

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

SUPPORTING STATEMENT

**Annual Report of Class I and Class II Motor Carriers of Property
(Formerly OMB Control No. 2139-0004)**

Introduction: The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget its request to extend a currently-approved information collection request (ICR) titled, “Annual Report of Class I and Class II Motor Carriers of Property,” (Including Household Goods and Dual Property Motor Carriers), covered by OMB Control Number 2126-0032. This ICR is due to expire on January 31, 2016. FMCSA also requests approval of a minor modification of its estimate of the total burden hours for this ICR due primarily to changes in the number of annual responses.

Part A. Justification.

1. Circumstances That Make the Collection of Information Necessary

Section 103 of the ICC Termination Act of 1995 (ICCTA), Pub. L. 104-88, 109 Stat. 803, 852 (Dec. 29, 1995) (See Attachment A), now codified at 49 U.S.C. § 14123 (See Attachment B), transferred to the Secretary of Transportation (Secretary) the responsibility to require Class I and Class II motor carriers to file annual financial and safety reports that include balance sheets and income statements. Under section 14123, the Secretary may also require motor carriers, freight forwarders, brokers, lessors, and associations, or classes of them, to file quarterly, periodic, or special reports with the Secretary and respond to surveys concerning their operations.

Initially, the Secretary transferred this reporting authority to administer the Financial and Operating Statistics (F&OS) program to the former Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192) (See Attachment C). Pursuant to this authority, the BTS in the Research and Innovative Technology Administration (RITA), now Office of the Assistant Secretary for Research and Technology, became the responsible DOT administration for implementing the F&OS program and requirements set forth in title 49 CFR part 1420 (See Attachment D). On September 29, 2004, the Secretary transferred the responsibility for the F&OS program from BTS to FMCSA (69 FR 51009) (See Attachment E). On August 10, 2006, DOT published a final rule (71 FR 45740) (See Attachment F) that transferred and redesignated certain motor carrier financial and statistical reporting regulations of BTS, that were formerly located in chapter XI of title 49 CFR part 1420, to FMCSA under chapter III of title 49 CFR, and established a new part 369 (Attachment G) to accommodate the redesignated regulations.

Under the F&OS program, FMCSA collects balance sheet and income statement data, along with information on safety needs, tonnage, mileage, employees, transportation

equipment and other related data. FMCSA may also ask carriers to respond to surveys concerning their operations. The data and information collected will be made publicly available and used by FMCSA to determine a motor carrier's compliance with the F&OS program requirements prescribed at Chapter III of 49 CFR part 369.1(a).

FMCSA is requesting OMB's approval to renew this information collection for motor carriers reporting their annual financial and operating data.

This ICR supports the Department of Transportation's strategic goal of safety by collecting information used for reviewing the financial status of Class I and Class II motor carriers and the evaluation of any aggregate relationship between their financial conditions and safety performance.

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

The annual report (Form M) will be used to collect financial, operating, equipment and employment data from individual motor carriers of property and household goods. All for-hire (common and contract) motor carriers of property with gross annual operating revenue of \$3 million or more must file the annual report Form M.

FMCSA makes the data available to users in various forms, e.g., tables, graphs, photocopies, and raw data. The data are used by the USDOT, trucking associations, insurance companies, consultants, law firms, academia, trade publications, and others to track the performance of the trucking industry and subgroups within it. The information is valuable in analyzing various aspects of the motor carrier industry, such as productivity and its role in the economy. The data is also used by public and private entities to review of the financial status of Class I and Class II motor carriers to evaluate any aggregate relationship between financial conditions and safety performance.

The Bureau of Economic Analysis (BEA) uses the data to help develop the national annual input-output accounts and GDP estimates. The BEA also uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers collected by the Bureau of the Census.¹ Other users include the International Brotherhood of Teamsters, shippers, investment and industry analysts, and data vendors. The FMCSA has worked closely with BEA and others in designing the data collection instruments to ensure they meet the needs of the Federal, public and private entities noted above.

3. Extent of Automated Information Collection

Information relevant 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. The forms can be printed and mailed to FMCSA. Electronic submission of Form M is not available.

¹ The United States Census Bureau (officially the "Bureau of the Census,"), is the government agency that is responsible for the United States Census. It also gathers other national demographic and economic data. The Bureau of the Census is part of the United States Department of Commerce.

4. Efforts to Identify Duplication

The Census Bureau, through its Services Annual Survey, provides similar statistical data for the transportation industry. However, the Census Bureau does not collect the same information as FMCSA. The Bureau is prohibited by law from providing data about individual carriers to the public. Further, some Federal agencies, such as Department of Defense (DoD) and General Services Administration (GSA), and private entities have requested continued public access to carrier-level data that would enable monitoring financial and operating measures of particular carriers.

5. Efforts to Minimize the Burden on Small Businesses

For motor carriers of property, the Small Business Administration (SBA) defines small trucking businesses as those with annual revenues or receipts up to \$27.5 million. Approximately 300 of the companies that file Form M would be considered small businesses under SBA guidelines. The Agency estimates that about 155,000 for-hire property carriers operate in the United States and that over 100,000 of them would be considered small businesses. The 300 small businesses that file Form M represent a minor fraction of this total.

Form M was reduced to eight pages in 1999, which reduced burden hours for all carriers.

On December 17, 2013, FMCSA published a final rule titled, “Rescission of Quarterly Financial Reporting Requirements,” (Attachment H) to eliminate two quarterly reporting requirements that were reported under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520). These forms included: (1) Form QFR Quarterly for property carriers, authorized by the OMB Control Number 2126-0033 ICR; and (2) the Class I passenger carrier financial quarterly survey (Form MP-1 Quarterly), authorized by the OMB Control Number 2126-0031 ICR. The FMCSA does not have the statutory authority to eliminate the annual reporting requirements for property or passenger carriers in this ICR.

