

## SUPPORTING STATEMENT

OMB 2138-0006 14 CFR Part 249 Preservation of Records

### A. Justification

#### **1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

This is a request for an extension of the record-retention requirements in Title 14 Code of Federal Regulation 14 (CFR) Part 249 of the Department's regulations.

Title 49 U.S.C. §41709 gives the Secretary of Transportation the authority to prescribe which records the airline industry must retain and to set the time period during which the records shall be kept. The legislative history of section 41709 mandates retention periods for the various industry records that are the source documentation for the information that underpins Federal aviation programs and procedures. It would be illogical for the Department to prescribe a report and not implement and prescribe the procedures in sections 41709(b) to establish inspection and retention procedures. Not only is it imperative that carriers and charter operators retain source documentation, but it is critical that we ensure that DOT has access to these records. Given DOT's established information needs, the underlying support documentation must be retained for a reasonable period of time. Absent the retention requirements, the documentary support for reports filed with DOT could not be guaranteed for audit/validation purposes and the relevance and usefulness of carrier submissions would be impaired.

#### **2. Indicate how, by whom, and for what purpose the information is to be used. Indicate the actual use the agency has made the information received from the current collection.**

Part 249 applies to all certificated air carriers, public charter operators, and overseas military personnel charter operators. This part requires the retention of general and subsidiary ledgers, journals and journal vouchers, voucher distribution registers, accounts receivable and payable journals and ledgers, subsidy records that document financial and statistical reports to the Department, funds reports, consumer records, sales reports, auditors' and flight coupons, air waybills, etc. Depending on the nature of the document, the period of record retention may be from 30 days to 3 years. Charter operators must retain documents that evidence or reflect deposits made by each charter participant and commissions received by, paid to, or deducted by travel agents, and all statements, invoices, bills, and receipts from suppliers or furnishers of goods and services in

connection with the tour or charter. These records are retained for 6 months after completion of the charter program.

The record-retention requirements impose minimal burden on the respondents as most of the pertinent financial and statistical documentation are normally retained beyond the DOT prescribed retention period for tax purposes and sound business practices. Many businesses retain financial records such as general ledgers and voucher registers indefinitely for their own purposes. Most carriers even retain voluminous documents such as weight and manifest reports, air waybills, dispatch records and individual trip reports up to 3 years for internal control of their own operations. DOT's prescribed retention periods are generally for shorter periods than most carriers' self-imposed record-retention periods. However, the retention requirements are necessary to ensure that the Department will have access to the records if needed for audit or other purposes.

DOT needs to ensure the availability of financial and traffic data for reviews and audits to support:

- Carrier fitness Appraisals
- International negotiations of routes and services
- The Standard Industry Fare Level
- The Standard Foreign Fare and Rate Levels
- Consumer protection
- Community air service needs
- Air carrier and charter operator compliance to statutory regulations
- Airport development
- Forecasting
- Cost/benefit analysis

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submissions of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

Records may be retained on electronic formats. In all cases the respondent must have the facilities available to locate, identify, and reproduce the records in readable form without loss of clarity.

**4. Describe efforts to identify duplication. Show specifically why similar**

**information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Although carriers retain records for tax purposes, this is not a viable alternative to DOT's prescribed uniform record retention guidelines, as IRS has no requirements for retention of consumer complaints or traffic reports. Duplication of record retention requirements adds no additional burden on carriers or charter operators.

**5. If the collection of information impacts small businesses or other small entities, describe efforts to minimize burden.**

Small certificated air carriers and small charter operators must retain records pursuant to Part 249. The burden on small businesses is minimal.

**6. Describe the consequence to the Federal Program or policy activities if the collection were not collected or conducted less frequently.**

Not applicable as this is a record retention requirement. Nevertheless, the retention periods were determined by program needs. Shorter retention periods could lead to premature destruction of relevant and essential documents that support reports or subsidy payments. Staff's ability to audit carriers' submissions would be frustrated or seriously impaired.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, government contracts, grant-in-aid, or tax records for more than 3 years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed**

and approved by OMB;

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that pertain to this record retention.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the Agency's notice, required by 5 CFR 1320.8(d) soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to the notice and describe actions taken by the agency in response to these comments.**

The 60-day notice inviting public comments was published in the Federal Register on June 29, 2015 (80 FR No. 124 page 37047). There were no comments.

The 30-day notice inviting public comments was published in the Federal Register on September 9, 2015 (80 FR No. 174 page 54369).

**9. Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.**

There were no payments or gifts to respondents.

**10. Describe any assurances of confidentiality provided to respondents.**

These records will be reviewed during audits to ensure compliance with DOT regulations, therefore, no assurances of Confidentiality have been or will be provided to respondents.

**11. Are there any questions of a sensitive nature?**

There are no questions of a sensitive nature.

**12. Provide estimates of reporting burden.**

ANNUAL RECORDKEEPING

<b>Respondents</b>	<b>Burden Respondent Burden</b>	<b>per Total</b>
90 Air carriers	3 hours	270 hours
<u>300 Charter Operators</u>	<u>1 hour</u>	
	<u>300 hours</u>	
390 respondents	570 hours	

**13. Provide an estimate of cost to the respondents. Do not include the cost of any hour burden shown in items 12 and 14. General estimates should not include purchase of equipment or services or portions thereof made prior to October, 1995.**

The cost to the respondents is estimated to be about \$46,328. The record retention cost of storage and handling only pertain to the records supporting statistical reports filed with the Department, the consumer complaint reports, and the records pertaining to rate and route proceedings. The other records required to be maintained such as books of original entry, general ledgers, etc. would be maintained by carriers for their historical and tax purposes longer than our prescribed 3 years.

**14. Provide estimates of annualized cost to the Federal Government.**

There is minimum cost to the Federal Government.

**15. Explain the reasons for any program changes or adjustments in Items 13 or 14 of OMB 83-I.**

There is no change.

**16. Is the information received published?**

There is no publication of data.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

There are no hardcopy forms to display the expiration date.

**18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of Form 83-I**

There are no exceptions.