

**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) emergency approval for the revision of the OMB Control Number 2126-0016 titled, "Licensing Applications for Motor Carrier Operating Authority," information collection request (ICR), which is due to expire on October 31, 2018. This ICR is being revised due to a Final Rule titled, "Unified Registration System (80 FR 63695) dated October 21, 2015 (Attachment A) which changed the effective and compliance dates for the on-line Unified Registration System (URS) from October 23, 2015 to September 30, 2016. As a result, FMCSA is seeking emergency approval to continue using the Licensing Applications for Motor Carrier Operating Authority Forms OP-1(NNA), OP-1(FF), OP-1, OP-1(MX) and OP-1(P)) through September 30, 2016 because these forms will still be needed to support registration processes for entities subject to FMCSA's regulations.

Part A. Justification.

1. Circumstances that make collection of information necessary:

The FMCSA registers certain for-hire Mexico-domiciled motor carriers under 49 U.S.C. § 13902(c) (Attachment B). 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 C), 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.

On March 19, 2002, the FMCSA published an interim final rule (IFR) at 67 FR 12702 (Attachment D) which proposed to amend 49 CFR part 365 and revise Form OP-1(MX). Under the amended regulations, Mexico-domiciled long-haul 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.

The Final Rule titled, "Unified Registration System," (78 FR 52608) dated August 23, 2013 (Attachment E) implemented statutory provisions for an on-line registration system in the ICCTA (Attachment C) and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, 2005 (SAFETEA-LU). The URS would streamline the registration process and serve as a clearinghouse and repository of information on, and identification of motor carriers,

brokers, freight forwarders, intermodal equipment providers (IEPs), hazardous materials safety permit (HMSP) applicants, and cargo tank facilities required to register with FMCSA. This ICR previously covered registration requirements non-exempt for-hire carriers, freight forwarders, and property brokers. Under the URS, all forms, except the OP-1 (MX), in this ICR are folded into the Form MCSA-1 in the OMB Control Number 2126-0051 titled, “FMCSA Registration/Updates,” ICR on October 23, 2015. The Form OP-1(MX) would be retained for the small number of Mexico-domiciled carriers that seek authority to operate beyond the United States municipalities on the United States-Mexico border and their commercial zones because they are not included within the scope of the URS rule.

The Final Rule titled, “Unified Registration System,” (80 FR 63695) dated October 21, 2015 (Attachment A) changed the effective and compliance dates of the 2013 URS Final Rule in order to allow FMCSA additional time to complete the information technology (IT) systems work required to fully implement that rule. This revision will restore the Forms OP-1, OP-1(P), OP-1(FF), and OP-1(NNA) to this ICR until September 30, 2016 because these forms are still needed to support registration processes for entities subject to FMCSA’s regulations. After this date, all forms, except the OP-1 (MX), in this ICR will be folded into the Form MCSA-1 in the OMB Control Number 2126-0051 titled, “FMCSA Registration/Updates,” ICR.

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-North 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), and OP-1(NNA) provides information to the FMCSA on the type of surface transportation operations which the registration applicant proposes to conduct. In addition, 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 during 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 this 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 Pre-authorization Safety Audit (PASA) and FMCSA approves the application. Such publication of a summary of the application as a preliminary grant of authority in the FMCSA Register is not an issuance of registration authority, but 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 as an 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:

The 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. Mexico-domiciled 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 Mexico-domiciled applicants will be located 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 the 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 this forms, which is to allow transportation entities to meet statutory registration requirements, would be defeated if the information was collected less frequently.

When Mexico-domiciled 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 completing 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 Mexico-domiciled 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 Mexico-domiciled registrants to re-file the entire form in these circumstances. A new application form is currently required only if the Mexico-domiciled carrier wishes to extend the scope of its authority or is applying for new authority. Under this proposal, where a Mexico-domiciled 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 December 30, 2015, FMCSA published a notice in the Federal Register (80 FR 81670) (Attachment F) with a 30-day comment period that announced its intention to submit 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 series 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:

After September 30, 2016, all new and existing entities will use the URS Online Application Process Form MCSA-1 in the OMB Control Number 2126-0051, “FMCSA Registration/Updates,” ICR except for the OP-1(MX). The following estimate includes year 1, where all forms will be completed, and years 2 and 3 where only OP-1(MX) will be completed.

