

**DEPARTMENT OF TRANSPORTATION
SUPPORTING STATEMENT**

Aircraft Accident Liability Insurance
OMB Control Number 2106-0030

Introduction

The Department is requesting the Office of Management and Budget (OMB) to reinstate with change a previously approved information collection, and grant a three-year approval for this collection. Although the Department commenced the process to renew the information collection prior to the expiration date, processing completion was delayed due to resource constraints and changes to the collection to reduce the burden on respondents by introducing fillable forms and allowing for electronic submissions.

A. Justification

1. Explain the circumstances that make the collection of information necessary. Include identification of any legal or administrative requirements that necessitate the collection.

49 U.S.C. Section 41112 ("the Statute") provides that an air carrier may not be issued or continue to hold air carrier authority unless it has filed with the Department evidence that it possesses insurance in accordance with the Department's regulations. 14 CFR Part 205 (Part 205) establishes procedures for filing evidence of liability insurance for air carriers.

DOT Strategic Goal:

This information collection supports the Department of Transportation's strategic goal on safety of the public. Specifically, collection of this data ensures that air carriers have the proper insurance coverage in case of damages for bodily injury to or a death of a person, or for damage to the property of others, resulting from the air carrier's operations or maintenance of aircraft in air transportation provided under its authority from the Department.

2. Indicate how, by whom, and for what purpose the information is to be used.

The certificates of insurance (OST Forms 6410 for U.S. air carriers and 6411 for foreign air carriers (copies attached) are kept on file at the Department as evidence that the carriers are in compliance with the liability insurance requirements in the Statute and Part 205. The forms, which may be inspected by the public, identify the name and address of the air carrier and the insurer(s), the policy number(s), and effective date, the limits of liability, and the type of aircraft and operations covered by the insurance policy.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

The certificates of insurance (OST Forms 6410 and 6411) are available on DOT and FAA's websites as downloadable, fillable forms that can be saved and retrieved, whenever necessary. These forms can be filled out, signed, and mailed directly or submitted electronically for approval.

4. *Describe efforts to identify duplication.*

Evidence of air carrier liability insurance is not required to be filed in any other Federal government location.

5. *If the collection of information involves small businesses or other small entities, describe the methods use to minimize the burden.*

Certificates of insurance must be filed only when a company initially obtains air carrier authority and thereafter only when there are changes in the policy conditions, *e.g.*, the aircraft covered, the amount of coverage, the policy number or the policy period. In the case of many air carriers, a new certificate is filed annually, although our rules do not require an annual filing. While it is the responsibility of each air carrier to ensure that evidence of liability insurance is kept on file with the Department, the burden of actually filing the required certificate rests with the air carriers' insurance brokers and underwriters (who, of course, include the costs of this task in calculating their clients' premium payments).

To minimize the burden on respondents, the Department has replaced the original, non-fillable forms with fillable forms that can be saved, retrieved, and filed electronically.

6. *Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently.*

The requirement to file evidence of liability insurance serves as a deterrent against air carriers operating uninsured or underinsured. Moreover, if the collection of this information was proscribed, neither the Department, which licenses the air carriers, nor the public would have any documentary evidence that injuries and losses would be indemnified.

7. *Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.*

These collections are consistent with the guidelines in 5 CFR 1320.6.

8. *Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

A notice (copy attached), pursuant to 5 CFR 1320.8(d), soliciting comments on the proposed reinstatement with changes of the information collection was published in the Federal Register on October 1, 2019 (84 FR 52172). No comments have been received. A 30-day notice was published on December 16, 2019 (84 FR 68542). Comments go directly to OMB.

9. *Describe any decision to provide any payment or gifts to respondents, other than remuneration of contractors or grantees.*

No payments or gifts are provided to respondents.

10. *Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.*

The information contained in the certificates of insurance is not confidential and may be inspected at any time by the public, as stated in section 205.3. The actual policy to which the certificate refers must be kept available at the air carrier's place of business for Department inspection.

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters that are commonly considered private.*

There are no sensitive questions.

12. *Provide estimates of the hour burden of the collection of information, including. The statements should: indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was established.*

Number of annual respondents: (30 minutes)	OST Form 6410 (U.S. carriers)	2,051
	OST Form 6411 (Foreign carriers)	<u>457</u>
	Total	2,508

Number of annual responses: (30 minutes)	OST Form 6410	2,728
	OST Form 6411	<u>608</u>
	Total	3,336

Frequency of response: on occasion

Annual hour burden:	(0.25 hours) x (95% of 3,336 responses)	= 792 hrs.
	(0.50 hours) x (0.05% of 3,336 responses)	= <u>83 hrs.</u>
		875 hrs.

Annualized cost to respondents: \$0

Explanation of how the burden was estimated:

Based on the most currently available information, approximately 2,508 (2,051 U.S. and 457 foreign) air carriers are registered with the Department. Generally, air carriers file insurance certificates annually, coinciding with the term of their insurance policy. However, approximately 33 percent of these respondents will amend their insurance certificates during the year, usually to add or remove covered aircraft. Thus, approximately 1.3 insurance certificates are filed annually per registered air carrier, for a total per year of 3,336 (2,728 U.S. and 608 foreign) certificates.

The Department expects a significant reduction in the amount of time required to complete the forms after the first electronic form is filled out and saved. Using the new forms, the Department estimates that it will take 15-30 minutes to complete, with about 5 percent of all responses (167 responses) to continue to be handwritten, requiring 30 minutes for completion, and the remaining 95 percent (3,169 responses) using the fillable forms, requiring 15 minutes for completion. Therefore, we estimate an annual burden to all air carriers of 875 hours. This figure is based on 0.25 hours for 95 percent of the responses (3,169 responses), which is 792 hours, and 0.5 hours for 5 percent of the responses (167 responses), which is 83 hours.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection.

The burden extends no further than respondents collecting already existing material and putting it in a form appropriate for filing with the Department.

14. Provide estimates of annualized cost to the Federal government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expense, and any other expense that would not have been incurred without this collection of information.

3,336 filings x 30 minutes x \$31 per hour = \$51,708

The estimated total annual cost to the Federal government of examining the 3,336 certificates (2,728 U.S. carriers and 608 foreign carriers), is 875 hours and \$51,708. The average time required to process a certificate by a Department analyst is 0.5 hours at an average cost per hour of \$31 (based on the GS 2019 hourly GS-9, Step 5, pay rate of \$31).

15. Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Differences between the burden estimates in Items 13 and 14 of OMB Form 83-I and those in OMB's inventory are due to decrease in the number of annual respondents, a decrease in the amount of time needed to prepare a response, and a change to the methodology used for calculating processing costs.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable.