

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

SUPPORTING STATEMENT

Annual Report of Class I Motor Carriers of Passengers

Introduction:

This is to request the Office of Management and Budget's (OMB) renewed three-year approved clearance for the information collection entitled Annual Report of Class I Motor Carriers of Passengers (OMB Control No. 2126-0031), which is currently due to expire on October 31, 2017.

Part A. Justification

1. Circumstances that Make the Collection of Information Necessary

Section 14123 of title 49 of the United States Code (U.S.C.) requires that the Secretary of Transportation collect annual financial reports from certain for-hire motor carriers of passengers. See Attachment A. All Class I for-hire motor carriers of passengers are required to complete and file a Motor Carrier Annual Report Form MP-1 for Motor Carriers of Passengers (Form MP-1). See 49 CFR 369.4 (Attachment B).

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

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

The data collected will be available to users in its original form. The data are not used by the U.S. Department of Transportation, and, based on a comment to a proposed rule finalized on December 17, 2013 (78 FR 76241), the data are no longer used by trucking associations. Insurance companies, consultants, law firms, academia, trade publications and others may use the data to assess industry growth and its impact on the economy, to identify industry changes that may affect national transportation, and to monitor company financial stability. The Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce uses the data to inform the national annual input-output and Gross Domestic Product (GDP)¹ estimates. BEA uses the data to prepare estimates of industry output and provide details on inputs to supplement the information on motor carriers of passengers collected by the U.S. Census Bureau.

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

3. Extent of Automated Information Collection

Information relative to collection of the data and the necessary form are available on the Federal Motor Carrier Safety Administration's (FMCSA) website, <https://www.fmcsa.dot.gov/registration/form-mp-1-annual-report-form-and-worksheet-class-i-motor-carriers-passengers>. The form can be printed and mailed to FMCSA. Electronic submission of Form MP-1 is not available.

4. Efforts to identify Duplication

These data are not available from any other source.

5. Efforts to Minimize the Burden on Small Business

Data are collected only from the largest carriers. Class I motor carriers of passengers with annual operating revenue of \$5 million or more, adjusted to account for the impact of inflation using the Producer Price Index for Finished Goods, are subject to the reporting requirements. Currently, 2 passenger carriers are required to submit financial information on Form MP-1.

In accordance with 49 U.S.C. 14123(d), the 2013 final rule, noted above, eliminated quarterly financial reporting requirements. The annual reporting requirement remains.

6. Impact of Less Frequent Collection Information

Section 14123 of 49 U.S.C. requires that the financial reports be collected annually.

7. Special Circumstances

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

8. Compliance with 5 CFR 1320.8

On March 16, 2017, FMCSA published a 60-day Federal Register notice (*see* 82 FR 14103, Attachment C) and received two comments (Greyhounds Lines, Inc. and the American Bus Association (ABA)). Greyhound opposes continuation of the Form MP-1 filing requirement for the simple reason that FMCSA has explicitly stated that it does not use the data contained in these filings. Greyhound respectfully suggests that FMCSA's limited resources are better utilized on its core safety function rather than on collecting financial and operational data that it does not use. Moreover, the impacted carriers should not be burdened by a requirement to file data that is not used by the Federal regulatory entity imposing the requirement. ABA states that the FMCSA requirement set forth in 49 CFR 396.4, represented by the annual submission of the Form MP-1, is outdated and should not be continued. The continuation of this limited reporting of a small number of carriers is both burdensome to the affected operators and inconsistent

with FMCSA’s important safety mission. The Agency responded to these comments in a 30-day Federal Register notice (82 FR 35027) published on July 27, 2017 by stating that FMCSA is statutorily required to collect such financial reports annually. See Attachment D.

9. Payments or Gifts to Respondents

There are no payments or gifts to respondents.

10. Assurance of Confidentiality

Currently, all data are made available at the respondent level. Motor carriers may request that the Agency keep their reports confidential. The Agency’s decisions to grant exemptions are based on whether the motor carriers meet the criteria established under 49 CFR 369.9 titled, “Request for exemptions from public release.”

