

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

**SUPPORTING STATEMENT
Lease and Interchange of Vehicles**

INTRODUCTION:

FMCSA requests the Office of Management and Budget (OMB) to renew the information collection request (ICR) currently approved under OMB Control Number 2126-0056, “Lease and Interchange of Vehicles,” which is due to expire on August 31, 2018, and to extend it for three years. FMCSA promulgated a final rule titled, “Lease and Interchange of Vehicles; Motor Carriers of Passengers,” (80 FR 30164) dated May 27, 2015, (Attachment A). The final rule added leasing requirements for buses and motorcoaches. In addition, the current regulations for for-hire motor carriers of property require certain of these carriers to have a formal lease when leasing equipment. As FMCSA announced in a notice titled, Proposal in response to petitions for reconsideration; request for public comments, dated June 16, 2017, it intends to publish a notice of proposed rulemaking (NPRM) to revise the 2015 final rule, reducing the burdens generally it would have imposed on motor carriers of passengers [82 FR 27768]. Currently, FMCSA is working on the NPRM and expects to publish it later in 2018. The compliance date of the 2015 rule, currently January 1, 2019 [82 FR 27766], will be extended and ultimately replaced by a new compliance date adopted upon completion of the forthcoming rulemaking.

Part A. Justification.

1. CIRCUMSTANCES THAT MAKE COLLECTION OF INFORMATION NECESSARY.

The rules were adopted to ensure that truck and bus carriers are identified (and in some cases protected) when they agree to lease their equipment and drivers to other carriers. They also ensure that the government and members of the public can determine who is responsible for a commercial motor vehicle (CMV). Prior to the regulations some equipment was leased without written agreements, leading to disputes and confusion over which party to the lease was responsible for charges and actions and, at times, who was legally responsible for the vehicle. These recordkeeping requirements are consistent with the provisions of the Motor Carrier Safety Act of 1984 for for-hire and private passenger carriers that operate CMVs, in order to enable the general public and investigators to identify the passenger carrier responsible for safety. Also, under 49 U.S.C. 14102(a), (Attachment B) FMCSA “may require a motor carrier providing for-hire transportation that uses motor vehicles not owned by it to transport property under an arrangement with another party to—

- (1) make the arrangement in writing signed by the parties specifying its duration and the compensation to be paid by the motor carrier;
- (2) carry a copy of the arrangement in each motor vehicle to which it applies during the period the arrangement is in effect;

- (3) inspect the motor vehicles and obtain liability and cargo insurance on them; and
- (4) have control of and be responsible for operating those motor vehicles in compliance with requirements prescribed by the Secretary on safety of operations and equipment, and with other applicable law as if the motor vehicles were owned by the motor carrier.”

The Secretary has delegated authority pertaining to leased motor vehicles to FMCSA pursuant to 49 CFR part 1.87(a)(6) and (f) (Attachment C). The Agency’s regulations governing leased motor vehicles are at 49 CFR part 376 Lease and Interchange of Vehicles (property-carrying motor vehicles) and Part 390, subpart F—Lease and Interchange of Passenger-Carrying Commercial Motor Vehicles.

The rules specify what must be covered in the lease, and to some degree, responsibilities of the motor carrier. The parties to the lease determine much of the details between themselves.

This ICR supports the Department of Transportation’s strategic safety goal by ensuring that FMCSA, our State partners, and the National Transportation Safety Board (NTSB) are better able to identify the responsible motor carrier and therefore correctly assign regulatory violations to the appropriate carrier during inspections, investigations, compliance reviews, and crash studies.

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

FMCSA generally collects no information with this ICR. The leases and other agreements are developed and held by the lessor (e.g., those granting use of equipment) and lessee (e.g., party acquiring equipment). They are used to assign duties and responsibilities. The information may also be used by law enforcement to determine legal responsibility in the event that a leased vehicle is in violation of the regulations or is involved in a crash.

3. EXTENT OF AUTOMATED INFORMATION COLLECTION.

Leases may be created and maintained electronically. FMCSA estimates that 50% of the leases are electronic.

4. EFFORTS TO IDENTIFY DUPLICATION.

FMCSA knows of no duplicative ICRs.

5. EFFORTS TO MINIMIZE THE BURDEN ON SMALL BUSINESSES.

If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. Based on Small Business Administration size standards, FMCSA has determined that motor carriers of property with 148 power units or fewer, and passenger carriers with 93 power units or fewer, are small businesses.¹ The purpose of part 376

¹ FMCSA Carrier Safety Fitness Determination Notice of Proposed Rulemaking. See 81 FR 3596, Thursday,

is to protect small businesses by ensuring that the terms under which they lease their equipment to other motor carriers are specified in a legal document. The overall frequency of leasing and interchange of vehicles among the diversity of passenger carriers is mostly unknown. Anecdotal information and opinions of industry experts indicate the frequency of leasing and interchange of vehicles among private passenger carriers is low.

