic's national mean hourly wage of $19.10 for the General Freight Trucking industry,[7] fringe benefits of 57 percent,[8] and overhead of 27 percent.[9] The estimated hourly labor cost is $38.08 (= $19.10 × 1.57 × 1.27). Given the average annual hour burden of 851,000 across all carriers and IEPs, the estimated average annual labor burden cost is **$32,406,000** (851,000 burden hours × $38.08 per hour, rounded to the nearest thousand).

13. ESTIMATE OF TOTAL ANNUAL COSTS TO RESPONDENTS

The estimated total annual costs to respondents vary by entity, as explained above. The total annual cost per respondent depends on the material cost per vehicle. The marking requirements call for the display of the carrier's name and address (city and state) and USDOT number. The marking must be displayed on both sides of the vehicle (equipment).

Due to the diversity of carriers and the dynamics of renting and leasing of vehicles and equipment, the estimate of cost is based on a recent snapshot (January 23, 2015) of carrier and CMV counts projected at an annual growth rate of 2.17 percent. The CMV count is of owned, leased and rented vehicles combined. The annual cost per carrier is estimated based on the average size of carrier, as explained below.

(1) Freight-carrying commercial motor carriers.

The vast majority of these carriers currently use stencils or decals for marking, as these are the cheapest methods. The paper option is not conducive to this type of carrier. The distribution of freight carriers by size is presented below in Table 2. As shown, the majority (87 percent) of those carriers is in the smallest category (1–6 CMVs).

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[7] See Occupation 49-3031, Bus and Truck Mechanics and Diesel Engine Specialists, NAICS 484100, General Freight Trucking at http://www.bls.gov/oes/current/naics4_484100.htm, accessed on September 26, 2014.

[8] The ratio of total fringe benefits to wages and salaries for transportation and warehousing workers. 56.6% = $12.99/$22.95. See http://www.bls.gov/news.release/pdf/ecec.pdf. Table 10, Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by industry group, June, 2014. Transportation and Warehousing. http://www.bls.gov/news.release/pdf/ecec.pdf. Accessed September 26, 2014.

[9] Industry data gathered for the Truck Costing Model developed by the Upper Great Plains Transportation Institute Berwick and Farooq showed an average cost of $0.107 per mile of CMV operation for management and overhead, and $0.39 per mile for labor, indicating an overhead rate of 27 percent ($0.107 ÷ $0.39). See Berwick and Farooq. "Truck Costing Model for Transportation Managers." Upper Great Plains Transportation Institute, North Dakota State University (2003) accessed on June 18, 2012 at http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf. See Appendix A, pp. 42-47.

Table 2. Distribution of Freight Carriers by Size

Carrier Size	Carriers	Carriers percent	CMVs	CMVs percent
1-6	651,892	87.37 percent	1,202,192	23.82 percent
7-19	64,246	8.61 percent	694,732	13.76 percent
20-100	25,466	3.41 percent	992,579	19.66 percent
101+	4,397	0.59 percent	2,158,498	42.76 percent
Total (rounded to nearest thousand)	**746,000**	**100 percent**	5,048,000	**100 percent**

The Agency applies the percentage distributions from Table 2 to the estimated total numbers of impacted freight carriers (282,000) and CMVs (1,911,000) to estimate the distribution of impacts by carrier size (see Table 3).

Table 3. Estimated Distribution of Impacted Freight Carriers by Size

Carrier Size	Carriers percent	Impacted Carriers	CMVs percent[10]	Impacted CMVs[11]
1-6	87.37 percent	246,426	23.82 percent	455,109
7-19	8.61 percent	24,286	13.76 percent	263,002
20-100	3.41 percent	9,627	19.66 percent	375,756
101+	0.59 percent	1,662	42.76 percent	817,133
Total (rounded to nearest thousand)	**100 percent**	**282,000**	**100 percent**	**1,911,000**

The estimated marking costs, consisting of both material and labor costs, are depicted below in Table 4. The estimates are the inflation-updated numbers submitted in the Final Regulatory Evaluation for the Motor Vehicle Marking Requirement rulemaking.[12] The updated estimates are used for the purpose of convenience, consistency, and due to the lack of uniformity of costs and options. Current research shows prices ranging from $6 to $1,000, depending on the type, quality, quantity, and durability of the option, as well as whether it is a do-it-yourself tool or custom-made.