11. Justification for Collection of Sensitive Information

The forms do not include any questions of a sensitive nature.

12. Estimate of Burden Hours for Information Requested

Class I motor carriers of passengers are required to file Form MP-1. Class I carriers are those with \$5 million or more in operating revenue. Revenue is adjusted to account for inflation since the \$5 million threshold was implemented in 1994. Currently, 2 carriers are required to submit this report. The data for completing reports are available from carrier records. FMCSA estimates that the 2 carriers will each spend 18 minutes² completing 1 report, each year.

Form	Number of Respondents Per Year	Number of Annual Responses Per Year	Estimated Time per Response	Total Annual Burden Hours
Form MP-1	2	2 (1 per year per respondent)	18 minutes	1 hours (2 × 18 minutes = 36, rounded to 1 hour)

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

Estimated Annual Number of Respondents: 2

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

Estimated Total Annual Burden Hours: 1 hour (2 responses × 18 minutes per response / 60 = 0.6 rounded 1 hour).

FMCSA expects completion and submission of Form MP-1 to be performed by a business and financial operations expert designated by the business entity. The median salary of a business and financial operations expert in the interurban and rural transportation industry is \$31.00 per hour (BLS, May 2015).³ Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 51.0 percent of the employee wage.⁴ Second, employee wage and benefits are increased by 27 percent to include relevant firm overhead.⁵ Applying the estimated 51 percent factor for employee benefits and 27 percent for overhead results in \$59.45 in hourly compensation for the business and financial operations expert [$\$31.00 \times (1 + 0.51) \times (1 + 0.27) = \59.45]. The estimated total annual labor cost burden associated with these reports is \$59 [$\$59.45 \times 1 \text{ hour} = \59 rounded to the nearest dollar]

13. Estimate of Total Annual Cost to Respondents

Approximately 2 reports are expected to be mailed to FMCSA annually. FMCSA conservatively estimates a flat cost of \$1.00 for an envelope and postage. The total cost of envelopes and postage for motor carriers mailing Form MP-1 to FMCSA would be \$2 [$\$1.00 \times 2 \text{ forms} = \2].

Estimated Annual Cost to Respondents: \$2

14. The Estimated Total Annual Cost to the Federal Government

³ Bureau of Labor Statistics, “Occupational Employment Survey,” May 2015. http://www.bls.gov/oes/current/naics4_485200.htm (accessed December 16, 2016). North American Industry Classification System (NAICS) 485200, Interurban and Rural Bus Transportation Standard Occupational Classification (SOC) 13-2000, Business and Financial Operations Occupations.

⁴ FMCSA estimates this 51 percent employee benefit rate by using the private industry average wage (\$17.99 per hour) and benefit information (\$9.18 per hour) for production, transportation, and moving material workers. Benefits thus amount to 51.0 percent of wages ($0.510 = \$9.18 / \17.99). From “Employer Costs for Employee Compensation —September 2016.” Accessed on December 16, 2016 at <https://www.bls.gov/news.release/pdf/eccec.pdf>.

⁵ Berwick, Farooq. Truck Costing Model for Transportation Managers,” Upper Great Plains Transportation Institute, North Dakota State University (2003). Accessed on December 16, 2016 at <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf>.

The estimated total annual cost to the Federal Government is \$22 for Form MP-1. This figure includes overhead, printing and contracting.

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

15. Explanation of Program Changes or Adjustments

The annual labor cost burden has increased from \$48 to \$59 due to an increase in the median salary of a business and financial operations expert in the interurban and rural transportation industry from \$24.99 per hour to \$31.00 per hour.

16. Publication of Results of Data Collection

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

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

FMCSA does not request such approval.

18. Exceptions to Certification Statement

No exceptions to the certification statement are requested.

Attachments

- A. 49 U.S.C. 14123, Financial reporting.
- B. 49 CFR 369.4, Annual reports of Class I carriers of passengers.
- C. 60-day Federal Register notice (82 FR 14103), March 16, 2017.
- D. 30-day Federal Register notice (82 FR 35027), July 27, 2017.