Comments to the part 390 rulemaking on passenger carrier leasing caused FMCSA to reduce the regulatory and paperwork burden on passenger carrier vehicles in certain ways. First, vehicles exchanged between or among commonly owned and controlled motor carriers will not be required to have leases and receipts. Second, leases and receipts will not be required when passenger carriers party to a revenue pooling agreement approved by the Surface Transportation Board exchange or interchange passenger vehicles between or among themselves on routes subject to the pooling agreement. A simple statement affirming responsibility for regulatory compliance and marking the vehicle appropriately will be required for these:

(1) exchanges of passenger vehicles among commonly owned and controlled motor carriers; and

(2) parties to revenue pooling agreement approved by the Surface Transportation Board.

Also, FMCSA has added an emergency exception to the requirement that the lease or interchange agreement be signed before the vehicle begins operation. When a passenger vehicle is disabled during a trip, the lessor and lessee of the replacement vehicle may postpone the completion of a written lease for up to 48 hours to reduce regulatory and paperwork burdens and allow the passengers to resume their trip quickly.

6. IMPACT OF LESS FREQUENT COLLECTION OF INFORMATION.

Less frequent collections of information are infeasible by failing to fully serve the purpose of the vehicle leasing and interchange regulations for passenger carriers.

7. SPECIAL CIRCUMSTANCES.

There are no special circumstances related to this information collection.

8. COMPLIANCE WITH 5 CFR 1320.8.

FMCSA published a notice in the Federal Register on April 24, 2018 (83 FR 17884) (Attachment D) with a 60-day comment period announcing its intention to seek OMB renewal of this ICR. All comments received were reviewed and considered. With very little exception, the comment received spoke to the leasing rule itself and not the elements of the ICR.

FMCSA also received comments from the public when the NPRM was published on September 20, 2013 (78 FR 57822) (See Attachment E). The FMCSA received no specific information collection comments in response to this proposal; however, many commenters believed exceptions and exemptions from the new rules should be adopted for various reasons.

January 21, 2016, available at <https://www.gpo.gov/fdsys/pkg/FR-2016-01-21/pdf/2015-33153.pdf>.

The comments received mainly focused on emergency exceptions, revenue pooling agreements, common ownership and control, and passenger carrier chartering. Comments on these topics were considered and some were incorporated in the final. FMCSA published a final rule on May 27, 2015 (80 FR 30164) (See Attachment A).

9. PAYMENT OR GIFTS TO RESPONDENTS.

Respondents are not provided with any payment or gift for this information collection.

10. ASSURANCE OF CONFIDENTIALITY.

Not applicable. The leases and other agreements are developed and held by the lessor and lessee.

11. JUSTIFICATION FOR COLLECTION OF SENSITIVE INFORMATION.

There are no questions of a sensitive nature.

12. ESTIMATES OF BURDEN HOURS FOR INFORMATION REQUESTED.

IC-1: Part 376, Property-Carrying Commercial Motor Vehicles

Part 376 applies only to certain motor carriers in interstate commerce and only to certain leasing situations. To determine the number of affected carriers, FMCSA used data from its Motor Carrier Management Information System (MCMIS) database from September 2017. Because straight trucks generally operate locally, FMCSA focused on carriers that lease CMVs that pull one or more trailers. Because household goods carriers have relatively low mileage per CMV (20,000 to 35,000 miles/year), FMCSA included in its estimates all carriers that term-lease CMVs and average more than 20,000 miles per CMV. This approach is conservative because it is likely that many of the leased vehicles/drivers are being leased from carriers that hold their own operating authority. September 26, 2017, MCMIS and SMS snapshots show 17,804 for-hire property carrying carriers lease 354,683 CMVs annually. Comparatively, the last supporting statement (with data from September 2012) showed an estimated 16,500 for-hire carriers leasing 311,000 CMVs annually. Those represent an 8% and 14% increase, respectively.

Given that the carrier population is projected to increase at an annual rate of 2.8 percent per year,⁽²⁾ the Agency estimates that 18,820 for-hire property carriers will lease 374,919 CMVs annually during the three years covered by this ICR (Table 1).

Table 1. For-hire Property-Carrying CMV Estimated Growth

	2017	2018	2019	2020	2018-2020 Average

²⁾ Bureau of Labor Statistics, “Employment by industry, occupation, and percent distribution, 2016 and projected 2026, 484100 General freight trucking. Available at www.bls.gov/emp/ep_table_109.htm. Accessed December 1, 2017.

For-hire Property Carriers	17,804	18,303	18,815	19,342	18,820
Truck Tractors (CMVs)	354,683	364,614	374,823	385,318	374,919

Section 376.11 requires a for-hire carrier to do the following when the carrier (lessee) leases equipment from a person (lessor) that does not hold its own operating authority and that is not a private carrier:

- The lessor and lessee enter into a formal lease that specifies the terms and conditions (49 CFR 376.12).
- The lessee provides the lessor with receipts specifying the equipment being leased at the beginning of the lease and at the end of the lease if required by the lease.
- The lessee shall ensure that either a copy of the lease or a statement certifying its use is on each piece of leased equipment.
- The lessee shall prepare and keep documents for each trip for each piece of leased equipment. It should also carry papers on the equipment documenting each trip and retain the records; a master lease and freight documents can replace these records.

Most authorized carriers that lease equipment lease both power units and drivers, often from a (lessor) driver who owns a single CMV, and sometimes from many such drivers. The leasing carrier, or lessee, is assumed to have a master lease that it uses for all lessors rather than negotiating the terms with each lessor. Given this standardization, FMCSA assumes that time the lessor spends reviewing the lease is negligible in the trucking context. The lease or statement to be carried in the tractor will be standard documents that, once created, impose no additional burden. Because trip records can be met by freight records, which are generated in the ordinary course of business, they impose no additional burden. Similarly, receipts for the possession of the equipment are necessary documents that would be generated to establish legal responsibility at specific points in time. Therefore, the burden associated with § 376.11 is the following:

- The creation of master leases by for-hire carriers that lease equipment and drivers from parties without operating authority.
- Creation of a statement or copy of the lease to be carried in each leased tractor/truck.

The analysis assumes that all impacted carriers will engage in lease negotiation leading to a ‘master lease’ or repeat leases. The Agency believes this impact is minimal because several leases can be combined and negotiated as one (master) lease and many lease forms are available online and do not require legal assistance. Lease negotiation and documentation are assumed to be a burden of 30 minutes (0.5 hours) of a transportation manager’s time. This cost is applied to both the lessee and the lessor.

The number of statements issued to lessors annually is uncertain because some leases may be open-ended or self-renewing. Therefore, the burden of issuing copies of leases would be less for a motor carrier with a large percentage of owner-operators who automatically stay engaged in the lease arrangement longer than one year. Conversely, the trucking industry regularly reports annual driver turnover rates around the 100 percent mark for large truckload fleets, which may lead to a greater number of leases per year, thus, lease statements. With many trucking carriers

automatically renewing annual leases and many new lessors joining the industry, the Agency assumes that these two effects equally offset each other. For the purpose of this analysis, each lease has a term of 1 year, so that a new statement is issued annually, on average. A standard leasing statement will incur the burden of preparing the written documentation of the requisite information and signature of the lease agreement, which is undertaken in 5 minutes (0.083 hours). This burden is applied to both the lessee and the lessor.

As discussed above, the Agency estimates that 18,820 for-hire property carriers will lease 374,919 CMVs annually during the three years covered by this ICR. As detailed in Table 2, motor carriers are estimated to spend about 18,820 hours (18,820 carriers × 0.5 hours × 2) on average, every year to develop a master lease. Approximately 62,236 hours (374,919 power units × 0.083 hours × 2 entities) will be spent annually on the creation of a copy of the standard leasing statement—this results in a total annual burden of about 81,056 hours (18,820 hours + 62,236 hours) for leasing and interchange of vehicles.

We assume that respondent occupations correspond to Business Operations Specialists for the General Freight Trucking industry (North American Industry Classification System [NAICS] code 484100). The mean hourly wage of Business Operations Specialists is \$33.37.⁽³⁾

To arrive at a loaded wage, we first estimated a load factor of 1.421 by dividing the total cost of compensation for private industry workers of the trade, transportation, and utilities industry (\$27.44) by the average cost of hourly wages and salaries (\$19.31) as reported by the Bureau of Labor Statistics in its Employer Costs for Employee Compensation for March 2017.⁽⁴⁾ Multiplying mean hourly wage by the load factor results in a loaded hourly wage of \$41.96. We estimate the impacted industry will incur an average of 81,057 burden hours at a cost of \$3,401,110 (\$41.96 × 81,056 hours).

Table 2. IC-1 Estimated Annualized Burden

	Carriers	Vehicles	Hours	Entities (Lessee and Lessor)	Total Hours	Burden Hour Cost
Master Lease	18,820		0.5	2	18,820	\$789,687
Standard Statement		374,919	0.083	2	62,236	\$2,611,423
Total					81,056	\$3,401,110

Section 376.12 enumerates specific requirements regarding the provisions of contracts between carriers and owner-operators. When taken as a whole, the main thrust of § 376.12 is to achieve specificity and transparency in lease contracts and transactions governed by those contracts. These rules require that all relevant terms of the arrangement be made clear to lessors and that lessors be given sufficient information so that they can determine whether carriers are complying with contracts. The information burden associated with this section is impacted since leases

³ Bureau of Labor Statistics. Occupational Employment Statistics, May 2016 National Industry-Specific Occupational Employment and Wage Estimates: NAICS 484100 - General Freight Trucking. Available at www.bls.gov/oes/current/naics4_484100.htm#13-0000. Accessed December 10, 2017.

⁴ Bureau of Labor Statistics. “Table 10. Employer costs per hour worked for employee compensation and costs as a percentage of total compensation: private industry workers, by industry group, March 2017.” Available at <https://www.bls.gov/news.release/ecec.t10.htm>. Accessed December 11, 2017.

must specify that an authorized carrier must provide the lessor a copy of the freight bill upon request in circumstances where a lessor’s revenue is based on a percentage of gross revenue for a shipment (49 CFR 376.12(g)). FMCSA has no basis for estimating how often such requests occur. Many long-haul drivers are paid by distance traveled and not by value of a shipment. For lessors paid a percentage of shipping charge, it is likely that the lessee would routinely provide documentation on the charges. FMCSA, therefore, has not estimated a burden for this requirement.

Section 376.22 requires that a for-hire carrier with operating authority or a private carrier leasing equipment to a for-hire carrier with operating authority have a written agreement between the parties that specifies which carrier is in control of the vehicle. A copy is carried on the equipment. The burden associated with this section is the creation of a copy to be carried in the vehicle. FMCSA has not estimated a burden for these copies because it is assumed to be included in the burden associated with the lease agreement.

IC-1 Summary

Estimated Average Total Annual Burden Hours: 81,056 hours [18,820 master lease + 62,236 standard statement].

Estimated Annual Number of Respondents: 37,640 [18,820 lessees + 18,820 lessors].

Estimated Annual Number of Responses: 749,837 [374,919 lessee statements + 374,919 lessor statements].

Estimated Annual Burden Hour Cost: \$3,401,110

IC-2: Part 390, Subpart F Passenger-Carrying Commercial Motor Vehicles

Part 390, as amended by the final rule dated May 27, 2015, (80 FR 30164) contains five information-collection requirements for passenger carriers: (1) written lease agreements and receipts; (2) summary documents for passenger carriers having commonly owned and controlled buses; (3) summary documents for passenger carriers with STB-approved revenue pooling agreements; (4) a statement of regulatory responsibility for passenger carriers requiring an immediate replacement vehicle from another motor carrier for unforeseen contingency events (e.g., a crash, the vehicle is disabled, or the driver is ill); and (5) notification of a tour or travel group within 24 hours after the passenger carrier originally contracted to provide service arranges for a subcontractor to transport the tour or travel group.

The affected carrier population in 2017 is estimated at 12,751, which is the number of interstate passenger carriers, with recent activity, as of September 2017. Applying the annual growth factor of 2.8 percent per year results in the projected carrier population shown in Table 3. For the purposes of this ICR, we base our estimations on the 2018 to 2020 average population of 13,478 interstate passenger carriers.

Table 3. Passenger-Carrying Commercial Motor Vehicle Growth

	2017	2018	2019	2020	2018-2020 Average
Interstate passenger carriers	12,751	13,108	13,475	13,852	13,478

Note that the information-collection requirements for carriers having commonly owned and controlled buses as well as those with STB-approved revenue pooling agreements are lower than for other carriers covered by the final rule; however, the burden and cost to this subset of carriers resulting from this rule is conservatively estimated (on a per-carrier basis) to be equal to that of carriers not qualifying for either of these exceptions.