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. For forms OP-1, OP-1 (FF), OP-1 (P), and OP-1 (NNA), FMCSA is using the average number of responses for each form over the years, 2009 through 2011, to estimate the burden of renewing this ICR. For Form OP-1 (MX), FMCSA anticipates that 12 respondents will submit forms annually. All told, FMCSA estimates 37,216 responses for all OP-1 series forms in year 1, and that the associated annual burden is 74,464 hours.

In years 2 and 3 FMCSA anticipates that 12 respondents will submit 12 Form OP-1(MX) responses annually, and the associated annual burden is 48 hours. Table 1 shows the annual responses for the Forms and the total annual burden for the ICR.

Form	Year 1			Years 2 and 3		
	Annual Responses	Hours per Response	Annual Burden Hours	Annual Responses	Hours per Response	Annual Burden Hours
IC-1: OP-1	35,700	2	71,400	0	2	0
IC- 2: OP-1(P)	1,000	2	2,000	0	2	0
IC- 3: OP-1(FF)	500	2	1,000	0	2	0
IC- 4: OP-1(MX)	12	4	48	12	4	48
IC- 5: OP-1(NNA)	4	4	16	0	4	0
Total for ICR	37,216		74,464	12		48
Previously Approved	12		48	12		48

Estimated Total Number of Annual Respondents and Responses:

Year 1: 37,216 (35,700 IC-1: OP-1 responses + 1,000 IC-2: OP-1(P) responses + 500 IC-3: OP-1(FF) responses + 12 IC-4: OP-1(MX) responses + 4 IC-5: OP-1(NNA) responses).

Years 2 and 3: 12 (12 IC-1: OP-1(MX) responses)

Estimated Average Number of Annual Respondents and Responses: 12,413 respondents and responses [(37,216 respondents and responses for Year 1) + (12 respondents and responses for Year 2) + (12 respondents and responses for Year 3) = 37,240 respondents and responses/3 year approval for ICR = 12,413].

Estimated Total Annual Burden Hours for ICR:

Year 1: 74,464 hours (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 + 48 IC-4: OP-1(MX) burden hours + 16 IC-5: OP-1(NNA) burden hours).

Years 2 and 3: 48 (12 estimated annual Form OP-1(MX) responses x 4 hours to complete the Form OP-1(MX) = 48).

Estimated Average Number of Annual Burden Hours for ICR: 24,853 hours [74,464 hours for Year 1 + 48 hours for Year 2 + 48 hours for Year 3 = 74,560 hours/3 year approval for ICR = 24,853 estimated average number of annual 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 \$62 per hour, comprising wages of \$31.23 per hour,¹ employee benefits equal to 57 percent of wages,² and overhead expenses equal to 27 percent of wages and benefits³ ($\$62 = \$31.23 \times (1 + 0.57) \times (1 + 0.27)$). Total annual labor cost of from filing OP-1 forms is estimated to be \$4.64 million ($\$62 \times 74,464$ hours) in year 1, and \$3,000 in years 2 and 3 ($\62×48 hours).

The 3-year average annual cost from filing OP-1 forms is estimated to be \$1.55 million (\$4.64 million in year 1, \$0.003 million in year 2, and \$0.003 million in year 3).

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 Average Annual Cost to Respondents: \$3.7 million [(\$300 per Form x 37,212

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 October 21, 2014. 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 57% employee benefit rate by using the private industry average wage (\$24.56 per hour) and benefit information (\$13.99 per hour) for production, transportation, and moving material workers. Benefits thus amount to 57 percent of wages ($0.57 = \$13.99 / \24.56). From “Employer Costs for Employee Compensation—June 2015”. Accessed on October 21, 2015 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 October 21, 2015 at <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf>

respondents (does not include the 4 private OP-1(NNA)) respondents for Year 1) + (\$300 per Form OP-1(MX) x 12 respondents for Year 2) + (\$300 per Form OP-1(MX) x 12 respondents for Year 3) = \$11.2 million/3 year approval for ICR = 3.7 million].

