

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

**SUPPORTING STATEMENT**

**Application for Certificate of Registration for Foreign Motor Carriers and Foreign Motor Private Carriers**

The purpose of this request is to seek the Office of Management and Budget's (OMB) approval for the renewal of a currently-approved information collection request (ICR) OMB Control Number 2126-0019 titled, "Application for Certificate of Registration for Foreign Motor Carriers and Foreign Motor Private Carriers," which is due to expire on October 31, 2018.

**Part A. Justification.**

**1. Circumstances that make collection of information necessary:**

The Motor Carrier Safety Act of 1984 (1984 Act), Public Law No. 98-554, 98 Stat. 2832, required certain Mexican-domiciled motor carriers performing operations in the United States to obtain certificates of registration, on an annual basis, in order to continue those operations. Prior to that time, however, these carriers had been exempt from regulation by the former Interstate Commerce Commission (ICC). Further, to obtain these certificates of registration, motor carriers subject to these requirements were required to demonstrate that they maintained specified levels of insurance coverage; that they were performing safe operations, in accordance with the Department of Transportation's (DOT) safety regulations; and that they had paid any applicable Federal heavy vehicle taxes under 26 U.S.C. § 4481 (Attachment A). To implement the statute, the ICC adopted regulations at 49 CFR part 1171, now found at 49 CFR part 368 (Attachment B), and prescribed Form OP-2 as the application form to be used by these foreign motor carriers to operate in the United States.

In 1988, as part of the Anti-Drug Abuse Act of 1988 (1988 Act), Public Law No. 100-690, 102 Stat. 4181,<sup>(1)</sup> Congress revised the 1984 Act. The 1988 Act expanded the statute to require all Mexican-domiciled for-hire and private motor carriers of exempt and regulated commodities to obtain certificates of registration. Also, the 1988 Act repealed the requirement for annual renewals of certificates of registration, and allowed the initial certificates of registration to remain in effect indefinitely, provided the carrier complies with other regulatory provisions of the statute. It also permitted these carriers to have insurance policies of limited duration and to show evidence of insurance at the international boundary line (on a per trip basis, or the so-called "trip insurance" concept), rather than filing certificates of insurance with the former ICC.

The ICC Termination Act of 1995 (ICCTA), Public Law No. 104-88, 109 Stat. 803 (Attachment C), transferred responsibility for registration of foreign carriers from the former ICC to the Department of Transportation (Surface Transportation Board) and Federal Motor Carrier Safety Administration (FMCSA).

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<sup>1</sup> Title IX, subtitle B of the Anti-Drug Abuse Act of 1988 is referred to as the Truck and Bus Safety and Regulatory Reform Act of 1988.

Congress adopted a comprehensive licensing scheme for registering foreign (Mexico-based) motor carriers to operate across the Mexico-U.S. border into the United States and for issuance of operating authority for these carriers, now carried out under the authority of 49 U.S.C. § 13902(c) by the FMCSA. This collection of information required by § 13902(c) (Attachment D) and 49 CFR part 368 has ensured that applications filed by foreign (Mexico-based) motor carriers receive the same thorough review given to registration applications filed by U.S. and Canadian motor carriers. Form OP-2, the application form used by foreign (Mexico-based) motor carriers, thus establishes continuing compliance with this statutory requirement.

This information collection supports the DOT's Strategic Goal of Safety by allowing foreign Mexico-based motor carriers to conduct operations in the United States, but requiring them to comply with registration procedures that are similar to the ones U.S. and Canadian motor carriers must comply with.

**2. How, by whom, and for what purpose is the information used:**

Data contained on the Form OP-2 will provide the FMCSA with evidence to assess the foreign (Mexico-based) motor carrier's safety program and its ability to comply with U.S. safety standards. It also provides information concerning changes in each carrier's operating status to ensure actual compliance with safety requirements. This enables the Agency to maintain an accurate census of registered carriers and ensure safety.

**3. Extent of automated information collection:**

The Government Paperwork Elimination Act (GPEA), Public Law 105-277 (October 21, 1998), requires agencies to provide for the option of electronic submission of information and the use of electronic signatures, when practicable. Form OP-2 is filed by applicants on a voluntary, and for the most part, one-time basis. It calls for necessary information to identify the applicant and the scope of its proposed operations. All new registrations must be filed electronically, while updates may be filed electronically or by mail. FMCSA estimates, based on data from 2015 to 2017,<sup>(2)</sup> that 91 percent of Form OP-2 updates will be submitted electronically annually during the period covered by this ICR.

