

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

**SUPPORTING STATEMENT**

**Annual Report of Class I and Class II Motor Carriers of Property**

**Introduction:** The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget its request to extend a currently-approved information collection request (ICR) titled, “Annual Report of Class I and Class II Motor Carriers of Property,” (Including household goods and dual property motor carriers), covered by OMB Control Number 2126-0032. This ICR is due to expire on December 31, 2018. FMCSA also requests approval of a minor modification of its estimate of the total burden hours for this ICR due primarily to changes in the number of annual responses. This ICR is being revised to incorporate the OMB approved “Annual Report of Class I Motor Carriers of Passengers” ICR, OMB Control No. 2126-0031, for use of the MP-1 form, the “Annual Report Form (Motor Carriers of Passengers),” which resulted in only two respondents and one burden hour per year. The 2126-0031 ICR is due to expire October 31, 2020. FMCSA proposes renaming the 2126-0032 ICR as the “Annual Report of Class I and Class II For-Hire Motor Carriers” ICR. Such a merger with the new, broader title will clarify that the combined ICR addresses both for-hire property and passenger carriers, but not private carriers. After OMB approval of the merged ICR, FMCSA proposes to submit a request to withdraw the previously approved “Annual Report of Class I Motor Carriers of Passengers” ICR, OMB Control No. 2126-0031, to OMB.

**Part A. Justification.**

**1. Circumstances That Make the Collection of Information Necessary**

49 U.S.C. 14123 (Attachment A), transferred to the Secretary of Transportation (Secretary) the responsibility to require Class I and Class II motor carriers to file annual financial and safety reports that include balance sheets and income statements. Under section 14123, the Secretary may also require motor carriers, freight forwarders, brokers, lessors, and associations, or classes of them, to file quarterly, periodic, or special reports with the Secretary and respond to surveys concerning their operations.

Initially, the Secretary transferred this reporting authority to administer the Financial and Operating Statistics (F&OS) program to the former Bureau of Transportation Statistics (BTS) on September 30, 1998 (63 FR 52192) (Attachment B). Pursuant to this authority, the BTS in the Research and Innovative Technology Administration (RITA), now Office of the Assistant Secretary for Research and Technology, became the responsible DOT administration for implementing the F&OS program and requirements set forth in title 49 CFR part 1420 (Attachment C). On September 29, 2004, the Secretary transferred the responsibility for the F&OS program from BTS to FMCSA (69 FR 51009) (Attachment D). On August 10, 2006, DOT published a final rule (71 FR 45740) (Attachment E) that

transferred and re-designated certain motor carrier financial and statistical reporting regulations of BTS, that were formerly located in chapter XI of title 49 CFR part 1420, to FMCSA under chapter III of title 49 CFR, and established a new part 369 (Attachment C) to accommodate the re-designated regulations.

On December 17, 2013, FMCSA eliminated a quarterly reporting requirement for certain for-hire motor carriers of property (former form QFR) and for-hire motor carriers of passengers (Form MP-1) (78 FR 76241). This burden elimination, effective January 16, 2014, was based on the agency's conclusion that it could maintain effective commercial regulatory oversight over the for-hire trucking and passenger-carrying industries with only the annual reporting requirements in place.

Under the F&OS program, FMCSA collects balance sheet and income statement data, along with information on safety needs, tonnage, mileage, employees, transportation equipment and other related data. FMCSA may also ask carriers to respond to surveys concerning their operations. The data and information collected will be made publicly available and used by FMCSA to determine a motor carrier's compliance with the F&OS program requirements prescribed at 49 CFR 369.1(a).

FMCSA is requesting OMB's approval to renew this information collection for motor carriers reporting their annual financial and operating data.

49 U.S.C. 14123 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 F). FMCSA estimates there are approximately 60 to 80 Class I passenger carriers and currently, the Agency has received financial information on Form MP-1 from 2 passenger carriers.

This ICR supports the Department of Transportation's strategic goal of safety by collecting information used for reviewing the financial status of Class I and Class II motor carriers.

