

**SUPPORTING STATEMENT – ANNUAL AND QUARTERLY  
FREIGHT COMMODITY STATISTICS, FORM QCS**

**A. Justification:**

1. (a) Why the collection is necessary. The Surface Transportation Board (Board) has broad statutory authority to provide economic regulatory oversight of railroads, addressing such matters as rates; service; the construction, acquisition and abandonment of rail lines; carrier mergers; and the interchange of traffic among carriers (49 U.S.C. §§ 10101-11908). Under 49 U.S.C. § 11145, the Board may require regulated carriers to submit financial and statistical data and reports that the Board needs to carry out its mission. The collection in Form QCS, which is based on information contained in waybills used by railroads in the ordinary course of business, reports car loadings and total revenues by commodity code for each commodity that moved on the railroad during the reporting period. See 49 C.F.R. pt. 1248. The Board is requesting an extension without modification of this information collection, which will otherwise expire on October 31, 2018.

2. How the collection will be used. Information reported on Form QCS is entered into the Uniform Rail Costing System (URCS), which is a cost measurement methodology. URCS, which was developed by the Board pursuant to 49 U.S.C. §§ 11161-62, is used in rail rate proceedings as a tool to calculate the variable costs of providing a particular rail service in accordance with 49 U.S.C. § 10707(d). The Board uses variable costs, for example, to calculate revenue-to-variable cost ratios to make threshold determinations about whether a rate complaint can proceed. Specifically, 49 U.S.C. § 10709 now limits the Board's jurisdiction over maximum rates to those instances where the revenue-to-variable cost ratio exceeds a specific percentage.

The Board also uses URCS to analyze the information that it obtains through the annual railroad waybill sample, pursuant to 49 U.S.C. §§ 1321, 10707, and 11144-45, as well as in railroad abandonment proceedings to measure off-branch costs (see 49 U.S.C. § 10904(a); 49 C.F.R. § 1152.32(n)). This information is essential for determining regional and system costs. And many other federal agencies and industry groups depend on Form QCS for information regarding the cost of the movement of goods by railroads.

3. Extent of automated information collection. The railroads submit this report electronically in Excel spreadsheet format.

4. Identification of duplication. The information requested does not duplicate any other information available to the Board or the public.

5. Effects on small business. No small entities will be affected by the collection of this information. This reporting requirement applies only to Class I railroads, which have operating

revenues in excess of \$250 million (1991 dollars) (adjusted for inflation using 2017 data, the revenue threshold for a Class I rail carrier is \$463,860,933). The Board has adopted an indexing methodology that will ensure that regulated carriers are classified based on real business expansion, rather than the effects of inflation.

6. Impact of less frequent collections. The QCS data is aggregated in the annual QCS report. The agency uses the annual QCS data in its URCS calculations, while the quarterly data is primarily for public consumption. Thus, less frequent collection would either diminish the utility of the data for the agency or diminish the public availability of the quarterly information.

7. Special circumstances. No special circumstances apply to this collection.

8. Compliance with 5 C.F.R. § 1320.8. As required, the Board published a notice on July 11, 2018, providing a 60-day comment period regarding this collection. 83 Fed. Reg. 32,180. No comments were submitted. As also required, a Federal Register notice providing an additional 30-day comment period is being published simultaneously with this submission.

9. Payments or gifts to respondents. The Board does not provide any payment or gift to respondents.

10. Assurance of confidentiality. All information collected through this report is available to the public.

11. Justification for collection of sensitive information. This collection contains no information of a sensitive nature.

12. Estimation of burden hours for respondents. The following information pertains to the estimate of burden hours associated with this collection:

(1) Number of respondents: Seven

(2) Frequency of response: Each Class I carrier is required to file the quarterly and annual QCS reports.

(3) Annual hour burden per respondent and total for all respondents: Based on information provided by the railroad industry, it is estimated that it takes not more than one man-hour each time a report is prepared. This estimate includes the time needed to gather the information; edit, review, type, and proofread the data; and submit the form. It is estimated that each of the seven Class I railroads requires not more than 4 hours to complete the four quarterly reports and the one hour to complete the annual report. The total annual burden hours for all seven carriers is estimated to be not more than 35 hours.

13. Other costs to respondents: No non-hour costs for operation, maintenance, or purchase of services associated with this collection have been identified. This report is submitted to the agency electronically.

14. Estimated costs to the Board: We estimate that it takes ten hours annually (analyst at \$62.24 per hour, including benefits) to review the annual and quarterly filings and to enter the annual QCS report into URCS, and two hours annually (auditor at \$90.57 per hour, including benefits) to post on the website, resulting in a total annual cost of \$803.54.

15. Changes in burden hours. This is an existing collection, which is being adjusted to update the burdens and costs based on industry information. Due to technology, the burden hours to file each report has decreased significantly, resulting in a decrease of the overall annual hourly burden.

To determine the extent of this decrease, Board staff contacted less than 10 respondents. The respondents that provided responses, indicated that their software systems now generate these reports in a fraction of the time that it used to take them when their staff had to review printed sheets and put the reports together by hand. It appears that the Board has overreported the burden in recent years, and the very significant change in hourly burden of this collection, due to major technology efficiencies, are warranted and accurate.

16. Plans for tabulation and publication: These reports are submitted in the form of Excel spreadsheets and are posted on the Board's website at [http://www.stb.gov/stb/industry/econ\\_reports.html](http://www.stb.gov/stb/industry/econ_reports.html).

17. Display of expiration date for OMB approval. No exception is sought. The control number and expiration date for this collection appear on the form.

18. Exceptions to Certification Statement. Not applicable

**B. Collections of Information Employing Statistical Methods:**

Not applicable