We assume that respondent occupations for all burden hour activities correspond to Business Operations Specialists for the Interurban and Rural Bus Transportation industry (North American Industry Classification System [NAICS] code 485200). The mean hourly wage of Business Operations Specialists is \$33.37.⁽⁵⁾ To arrive at a loaded wage, we first estimated a load factor of 1.421 by dividing the total cost of compensation for private industry workers of the trade, transportation, and utilities industry (\$27.44) by the average cost of hourly wages and salaries (\$19.31) as reported by the Bureau of Labor Statistics in its Employer Costs for Employee Compensation for March 2017.⁽⁶⁾ Multiplying mean hourly wage by the load factor results in a loaded hourly wage of \$47.42.

Leases

For *documentation* of the lease, the Agency estimates the cost of obtaining and preparing a standard generic template that is freely available on the internet, through trade organizations, or existing passenger carriers. The total number of pages of one such template is two, which is the number used in the Agency's estimate. The estimated annual number of burden hours depends on the estimated annual frequency of leasing.

Assuming lease frequency is medium, the Agency assumes that the average passenger carrier will engage in 64 lease agreements per year. This estimate consists of 8 leases per peak month (May through August) and 4 leases per off-peak month (September through April). The average total annual number of leases estimated during the three years covered by this ICR is 862,592 (64 leases agreements per carrier × 13,478 carriers). The Agency assumes 5 minutes (0.083 hours) of documentation time per lease agreement. This amounts to 5.3 hours per carrier per year (64 lease agreements × 0.083 hours per agreement) and amounts to about 43,190 hours (862,592 leases × 0.083 hours). This is multiplied by two, since the cost burden applies to both the lessees and the lessors. Thus, the total is 71,595 hours (43,190 hours × 2).

Regarding documentation of receipts, the Agency estimates the cost of their transcription, but does not assign burden hours to the task. The receipts do not have to adhere to a certain format, length or complexity, if they meet the requirements of the rule. The receipts are sometimes replicas or portion of 'master leases,' which make for easy and quick documentation.

We estimate that each of the 13,478 passenger-carrying commercial motor carriers impacted annually will incur an average of cost of \$251 ($\47.42×5.3 hours), resulting in a total cost to the

⁵ Bureau of Labor Statistics. Occupational Employment Statistics, May 2016 National Industry-Specific Occupational Employment and Wage Estimates: NAICS 485200 - Interurban and Rural Bus Transportation. Available at www.bls.gov/oes/current/naics4_485200.htm#13-0000. Accessed December 10, 2017.

⁶ Bureau of Labor Statistics. "Table 10. Employer costs per hour worked for employee compensation and costs as a percentage of total compensation: private industry workers, by industry group, March 2017." Available at www.bls.gov/news.release/ecec.t10.htm. Accessed December 10, 2017.

industry of \$6,765,956 (13,478 carriers × \$251 per lease agreement × 2 parties per lease agreement).

Notification

Affected Population. Section 390.305 includes a notification requirement: when a passenger carrier with a charter contract leases vehicles from a subcontractor carrier to perform the charter, it must notify the charter party within 24 hours after hiring the subcontractor that the transportation will be provided by the subcontractor. This requirement may be satisfied by notifying the tour operator or group of passengers about the role of and information about the subcontracted motor carrier.

FMCSA lacks data with which to directly quantify the annual number of passenger carriers that subcontract with other carriers to provide charter service, to which this notification requirement is applicable. The *Motorcoach Census 2013*, published by the American Bus Association, characterizes three types of motorcoach transportation services for which an unknown fraction of trips may require such notification:⁽⁷⁾

- Charter – A preformed group (organization, association, tour company, shuttle service, church, school, etc.) who hires a motorcoach for exclusive use under a fixed contract.
- Packaged/Retail Tour – A planned or prearranged trip offered for sale by a motorcoach transportation company (including a tour company that leases/owns and operates motorcoaches) at fixed price to leisure travelers. Price usually includes lodging, meals, sightseeing, and transportation.
- Sightseeing – A service offered by motorcoach or tour companies to view points of interest within a specified area.

Together, these three categories comprised 56.6% of total motorcoach service mileage in 2013.⁽⁸⁾ In the same year, most passenger carriers (97.9%) offered charter service, while packaged/retail tour service and sightseeing service were offered by 37.6% and 12.7% of passenger carriers, respectively. To estimate the number of passenger carriers that subcontract with other carriers to provide charter service, this analysis makes the same assumptions as the 2014 Supporting Statement: all carriers *might* engage in subcontracting, though only half will. Working with this assumption, we expect 6,739 carriers to be affected annually during each of the three years covered by this ICR (13,478 carriers × 0.5).

It is assumed that virtually all affected carriers will comply with this requirement by means of electronic notification (email) as it is standard business practice for a charter group's organizer to provide the carrier with contact information. Although the notification requirement may be satisfied through providing the required information to the charter group's organizer, carriers may have contact information for some portion of the charter group's passengers through online ticket sales, enabling direct passenger notification. However, this analysis assumes carriers will maintain electronic communication with a sole representative of each charter

⁷American Bus Association Foundation. "Motorcoach Census: A Study of the Size and Activity of the Motorcoach Industry in the United States and Canada in 2013." Available at www.buses.org/assets/images/uploads/general/Report%20-%20Census2013data.pdf. Accessed December 11, 2017.

⁸Ibid, p.12.

group responsible for disseminating notifications to the charter group’s members. This is the lowest-cost compliance strategy for carriers and provides the greatest assurance that all members of the charter group will receive the notice.

Notifications. As discussed above, the Agency estimates that an average of 6,739 carriers may be affected by the notification requirement during each year covered by this ICR. The annual number of notifications generated is calculated by multiplying the number of impacted carriers by the average number of subcontracted charters per impacted carrier. The Agency assumes the average carrier impacted by the charter group notification requirement engages in 64 subcontract agreements per year that consequently require 64 separate notifications. At this rate, the total number of notifications required per year is 431,296 (6,739 impacted carriers × 64 notifications per impacted carrier).

The analysis assumes an average of 5 minutes (0.083 hours) per email notification. Therefore, each affected carrier is estimated to spend 5.3 hours annually performing this task (64 lease agreements × 0.083 hours per agreement) and amounts to an industry total of about 35,717 hours (64 lease agreements × 0.083 hours × 6,739 affected carriers).

Table 4 below presents in detail the calculation of each component of the IC-2 burden hours and costs for all of the individual tasks necessary to comply with the rule.

Table 4. IC-2 Assumptions and Estimations

Basic Assumptions		Notes
Annual carrier population increase	1.028	2.8% increase per year
Affected passenger-carrying carriers	13,478	See Table 3
Leases per carrier per year	64	Medium Lease Frequency
Loaded hourly wage	\$47.42	\$33.37 × 1.421 load factor
Task: Master Lease Creation		Notes
Master leases per year	13,478	1 per carrier
Agents per lease	2	Lessee and lessor
Total negotiations	26,956	13,478 × 2
Burden hours per negotiation	0.5	30 minutes
Total hours	13,478	32,282 ÷ 2
Total burden hour cost	\$639,127	13,478 × \$47.42
Task: Lease Negotiation		Notes
Leases per year	862,592	13,478 carriers × 64 leases
Agents per lease	2	Lessee and lessor
Total negotiations	1,725,184	862,592 × 2 agents per lease
Burden hours per negotiation	0.5	30 minutes
Total hours	862,592	1,725,184 × 0.5 hours
Total burden hour cost	\$40,904,113	862,592 × \$47.42

Task: Lease Documentation		Notes
Leases per year	862,529	13,478 carriers × 64 leases
Agents per lease	2	Lessee and lessor
Total documentations	1,725,185	862,529 × 2
Burden hours per documentation	0.083	5 minutes
Total burden hours	143,190	1,725,185 × 0.083
Total burden hour cost	\$6,790,070	143,190 × \$47.42
Task: Lease Copying		Notes
Leases per year	862,529	13,478 carriers × 64 leases
Agents per lease	2	Lessee and lessor
Total copies	1,725,184	862,529 × 2
Hours per transaction	0	Negligible time burden
Total burden hours	0	Negligible
Total burden hour cost	\$0	Negligible
Task: Notification by Carriers to Charter Groups		Notes
Carriers likely to engage in subcontracting	6,739	13,478 carriers × 50%
Notifications generated annually	431,296	6,739 × 64
Burden per notification	0.083	5 minutes
Total burden hours	35,798	431,296 × 0.083
Total burden hour cost	\$1,697,541	35,798 × \$47.42
Total burden for IC2		\$50,030,851
Total Annualized Burden Hours		13,478 + ... + 35,798

IC-2 Summary

Annual Burden Hours: 1,055,058 [13,478 master lease + 862,592 negotiation + 143,190 documentation + 0 (negligible) copying + 35,798 charter group notification].

Annual Number of Respondents: 5,175,552 [13,478 carriers × up to 6 people per lease × 64 leases annually per carrier].

Annual Number of Responses: 4,744,256 [862,592 leases + 1,725,185 transcription of lease agreements + 1,725,185 transcription of receipts + 431,296 charter group notification].

Estimated Annual Burden Hour Cost: \$50,030,851

Total for Both IC-1 and IC-2

Estimated Annualized Total Burden Hours: 1,136,114 [81,057 + 1,055,058].