FMCSA has created electronic forms that may be prepared, signed electronically, and submitted to FMCSA via <https://ask.fmcsa.dot.gov/app/ask/> in accordance with the Agency's April 28, 2014 (79 FR 23306), rulemaking in RIN 2126-AB47, Electronic Signatures and Documents.

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

The annual report (Form M) will be used to collect financial, operating, equipment and employment data from individual motor carriers of property and household goods. All for-hire (common and contract) motor carriers of property with gross annual operating revenue of \$3 million or more must file the annual report Form M. The annual report (Form MP-1) 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) also uses the data to inform the national annual input-output and Gross Domestic Product (GDP)<sup>1</sup> estimates. And 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.

On March 16, 2017, FMCSA published a 60-day Federal Register notice (82 FR 14103, Attachment G) and received two comments from Greyhounds Lines, Inc. and the American Bus Association (ABA)). Greyhound opposed 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 stated 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 I.

### **3. Extent of Automated Information Collection**

Information relevant to collection of the data and the necessary forms are available on FMCSA's website, [http://www.fmcsa.dot.gov/forms/reporting/mcs\\_info.htm#fos](http://www.fmcsa.dot.gov/forms/reporting/mcs_info.htm#fos). The forms can be printed and mailed to FMCSA. Electronic submission of Form M and Form MP-1 is not available at this time. FMCSA will consider identifying the appropriate actions needed to update the Agency's information technology systems and platforms, including the estimated costs required to make these changes. Once this has been completed, FMCSA will decide whether or not to implement system changes which would allow those carriers required to submit this data to do so electronically."

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

**4. Efforts to Identify Duplication**

The Census Bureau, through its Services Annual Survey, provides similar statistical data for the transportation industry. However, the Census Bureau does not collect the same information as FMCSA. The Bureau is prohibited by law from providing data about individual carriers to the public. Further, some Federal agencies, such as Department of Defense (DoD) and General Services Administration (GSA), and private entities have requested continued public access to carrier-level data that would enable monitoring financial and operating measures of particular carriers.

**5. Efforts to Minimize the Burden on Small Businesses**

For motor carriers of property, the Small Business Administration (SBA) defines small trucking businesses as those with annual revenues or receipts up to \$27.5 million. A majority of the companies that file Form M would be considered small businesses under SBA guidelines. The Agency estimates that about 155,000 for-hire property carriers operate in the United States and that over 100,000 of them would be considered small businesses. The small businesses that file Form M represent a minor fraction of this total.

Form M was reduced to eight pages in 1999, which reduced burden hours for all carriers.

As noted above, on December 17, 2013, FMCSA eliminated two quarterly reports including: (1) Form QFR Quarterly for property carriers, authorized by the OMB Control Number 2126-0032 ICR; and (2) the Class I passenger carrier financial quarterly survey (Form MP-1 Quarterly), authorized by the OMB Control Number 2126-0031 ICR. The FMCSA does not have the statutory authority to eliminate the annual reporting requirements for property or passenger carriers in this ICR.

Form MP-1 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.

**6. Impact of Less Frequent Collection of Information**

The annual survey provides useful information and is required by 49 U.S.C. 14123, as discussed above.

**7. Special Circumstances**

There are no special circumstances.

**8. Compliance with 4 CFR 1320.8**

On April 24, 2018 (83 FR 17894) (Attachment I), FMCSA published a notice in the Federal Register with a 60-day public comment period to announce this proposed information collection request revision. The agency received no comments in response to this notice.

**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. Regulations at 49 CFR part 369 allow a motor carrier to request an exemption from filing (369.8) or public release (369.9). The decision to grant the exemptions is based on the criteria established by those regulations.

**11. Justification for Collection of Sensitive Information**

There are no questions of a sensitive nature.

**12. Estimate of Burden Hours for Information Requested**

This ICR covers two information collections: Form M filed by Class I and Class II motor carriers of property and Form MP-1 filed by Class I motor carriers of passengers.