**4. Efforts to identify duplication:**

There are no similar filings made with any other Federal agency or within the DOT that would result in duplication of this information. However, where applicable, some applicants are required to file IRS Form 2290, Schedule I, with the Internal Revenue Service (IRS) to reflect that payments have been made to the IRS for Federal taxes for highway use by heavy vehicles, pursuant to 26 U.S.C. § 4481.

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<sup>20</sup> Data Source: L&I snapshot as of July 27, 2018 and Senture data.

**5. Efforts to minimize the burden on small businesses:**

Paperwork burdens associated with completing the Form OP-2 will remain unchanged. Each applicant is required to demonstrate its willingness and ability to comply with applicable safety regulations. It is essential to capture the population of carriers and to make certain the information is current. The requested information cannot be obtained from any other source, and the FMCSA is requesting no more information than is absolutely necessary to ensure compliance with applicable safety regulations. Once the initial filing is made, carriers are only required to submit name or address changes. Updates to their location and operating status are also required when circumstances warrant.

**6. Impact of less frequent collection of information:**

Foreign (Mexico-based) motor carriers desiring to obtain certificates of registration to operate across the Mexico/United States international boundary line must file an application, Form OP-2, and comply with certain other prescribed requirements before being granted authority to conduct operations in the United States. Once the certificate of registration is issued, it remains in effect until the authority to operate is revoked voluntarily, at the request of the motor carrier, or unless the FMCSA revokes the authority involuntarily, for cause.

There is a \$300 filing fee required for this initial filing. A new OP-2 application form is currently required only for initial requests for certificates of registration to operate as a foreign motor carrier from Mexico within municipalities and commercial zones along the U.S.-Mexico international border. There is no filing fee associated with address, location, or operating status changes.

**7. Special circumstances:**

There are no special circumstances that relate to this ICR.

**8. Compliance with 5 CFR § 1320.8:**

On April 9, 2018, FMCSA published a 60-day Federal Register notice (83 FR 15222) as seen in Attachment E. There were no comments received. FMCSA published a notice in the Federal Register (83 FR 46996) on September 17, 2018 (Attachment F) with a 30-day comment period announcing its intention to seek OMB renewal of this ICR.

**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 Form OP-2 calls for information identifying the

applicant and the scope of its proposed operations in the United States. Further, Form OP-2, like all registration applications filed with the FMCSA, becomes part of a public docket and is open to the public for inspection.

**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:**

The burden for this ICR includes the time required to complete Form OP-2. FMCSA estimates the OP-2 form requires an average of 4 hours to complete. However, the time required to complete an individual application will vary depending on the applicant's knowledge of English. FMCSA provides an English/Spanish version of the OP-2 application form and instructions pursuant to Executive Order 13166, dated August 11, 2000, titled, "Improving Access to Services for Persons with Limited English Proficiency" (65 FR 50121; Aug. 16, 2000), (Attachment G). Both the electronic and paper formats of the application are available in the English/Spanish version; applications must be completed in English.

The average number of OP-2 Forms filed from 2015 to 2017 is approximately 527, including 480 new registrations and 47 updates.<sup>(3)</sup> FMCSA assumes there will be no significant change to the number of filings in future years. As shown in Table 1, the total annual burden associated with these applications is 2,108 hours (527 applications × 4 hours).

The Agency assumes that respondent occupation for this task corresponds to Business Operations Specialist. The mean hourly wage of Business Operations Specialists of the General Freight Trucking industry (North American Industry Classification System [NAICS] code 484000) is \$29.35.<sup>(4, 5)</sup> To arrive at a loaded wage, the Agency 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.<sup>(6)</sup> Multiplying the mean hourly wage by the load factor results in a loaded hourly wage of \$41.71.

The Agency estimates the burden hour cost per respondent to be approximately \$167 (\$41.71 per hour × 4 hours). As shown in Table 1, the total annual burden hour cost to the industry is \$87,925 (\$41.71 per hour × 2,108 hours).

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<sup>3</sup> Data Source: L&I snapshot as of July 27, 2018.

<sup>4</sup> FMCSA was unable to obtain comparable Mexican wage rates for Business Operations Specialists of the General Freight Trucking industry. For the purposes of this ICR, we use U.S. wages with the understanding that the resulting calculations may be overestimated.

<sup>5</sup> Bureau of Labor Statistics. Occupational Employment and Wages, May 2016, NAICS 484100 - General Freight Trucking. [www.bls.gov/oes/current/naics4\\_484100.htm](http://www.bls.gov/oes/current/naics4_484100.htm), Accessed December 21, 2017.

<sup>6</sup> 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>, Accessed December 21, 2017.