Estimated Annualized Number of Respondents: 5,213,193 [37,640 + 5,175,552].

Estimated Annualized Number of Responses: 5,494,093 [749,837 + 4,744,256].

Estimated Annual Burden Hour Cost: \$53,431,961 [\$3,401,110+\$50,030,851].

13. ESTIMATE OF TOTAL ANNUAL COST TO RESPONDENTS

IC-1: Part 376, Property-Carrying Commercial Motor Vehicles

Capital and Startup Costs:

Transcription

The Agency concludes that property-carrying commercial motor vehicle operators have access to basic office equipment such as a computer, a printer and/or a copying machine necessary to complete these tasks. These are standard pieces of office equipment and respondents face no added burden in this regard.

Operation and Maintenance Costs:

Transcription

The estimated unit-cost of transcribing one lease agreement double-sided (i.e., a two page agreement) is \$0.15 (incorporates cost per page of paper, ink used in printing, printer depreciation, etc.). The estimated unit-cost corresponding to the lease receipts is \$0.30. This assumes two transactions, and hence two receipts: one for the delivery (or surrender) of the vehicle and one for the return of the vehicle. This cost is applied to both the lessee and lessor. An estimated 374,919 vehicles leased every year would require 374,919 lease statements; therefore, the total cost of generating copies of lease statements would be \$224,951 (374,919 statements × \$0.30 per page × 2 entities).

IC-1 Summary

Estimated Capital and Startup Cost to Respondents: \$0.

Estimated Average Annual Cost (Operation and Maintenance) to Respondents: \$5.98
[\$224,951 total cost ÷ 37,640 respondents].

TOTAL Cost to Respondents for IC-1: \$3,401,110 + \$224,951 = \$3,626,061

IC-2: Part 390, Subpart F Passenger-Carrying Commercial Motor Vehicles

Capital and Startup Costs:

Master Lease Creation

The Agency determines there are no capital or startup cost associated with this burden. Lease templates are readily available on the Internet at no cost.

Lease Negotiation

The Agency finds there are no capital or startup cost associated with this burden. Lessors and lessees already engage in these negotiations independent of whether they formalize terms in written lease agreements. Negotiations are a standard practice among passenger motor vehicle carriers and the associated skill set is prevalent across the industry.

Lease Documentation

The Agency finds there are no capital or startup cost associated with this burden. It involves no special equipment or training.

Transcription

The Agency concludes that property-carrying commercial motor vehicle operators have access to basic office equipment such as a computer, a printer and/or a copying machine necessary to complete these tasks. These are standard pieces of office equipment and respondents face no added burden in this regard, and therefore the Agency finds there are no capital or startup costs associated with this requirement.

Notification of Charter Groups by Carriers

There are no capital or start-up costs associated with email notification messages to charter groups. The acquisition, operation, and maintenance of electronic devices, such as computers, laptops, tablets, ePads, or smartphones, that would be used to send electronic messages (email) to notify charter groups in the event that some portion or all of the chartered service has been subcontracted to another passenger carrier is considered a usual and customary business practice and is not calculated for this information collection burden estimate.

Record Retention

The rule requires the retention of lease agreements for one year after their termination. The Agency finds that the storage of work documents is a requisite part of doing business. Thus, the requirement to retain a copy of the written lease agreement for one year after its termination does not impose a significant startup cost or burden on the affected carriers. A two-inch stack of 8 1/2" × 11" sheets of 200-pound paper (a ream) could amount to 500 double-sided copies of lease agreements. This would amount to more than one lease per day in a given year.

Operation and Maintenance Costs:

Master Lease Creation

There are no ongoing operating or maintenance costs resulting from this burden – the creation of a master lease is a one-time event.

Lease Negotiation

The Agency determines that there are no ongoing operating or maintenance costs associated with this task as it requires only a means of communication which may be in person, electronic, or in written format, none of which impose marginal costs.

Lease Documentation

Lease documentation is assumed to follow the template of carriers' master lease agreements, with modifications where needed, a task for which no marginal cost burden is incurred.

Transcription

The Agency estimates the annual cost of transcribing lease agreements and vehicle exchange receipts at \$517,555. Transcription of lease agreements assumes \$0.15 per page (double-sided two-page standard agreement). Transcription of vehicle exchange receipts assumes \$0.30 per exchange (one page for each receipt) for each event (surrender of leased vehicle by lessor and return of vehicle to the lessor) or \$0.60 per lease. With 862,592 leases per year, the cost is \$517,555 (862,592 leases × \$0.60 per lease).