14. Estimate of cost to the Federal government:

After September 30, 2016, all new and existing entities will use the URS Online Application Process Form MCSA-1 in the OMB Control Number 2126-0051, “FMCSA Registration/Updates,” ICR except for the OP-1(MX). The following estimate includes year 1, where all forms will be processed, and years 2 and 3 where only OP-1(MX) will be processed.

The OP-1 (NNA) and OP-1(MX) forms are processed by Grade 9, step 5 Transportation Specialists at the Trans-Border Office. The labor cost of this activity is estimated to be \$44 per hour, comprising wages of \$28.60 per hour,⁴ employee benefits equal to 36.45 percent of wages,⁵ and overhead expenses equal to 12 percent of wages and benefits⁶ ($\$44 = \$28.60 \times (1 + 0.3645) \times (1 + 0.12)$).

All other OP-1 forms are processed by Grade 12, step 5 FMCSA headquarters staff at a labor cost of \$63 per hour ($\$63 = \$41.48 \text{ base wages}^7 \times (1 + 0.3645) \times (1 + 0.12)$). 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 in year 1 is about \$15.2 million per year. In years 2 and 3, the cost to the Federal government of collecting and processing the OP-1(MX) form is \$4,500.

As discussed in item 13 above, \$11.2 million of that cost is recouped via fees charged to applicants in year 1, and \$3,600 in years 2 and 3.

Table 2: Cost to U. S. Government for OP-1 (MX) Form							
Forms	Responses	Responses	Cost	Hours	Cost per	Annual	Annual

4 See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB_h.pdf

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

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

7 See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB_h.pdf

	- Year 1	- Years 2 & 3	per Hour	per Response	Response	Cost – Year 1 (million)	Cost – Years 2&3 (million)
IC 1: OP-1	35,700	0	\$63	6.5	\$410	\$14.6	\$0
IC 2: OP-1(P)	1,000	0	\$63	6.5	\$410	\$0.4	\$0
IC 3: OP-1(FF)	500	0	\$63	6.5	\$410	\$0.2	\$0
IC 1: OP-1(MX)	12	12	\$44	8.5	\$374	\$0.0045	\$0.0018
IC 5: OP-1(NNA)	4	0	\$44	8.5	\$374	\$0.0015	\$0
Total for ICR	37,217	12				\$15.2	\$0.0018
Previously Approved for Former OP-1 (MX)						\$0.0036	\$0.0072

Year 1: \$4 million [\$15.2 million cost to process forms - \$11.2 million cost recouped via fees charged to applicants = \$4 million]

Years 2 and 3: \$1800 [(\$4,500 cost to process forms - \$3,600 cost recouped via fees charged to applicants for Year 2) + \$4,500 cost to process forms - \$3,600 cost recouped via fees charged to applicants for Year 3) = \$1800]

Estimated Average Annual Cost to the Federal Government: \$1.3 million [(\$15.2 million cost to process forms - \$11.2 million cost recouped via fees charged to applicants for Year 1) + (\$1,800 cost to process forms for Year 2 & 3) = \$4.0 million/3 year approval for ICR = \$1.3 million]

15. Explanation of program changes or adjustments:

The program adjustment increase of +24,805 annual burden hours in year 1 (24,853 proposed burden hours – 48 currently approved hours) are due to the return of the estimated burden hours for the Forms OP-1, OP-1(P), OP-1(FF) and OP-1(FF) to this ICR for one year. FMCSA now estimate a +12,301 increase in number of annual ICR responses (12,413 proposed number of annual responses – 12 currently approved estimated number of annual responses).

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:

None.