6. Impact of Less Frequent Collection of Information

While the annual survey provides useful information, FMCSA eliminated the two quarterly reports under information collection requests 2126-0031 and 0033. For more information, see the notice dated December 17, 2013 (78 FR 76241).

7. Special Circumstances

There are no special circumstances.

8. Compliance with 4 CFR 1320.8

On August 06, 2015 (80 FR 47023) (See Attachment I), FMCSA published a notice in

the Federal Register with a 60-day public comment period to announce this proposed information collection request. The agency received no comments in response to this notice.

The FMCSA published a second notice on November 2, 2015 (80 FR 67472) (See Attachment J), with a 30-day comment period that announced this information collection was being submitted to OMB for approval.

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. Our regulations at 49 CFR part 369 allow a motor carrier to request an exemption from filing (369.8) or public release (369.9). The decision to grant the exemptions is based on the criteria established within those regulations.

11. Justification for Collection of Sensitive Information

There are no questions of a sensitive nature.

12. Estimate of Burden Hours for Information Requested

Class I and Class II motor carriers of property are required to file Form M. Class I carriers are those with \$10 million or more average annual gross transportation operating revenue (including interstate and intrastate), and Class II motor carriers are those with \$3 million or more, but less than \$10 million in operating revenue (including interstate and intrastate). Revenue is adjusted to account for inflation, using a formula in 49 CFR 369.2, because the \$10 million and \$3 million thresholds were implemented in 1994. In 2014, 308 carriers submitted this report. The data for completing reports are available from carrier records. FMCSA estimates that each carrier will spend an average of 9 hours completing Form M, resulting in a total of 2,772 burden hours per year for all carriers.

Title	Number of Respondents	Frequency of Responses	Estimated Time per Response	Total Annual Burden Hours
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Class I and II Motor Carriers (Annual)	308	Annual	9 hours	2,772
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Estimated Number of Annual Respondents: 308 Class I and Class II motor carriers.

Estimated Number of Annual Responses: 308.

Estimated Total Annual Burden Hours: 2,772 hours [308 respondents x 9 hours per response = 2,772].

FMCSA expects completion and submission of Form M to be performed by an accountant designated by the business entity. The median salary of an accountant in the truck transportation industry is \$31.70 per hour (BLS, May 2014).² Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 51.8 percent of the employee wage.³ Second, employee wage and benefits are increased by 27 percent to include relevant firm overhead.⁴ Applying the estimated 51.8 percent factor for employee benefits and 27 percent for overhead results in \$61.11 in hourly compensation for the accountant ($\$61.11 = \$31.70 \times (1 + 0.518) \times (1 + 0.27)$). The total annual salary cost burden associated with the filings is \$169,406 ($\$61.11 \times 2,772 \text{ hours} = \$169,406$, rounded to the nearest dollar).

13. Estimate of Total Annual Cost to Respondents

Approximately 308 M 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 M to the FMCSA would be \$308 (\$1.00 for each of the 308 forms).

Estimated Annual Cost to Respondents: \$308 [\$1.00 cost for mailing forms x 308 forms = \$308]

14. Estimate of Cost to the Federal Government

The estimated annual cost to the government is \$2,089 for Form M. This figure includes salary cost based on hours, overhead, printing and payment to contractors.

² Bureau of Labor Statistics, "Occupational Employment Survey," May 2014. http://www.bls.gov/oes/current/naics3_484000.htm (accessed May 8, 2015). North American Industry Classification System (NAICS) 484000, Truck Transportation, Standard Occupational Classification (SOC) 13-2011, Accountants and Auditors.

³ FMCSA estimates this 51.8% employee benefit rate by using the private industry average wage (\$17.67 per hour) and benefit information (\$9.16 per hour) for production, transportation, and moving material workers. Benefits thus amount to 50.0 percent of wages ($0.518 = \$9.16 / \17.67). From "Employer Costs for Employee Compensation—December 2014." <http://www.bls.gov/news.release/pdf/ecec.pdf> (Accessed May 8, 2015).

⁴ Berwick, Farooq. "Truck Costing Model for Transportation Managers." Upper Great Plains Transportation Institute, North Dakota State University (2003). <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf> (Accessed May 8, 2015).

Estimate of Annual Cost to Federal Government: \$2,089.

15. Explanation of Program Changes or Adjustments

The program adjustment increase of 999 estimated annual burden hours [2,772 proposed hours - 1,773 currently approved hours = 999 additional hours] for this ICR is due to two factors. First, the number of responses increasing from 197 to 308. We estimate a similar level of response in the years covered by this information collection. Second, wages used to assess the cost of employee time devoted to entering data in Form M have been updated from \$25.90 to \$31.70 per hour and the estimate of employee benefits as a percentage of the wage has been updated from 50.0% to 51.8%. The estimated annual burden increased by \$81,926 from the currently approved estimate [\$169,406 proposed - \$87,840 currently approved = \$81,926 increase]. The program adjustment increase of \$111 in the estimated annual cost to respondents [\$308 proposed cost - \$197 currently approved cost = \$111].

16. Publication of Results of Data Collection

The FMCSA is required by Federal law to make the data collection information publicly available subject to the exemption described in Question 2 above. There are no plans at this time for the agency to publish analytical reports.

17. Approval for not Displaying the Exemption Date of OMB Approval

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

18. Exceptions to Certification Statement

None.