[10] Figures in this column sum to 101 percent rather than 100 percent due to rounding.
[11] The sum of the calculated number of impacted CMVs is 1,871,001 rather than 1,871,000 due to rounding.
[12] *Motor Vehicle Marking Requirement Final Regulatory Evaluation and Regulatory Flexibility Analysis*, available at http://www.regulations.gov/#!documentDetail;D=FMCSA-1998-3947-0200, accessed on March 1, 2013.

Table 4. Estimated Marking (Material and Labor) Costs per Vehicle- by Freight Carrier Size

Freight Carrier Size, by Number of Vehicles	Material Cost, per Vehicle		Total Cost per Vehicle
	Affixing Carrier DOT#	Affixing Carrier Name	
1-6	$11.10	$16.70	$27.80
7-19	$8.30	$12.50	$20.80
20-100	$5.50	$8.30	$13.80
101+	$2.80	$4.10	$6.90

The estimated marking cost per carrier (summarized in Table 5) will vary according to the fleet size per carrier. The analysis uses MCMIS data (January 23, 2015) to estimate average fleet size for each carrier size category. This is done by selecting the carrier fleet size at which the level of CMVs is nearest to the 50th percentile for that category. For example, in the 7–19 category MCMIS data indicates that 51 percent of CMVs have a fleet size of up to 11 CMVs; therefore, the average fleet size for this category is approximately 11 CMVs. The last size category (101+) consists of a wide range of sizes including thousands of units. Yet a large portion of that category is 101–300. Therefore, the analysis assumes an average fleet size for the 101+ group of 300 CMVs. The total cost per carrier for that category is $2,070. Average fleet size and cost per carrier for each category is presented in Table 5 below.

Table 5. Average Material Cost per Carrier

Freight Carrier Size, by Number of Vehicles	Average Fleet Size	Material Cost per Vehicle	Average Cost per Carrier
1-6	2	$27.80	$55.60
7-19	11	$20.80	$228.80
21-100	39	$13.80	$538.20
101+	300	$6.90	$2,070

The total cost for all freight-carrying motor carriers is estimated by applying the material cost per vehicle to the number of CMVs corresponding to its size category. For example, the 1–6 carrier size category incurs a cost of $12,387,000 (445,583 CMVs × $27.80 per vehicle). The total cost for all categories of freight-carrying motor carriers is **$28,340,000 per year**. Table 6 presents this information.

Table 6. Total Material Cost to Freight Carriers

Carrier Size	Number of CMVs	Material Cost per Vehicle	Total Cost
1-6	455,109	$27.80	$12,652,000
7-19	263,002	$20.80	$5,470,000
20-99	375,756	$13.80	$5,185,000
100+	817,133	$6.90	$5,638,000
Total (rounded to nearest thousand)	**1,911,000**		**$28,945,000**

(2) Passenger-carrying commercial motor carriers.

The majority of interstate passenger carriers are small entities with an average fleet of 6.6 CMVs. As stated above, the majority (90 percent) of CMVs of passenger carriers are owned by their operators. Those CMVs are assumed to be permanently marked. The estimated cost per vehicle of such marking is stated in Table 7. Consequently, the average cost of marking per passenger carrier is $183.48[13] ($183.48 = ($11.10 + $16.70) × 6.6).

Table 7. Estimated Marking Cost per Passenger-Carrying Carrier

Material Cost, per Vehicle		Total Cost per Vehicle	Average Fleet Size	Cost per Average Size Carrier per year
Affixing Carrier DOT#	Affixing Carrier Name			
$11.10	$16.70	$27.80	6.6	$183.48

There are an estimated 32,000 passenger-carrying CMVs that require marking with decals or stencil annually; therefore, the total cost for all passenger carriers impacted by this component of the marking rule is **$890,000 per year** ($889,600 = 32,000 CMVs × $27.80 per vehicle).

Table 8. Estimated Short-Term Lease Marking Cost per Passenger-Carrying Carrier

Material Cost and Frequency		Total Cost per Vehicle	Average Fleet Size	Cost per Average Size Carrier per year
Lease and Interchange Marking Cost per Lease	Lease Frequency per Vehicle per Year			
$0.04	64	$2.56	6.6	$16.90

[13] With regard to large passenger carriers, particularly those with fleets exceeding 100 CMVs, FMCSA assumes the cost of marking per unit would be lower, considering economies of scale and volume discounting. However, the estimate is retained in the analysis to provide conservative estimates.

There is an additional $0.04 marking cost for short-term leases as detailed in the final rule "Lease and Interchange of Vehicles; Motor Carriers of Passengers." There are an estimated 4,000 passenger-carrying CMVs that require short-term lease marking; therefore, the total cost for all passenger carriers impacted by this component of the marking rule is **$68,000 per year** ($67,584 = 4,000 CMVs × ($0.04 × 64) × 6.6 vehicles, rounded to the nearest thousand).

Summary of passenger-carrying commercial motor carriers' marking costs:

Passenger-carrying commercial motor carrier marking costs, on an annual basis for the 36,000 impacted CMVs, are projected to total **$958,000** ($958,000 = $890,000 + $68,000). This equates to a per-CMV average of $26.61 ($26.61 = $958,000 ÷ 36,000). Using the projected total of 5,000 impacted carriers, this equates to $191.60 per impacted carrier ($191.60 = $958,000 ÷ 5,000).

(3) Intermodal equipment providers.

As stated above, the overwhelming majority (90 percent) of IEPs voluntarily mark their vehicles and equipment electronically into the Intermodal Association of North America (IANA) database. Actual physical marking is assumed of the remaining 10 percent of those entities. The total number of equipment owned, leased or rented by that segment of IEPs and that would require marking was estimated at 21,000. The cost per entity depends on the quantity and combination of equipment which varies considerably. For simplicity, the Agency applies the average number of units per fleet for all IEPs, i.e., 1,900 per year (21,000 impacted units ÷ 11 IEPs, rounded to the nearest hundred). Regarding the cost of marking per unit, the Agency applies the total cost (DOT# and name material costs) akin those in Table 4 specific to freight carriers with 1,000+ units. That cost estimate is $3.50 per unit, which is the inflation-adjusted estimate of the number submitted in the Final Regulatory Evaluation submitted in the original Final Rule.

Table 9. Estimated Marking Cost per IEP

Material Cost, per Vehicle		Total Cost per Unit	Average Annual Impacted Units per IEP	Cost per Average Size IEP per year
DOT#	Name			
$1.40	$2.10	$3.50	1,900	$6,650

Table 9 presents the average marking cost per IEP, which is $6,650 ($3.50 × approximately 1,900 units per IEP). The total material cost for all IEPs impacted by the marking rule is **$74,000** ($3.50 per unit × approximately 21,000 units, rounded to the nearest thousand).

Summary

Table 10 presents the average cost incurred per carrier/IEP and total cost for all carriers/IEPs. The average cost per freight carrier is estimated as a weighted average of the fleet size categories.

Table 10. Total Annual Costs to Respondents

	Average Cost per Carrier/IEP	Calculation of Average Cost per Carrier/IEP	Cost for all Carriers/IEPs
Freight Carriers	$102.64	($28,945,000 ÷ 282,000)	$28,945,000
Passenger Carriers	$191.60	($958,000 ÷ 5,000)	$958,000
IEPs	$8,222.22	($74,000 ÷ 11)	$74,000
Total Cost	**$104.45**	($29,977,000 ÷ (282,000 + 5,000 + 11)	**$29,977,000**

14. ESTIMATE OF COST TO THE FEDERAL GOVERNMENT

None. The cost of educating the motor carriers and lessees of the marking requirements and the enforcement of those requirements at the roadside during crash and compliance investigations would be covered by existing personnel without further impact to the government.

15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS

This program change increase of 196,000 estimated annual burden hours [851,000 proposed estimated annual burden hours - 655,000 approved estimated annual burden hours =196,000] is due to program requirements in a final rule entitled, "Lease and Interchange of Vehicles; Motor Carriers of Passengers," (80 FR 30164 dated May 27, 2015) (Attachment A). The final rule adds leasing and new marking requirements for buses and motorcoaches. These new regulations will require certain for-hire motor carriers of passengers to temporarily mark buses and motorcoaches on the curb side of the vehicle when leasing equipment.

16. PUBLICATION OF RESULTS OF DATA COLLECTION

The results of this ICR will not be published.

17. APPROVAL FOR NOT DISPLAYING THE EXPIRATION DATE OF OMB APPROVAL

Not applicable.

18. EXCEPTIONS TO CERTIFICATION STATEMENT

None.