**Table 1. Respondents, Burden Hour, and Burden Hour Cost Estimates for Form OP-2.**

<b>Year</b>	<b>Number of Respondents (a)</b>	<b>Number of Responses (a × 1 = b)</b>	<b>Average Burden Hours per Response (c)</b>	<b>Total Burden Hours (b × c = d)</b>	<b>Total Burden Hour Cost (d × \$41.71 = e)</b>
1	527	527	4	2,108	\$87,925
2	527	527	4	2,108	\$87,925
3	527	527	4	2,108	\$87,925
Total	1,581	1,581	-	6,324	\$263,775
Annualized	527	527	-	2,108	\$87,925

**Estimated Total Annual Burden: 2,108 hours.**

**Estimated Annual Number of Respondents: 527.**

**Estimated Annual Number of Responses: 527.**

**Estimated Annual Burden Hour Cost to Respondents: \$87,925.**

**13. Estimated total annual costs to respondents:**

Respondents may incur costs in addition to burden hour costs. Those costs include a \$300 fee per registration request, and if the respondent chooses to submit updates to Form OP-2 by mail rather than electronically, mailing costs. Note that new registrations are accepted electronically, not by mail.

New Registration Filing Fee

FMCSA charges a filing fee of \$300 for each type of registration requested by the Form OP-2 applicant. The application fee does not apply to updates and/or changes to the identifying information. After the registration application is accepted, the fee is not refundable even if the certificate of registration is not issued to the applicant.

Based on a July 27, 2018, Licensing and Insurance (L&I) data snapshot, FMCSA estimates an average of 480 of the 527 forms filed annually will be for new registrations and subject to a filing fee. Assuming each Form OP-2 filed for registration will request one registration type, FMCSA estimates the \$300 filing fee will result in an annual cost to the industry of \$144,000 (480 × 1 × \$300).

Cost of Mailing

FMCSA estimates 9 percent, or 47 of 527 annual respondents, will file by mail, at an estimated cost of \$5 per respondent (paper, envelope, and postage). This results in a total annual cost of \$235 (47 × \$5). The remaining 480 of 527 estimated annual respondents are expected to file electronically and will not incur any additional cost.

Estimated Total Annual Cost to Respondents

Annualized, the Agency estimates that 527 respondents will incur a total cost of \$144,235 (\$144,000 in filing fees + \$235 in mailing costs).

**Estimated Annual Costs to Respondents: \$144,235.**

**14. Estimate of cost to the Federal government:**

The Agency estimates that docketing these applications, reviewing the contents of the package, deciding whether to grant or reject the application, issuing a certificate of registration to the carrier, where appropriate, and performing the ministerial functions associated with the handling of the 527 applications received annually takes approximately 8.5 hours per form, or 4,480 hours per year (527 × 8.5 hours).

Tasks associated with Form OP-2 are performed by a Grade 9 Transportation Specialist in headquarters at a cost of approximately \$30.07 per hour.<sup>(7)</sup> The estimated annual cost to the Federal government is \$134,714 (4,480 hours × \$30.27 per hour).

**15. Explanation of program adjustments:**

The program adjustment increase of 588 estimated annual burden hours [2,108 hours proposed – 1,520 hours currently approved] for this ICR is due to an increase in the estimated number of application filings by foreign (Mexico-based) motor carriers from 380 to 527. This estimate of 527 is based on the average number of OP-2 applications filed from 2015 to 2017. The \$26,075 decrease in estimated burden costs to respondents (\$114,000 currently approved - \$87,925 proposed) is due to a correction in the method of cost calculations which was applied to the currently approved estimate, where the \$300 registration fee was included in burden cost calculations.

**16. Publication of results of data collection:**

The information collected is not to be published.

**17. Approval for not displaying the expiration date of 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.

**ATTACHMENTS**

**A. 26 U.S.C. § 4481.**

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<sup>70</sup> Based on the 2017 wage for GS 9 step 5 of \$23.49 per hour (see [www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/GS\\_h.pdf](http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/GS_h.pdf)), plus 28 percent of that base wage for fringe benefits, and locality pay.

- B. 49 CFR part 368.
- C. The ICC Termination Act of 1995, Public Law 104-88, 109 Stat. 803 (Dec. 29, 1995).
- D. 49 U.S.C. § 13902(c).
- E. 60-day Federal Register notice (83 FR 15222), April 9, 2018.
- F. 30-day Federal Register notice (83 FR 46996), September 17, 2018.
- G. Executive Order 13166 titled, “Improving Access to Services for Persons with Limited English Proficiency,” August 16, 2000 (65 FR 50121).