Notification of Charter Groups by Carriers

There are no ongoing operation or maintenance costs associated with this requirement as all businesses covered by this requirement regularly communicate via electronic methods and there is no additional marginal cost per e-mail sent.

Record Retention

The storage of work documents is a requisite part of doing business; therefore the retention requirement poses no ongoing cost burden to retain nominal amounts of records as per standard business practices.

IC-2 Summary

Estimated Capital and Startup Cost to Respondents: \$0.

Estimated Average Annual Cost (Operation and Maintenance) to Respondents: \$38.40
[\$517,555 ÷ 13,478 carriers].

TOTAL Cost to Respondents for IC-2: \$50,030,851 + \$517,555 = \$50,548,406

Total for Both IC-1 and IC-2

Total Capital and Startup Costs: \$0.

Total Estimated Average Annual Cost to Respondents: \$742,506 [\$224,951 cost for transcribing lease agreements and vehicle exchange receipts for IC-1 + \$517,555 cost for transcribing lease agreements and vehicle exchange receipts for IC-2].

TOTAL Cost to Respondents for IC1 and IC-2: \$54,174,467 [\$3,626,061 + \$50,548,406]

14. ESTIMATE OF COST TO THE FEDERAL GOVERNMENT

None. These vehicle leases are maintained by the motor carriers and are not submitted to FMCSA.

15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS

This program change increase of 459,114 estimated annual burden hours (1,136,114 proposed estimated annual burden hours - 677,000 currently approved estimated annual burden) is due to updated estimates of the number of respondents and responses (an increase of 2,110,093) for both motor carriers of property and passengers, and an increase of \$53,675,467 in burden hour costs. Previous estimates were based on 2014 data. Current estimates are based on September 26, 2017, MCMIS and SMS snapshots. The data pulled for the current ICR shows an increase in the overall number of carriers since the data used in the previous ICR. The increase in number of carriers resulted in an increase in the overall burden hours associated with this ICR.

16. PUBLICATION OF RESULTS OF DATA COLLECTION.

The results of this ICR will not be published.

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

Not applicable.

18. EXCEPTION TO CERTIFICATION STATEMENT.

There are no exceptions to the certification statement.

REFERENCES

1. Lease and Interchange of Vehicles; Motor Carriers of Passengers (80 FR 30164) dated May 27, 2015, (Attachment A)
2. Leased Motor Vehicles, 49 U.S.C. 14102(a), (Attachment B)
3. Delegation to Federal Motor Carrier Safety Administrator, 49 CFR part 1.87(a)(6) and (f) (Attachment C)
4. Agency Information Collection Activities; Renewal Of An Approved Information Collection: Lease And Interchange Of Vehicles, (83 FR 17884) (Attachment D)
5. Lease and Interchange of Vehicles; Motor Carriers of Passengers, (78 FR 57822), September 20, 2013 (Attachment E)
6. FMCSA Carrier Safety Fitness Determination Notice of Proposed Rulemaking. See 81 FR 3596, Thursday, January 21, 2016, <https://www.gpo.gov/fdsys/pkg/FR-2016-01-21/pdf/2015-33153.pdf>
7. Bureau of Labor Statistics, Employment by industry, occupation, and percent distribution, 2016 and projected 2026, 484100 General freight trucking, www.bls.gov/emp/ep_table_109.htm
8. Bureau of Labor Statistics. Occupational Employment Statistics, May 2016 National Industry-Specific Occupational Employment and Wage Estimates: NAICS 484100 - General Freight Trucking, www.bls.gov/oes/current/naics4_484100.htm#13-0000
9. Bureau of Labor Statistics. "Table 10. Employer costs per hour worked for employee compensation and costs as a percentage of total compensation: private industry workers, by industry group, March 2017." <https://www.bls.gov/news.release/ecec.t10.htm>
10. Bureau of Labor Statistics. Occupational Employment Statistics, May 2016 National Industry-Specific Occupational Employment and Wage Estimates: NAICS 485200 - Interurban and Rural Bus Transportation, www.bls.gov/oes/current/naics4_485200.htm#13-0000
11. Bureau of Labor Statistics. "Table 10. Employer costs per hour worked for employee compensation and costs as a percentage of total compensation: private industry workers, by industry group, www.bls.gov/news.release/ecec.t10.htm
12. American Bus Association Foundation. "Motorcoach Census: A Study of the Size and Activity of the Motorcoach Industry in the United States and Canada in 2013, www.buses.org/assets/images/uploads/general/Report%20-%20Census2013data.pdf