**Information Collection 1: Form M**

Class I and Class II motor carriers of property are required to file Form M. Class I carriers are those with \$10 million or more average annual gross transportation operating revenue (including interstate and intrastate), and Class II motor carriers are those with \$3 million or more, but less than \$10 million in operating revenue (including interstate and intrastate). Revenue is adjusted to account for inflation, using a formula in 49 CFR 369.2, because the \$10 million and \$3 million thresholds were implemented in 1994. In 2016, 96 carriers submitted this report. The data for completing reports are available from carrier records. FMCSA estimates that each carrier will spend an average of 9 hours completing Form M, resulting in a total of 864 burden hours per year for all carriers.

FMCSA expects completion and submission of Form M to be performed by an accountant designated by the business entity. The median salary of an accountant in the truck transportation industry is \$31.61 per hour.<sup>2</sup> 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

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<sup>2</sup> Bureau of Labor Statistics. "Occupational Employment and Wages, May 2016, NAICS 484100 - General Freight Trucking." Available at [www.bls.gov/oes/current/naics4\\_484100.htm](http://www.bls.gov/oes/current/naics4_484100.htm) (accessed January 17, 2017).

Statistics in its Employer Costs for Employee Compensation for March 2017.<sup>3</sup> Multiplying the mean hourly wage by the load factor results in a loaded hourly wage of \$44.92. The total annual salary cost burden associated with the filings is \$38,811 (\$44.92 × 864 hours).

**Table 1. Information Collection 1: Respondents, Responses, Burden Hour, and Burden Hour Cost Estimates**

Year	Number of Respondents (a)	Number of Responses (a × 1 = b)	Average Burden Hours per Response (c)	Total Burden Hours (b × c = d)	Total Respondent Cost (d × \$44.92 = e)
1	96	96	9	864	\$38,811
2	96	96	9	864	\$38,811
3	96	96	9	864	\$38,811
Total	288	288	-	2,592	\$116,433
Annualized	96	96	-	864	\$38,811

**Information Collection 1 Summary**

**Estimated Number of Annual Respondents: 96.**

**Estimated Number of Annual Responses: 96.**

**Estimated Total Annual Burden Hours: 864 hours** [96 respondents x 9 hours per response].

**Information Collection 2: Form MP-1**

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 submit this report. The data for completing reports are available from carrier records. FMCSA estimates that the 2 carriers will each spend 18 minutes completing 1 report, each year.

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 urban and rural transportation industry is \$31.00 per hour (BLS, May 2015).<sup>4</sup> Two adjustments are made to this hourly compensation estimate. First, employee benefits are estimated at 51.0 percent of the employee wage.<sup>5</sup> Second, employee wage and benefits are increased by 27 percent to

<sup>3</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 January 17, 2018).

<sup>4</sup> Bureau of Labor Statistics, “Occupational Employment Survey,” May 2015.

[http://www.bls.gov/oes/current/naics4\\_485200.htm](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.

<sup>5</sup> 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

include relevant firm overhead.<sup>6</sup> 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 [ $\$31.00 \times (1 + 0.51) \times (1 + 0.27)$ ]. The estimated total annual labor cost burden associated with these reports is \$59 [ $\$59.45 \times 1$  hour].

**Table 2. Information Collection 2: Respondents, Responses, Burden Hour, and Burden Hour Cost Estimates**

Year	Number of Respondents (a)	Number of Responses (a × 1 = b)	Average Burden Hours per Response (c)	Total Burden Hours (b × c = d)	Total Respondent Cost (d × \$59.45 = e)
1	2	2	0.3	1	\$59
2	2	2	0.3	1	\$59
3	2	2	0.3	1	\$59
Total	6	6	-	3	\$177
Annualized	2	2	0.3	1	\$59

**Information Collection 2 Summary**

**Estimated Number of Annual Respondents: 2.**

**Estimated Number of Annual Responses: 2.**

**Estimated Total Annual Burden Hours: 1** [2 respondents x 0.3 hours per response].

**Summary**

**Estimated Number of Annual Respondents: (96 + 2 = 98)** [96 Class I and Class II motor carriers of property (Form M) + 2 Class I motor carriers of passengers (Form MP-1)].

**Estimated Number of Annual Responses: 98** [96 (Form M) + 2 (Form MP-1)].

**Estimated Total Annual Burden Hours: 865 hours** [864 hours (Form M) + 1 hour (Form MP-1)].

**13. Estimate of Total Annual Cost to Respondents**

**Information Collection 1: Form M**

Approximately 96 M forms filed annually are expected to be mailed to FMCSA. FMCSA estimates a flat cost of \$1.00 for an envelope and postage. The total cost of envelopes and postage for motor carriers mailing Form M to the FMCSA would be \$96 ( $\$1.00 \times 96$  forms).

**Information Collection 2: Form MP-1**

—September 2016” (accessed on December 16, 2016 at <https://www.bls.gov/news.release/pdf/ecec.pdf>).

<sup>6</sup> 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>).

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 ( $\$1.00 \times 2$  forms).

**Estimated Annual Cost to Respondents:** \$98 [\$96 for Form M + \$2 for Form MP-1].

**14. Estimate of Cost to the Federal Government**

The estimated annual cost to the Federal government for Form M is \$165 (96 forms  $\times$  4 minutes per form  $\div$  60 minutes per hour  $\times$  \$25.71 per hour). This \$25.71 per hour figure includes salary cost based on hours, overhead, printing and payment to contractors. The Contracting Officer Representative is minimal and has no impact on the cost to the government.

The estimated total annual cost to the Federal government for Form MP-1 is \$2 (2 forms  $\times$  2 minutes per form  $\div$  60 minutes per hour  $\times$  \$25.71 per hour). This figure includes overhead, printing and contracting.

**Estimate of Annual Cost to Federal Government:** \$167 [\$165 for Form M + \$2 for Form MP-1].

**15. Explanation of Program Changes or Adjustments**

The estimates changed for the number of respondents required to file the Form M (Class I and Class II motor carriers of property) from 308 in the previously approved ICR to 96. The program adjustment decrease of 1,908 estimated annual burden hours [2,772 currently approved hours – 864 proposed hours] for information collection 1 (Form M) is due to updated information and estimates of the number of responses. Estimated respondents decreased from 308 in the previously approved ICR to 96. No program adjustments were made for information collection 2 (Form MP-2).

**16. Publication of Results of Data Collection**

The FMCSA is required by Federal law to make the data collection information publicly available subject to the exemption described in Question 2 above. There are no plans at this time for the agency to publish analytical reports.

As noted above, through the proposed merger of the two ICRs, FMCSA would rename the 2126-0032 ICR as the “Annual Report of Class I and Class II For-Hire Motor Carriers” ICR. And such a merger with the new title will clarify that the combined ICR addresses both for-hire property and passenger carriers, but not private motor carriers. Additionally, after the merger of the ICRs, FMCSA intends to request withdrawal of the previously approved “Annual Report of Class I Motor Carriers of Passengers” ICR, OMB Control No. 2126-0031.



**17. Approval for not Displaying the Exemption Date of OMB Approval**

The FMCSA is not seeking approval to not display the expiration date of the OMB approval number.

**18. Exceptions to Certification Statement**

None.

**Attachments**

- A. 49 U.S.C. 14123, Financial reporting.
- B. Reports of Motor Carriers; Redesignation of Regulations Pursuant to the ICC Termination Act of 199, September 30, 1998 (63 FR 52192).
- C. Title 49 CFR Part 1420, Reports of Motor Carriers, October 1, 1998.
- D. F&OS program from BTS to FMCSA (69 FR 51009), August 17, 2004.
- E. Redesignation of Regulations, (71 FR 45740), August 10, 2006.
- F. Annual reports of Class I carriers of passengers, 49 CFR 369.4.
- G. 60-day FR, (82 FR 14103), March 16, 2017.
- H. 30-day FR, (82 FR 35027), July 27, 2017.
- I. 60-day FR, (83 FR 17894), April 24, 2018
- J. 30-day FR, (83 FR 66836), December 27, 2018.