

SUPPORTING STATEMENT

Freight Logistics Optimization Works (FLOW) Project: Pilot Phase

Part A. Justification.

1. Circumstances that make collection of information necessary:

Over the past three years, the U.S. supply chain has struggled with unprecedented congestion under COVID-19 induced surges of containerized cargo through our ports and intermodal networks. In March 2022, the White House announced the launch of the Freight Logistics Optimization Works (FLOW) initiative with the Department of Transportation to facilitate the collaboration and sharing of intermodal trade data. This collaboration would help improve supply chain efficiencies and reduce overall costs to U.S. consumers. The FLOW initiative builds on previous work by the Administration's Supply Chain Disruptions Task Force to ensure the expeditious movement of cargo from ship to shelf.

FLOW is a joint endeavor between the United States Department of Transportation (USDOT) and the freight industry aimed at improving key freight information exchange between parts of the goods movement supply chain. Data collected and exchanged will support industry collaborative demand management (CDM) decision making associated with the daily management of cargo and assets. Industry partners involved with FLOW, referred to as FLOW participants, include beneficial cargo owners (BCOs), ocean carriers, non-vessel operating common carriers (NVOs), ports and terminals, motor carriers, railroads, intermodal equipment providers (IEPs), and warehouse. It is expected that the practice of sharing operational information between FLOW participants will be a source of significant benefit to the operation of the national logistics system, i.e., the complex collection of personnel, transportation assets, vessels, trucks, railcars, equipment, and any and all other freight components that comprise the United States' supply chain system.

Data collected under this initiative is necessary to support the Administration's directive to identify and operationalize an information exchange to support a more resilient and fluid supply chain. Data submitted will include purchase order forecasts, cargo bookings, vessels in-transit, marine terminal space availability, drayage truck dispatch capacity, over-the-road truck dispatch capacity, chassis availability, and warehouse capacity. These data will be used to create an index of demand over capacity that is expected to act as a leading indicator of freight congestion and supply chain performance. The index, which will help communicate the degree of oversupply or undersupply of logistics assets, is intended to support a data driven approach to balance U.S. cargo traffic demand with system capacity.

The White House gave DOT and the FLOW participants six months to formulate a pilot program in which data could be collected then calculated into an index to monitor congestion and the overall health of the U.S. supply chain. The DOT will work with an initial group of participating organizations to develop a proof-of-concept freight information exchange and operationalize it for commercial use by FLOW participants. The pilot phase will focus on the flow of goods to and from a limited number of terminals (i.e., ports) and involve approximately 20 participating companies.

BTS will serve as the independent steward of the data collection. BTS is authorized by Title 49 U.S.C. Chapter 63 to collect, compile, analyze, and publish a comprehensive set of transportation statistics on the performance and impacts of the national transportation system, of which freight transportation is a key component.

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

This data collection will be used to test the idea that cooperation on foundational freight digital infrastructure is in the commercial interest of private parties and the national interest of the United States. The data will serve as a proof-of-concept to evaluate operational viability and commercial desirability of such an exchange. This data will be necessary to complete the White House’s request for a report on the proof-of-concept by September 2022. The proof-of-concept will:

1. Define by consensus of a “minimum viable information” set;
2. Determine the most appropriate data governance model; and,
3. Select a universal standard reporting structure.

As described above, data collected will be used to create an index of demand over capacity that is expected to act as a leading indicator of freight congestion and supply chain performance. The index, which will help communicate the degree of oversupply or undersupply of logistics assets, is intended to support a data driven approach to balance U.S. cargo traffic demand with system capacity.

BTS will develop an analytical database using the reported data and other pertinent information, conduct statistical analyses, calculate the index, and develop visualization and analytical tools to facilitate the sharing of results. FLOW partners will provide information that is likely to assess supply chain risk and allocate resources to address those risks, and to engage in informed discussions among FLOW stakeholders. FLOW partners will use index information to support CDM decision making associated with the daily management of cargo and assets.

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, e.g., permitting electronic submission of responses, and

the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Data will be collected on a voluntary basis through a secure portal administered by BTS. All data collection will be electronic. FLOW partners will work with BTS to determine a method for transfer, with the goal of allowing for submission of data in whatever format already in place to minimize incremental effort on the business' part.

4. Efforts to identify duplication:

These data are not currently collected by the USDOT. Need for these data were identified by the federal government and industry partners while the supply chain struggled with unprecedented congestion during the last three years. Although other freight data are collected, no data source can answer the demand and capacity data needs identified nor is there a similarly frequent data source that could support a timely leading indicator such as the proposed index.

5. Efforts to minimize the burden on small businesses:

No small businesses will be included in the pilot test.

6. Impact of less frequent collection of information:

This data collection is limited to a pilot effort. It is critical to collect sufficient data during the pilot phase to support the development of a proof-of-concept implementation and create the proposed index. It is anticipated that the frequency of submissions will be: (a) a one-time submission of historic data, and (b) periodic (up to daily) submissions of present-day data. BTS will work with participants to identify a mutually suitable and secure method to automate the present-day data submissions to the extent practicable and reduce burden on participants. Reduced frequency will reduce the USDOT's ability to forecast congestion in the supply chain and the efficacy and value of the program.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, government contracts, grant-in-aid, or tax records for more than 3 years;

- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no special circumstances that pertain to this information collection.

8. Compliance with 5 CFR 1320.8:

Collection of these data is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

9. Payments or gifts to respondents:

No payments or gifts to respondents.

10. Assurance of confidentiality:

BTS will collect, store, process, and analyze the industry data while assuring data confidentiality. The information provided will be used for statistical purposes only, in accordance with the BTS confidentiality statute (49 U.S.C. § 6307) and the Confidential Information Protection and Statistical Efficiency Act (CIPSEA) of 2018 (Title III of the Foundations for Evidence-Based Policymaking Act of 2018, Pub. L. 115-435, codified in 44 U.S.C. ch. 35). In accordance with CIPSEA, information voluntarily submitted by industry partners will be used exclusively for statistical purposes and will not be disclosed in identifiable form except with the informed consent of the respondent. As applicable, BTS will apply appropriate disclosure avoidance methods associated with any publications or data releases.

11. Justification for collection of sensitive information:

Data collected will be considered confidential and protected under CIPSEA.

12. Estimate of burden hours for information requested:

Approximately 21 companies will participate in the pilot phase. They comprise beneficial cargo owners (BCOs), ocean carriers, non-vessel operating common carriers (NVOs), ports and terminals, chassis providers, warehousing companies, and trucking companies.

It is expected that gathering and submitting historic data to support the pilot effort will require approximately four hours per respondent. It is anticipated that companies will submit present-time data periodically, as frequently as daily, during the pilot phase, with each submission requiring approximately 15 minutes for data gathering and submission. Over the course of the approximately 90-day pilot phase, this totals 22.5 hours for submission of present-time data. In total, per participant, the hours burden is 26.5 hours. The total burden hours are not expected to meaningfully vary between company types.

We expect this work will be carried out by transportation, storage, and distribution managers. Wage information for this occupation type for each industry sector participating in the pilot phase is shown in the table below. Based on the mean wage of transportation, storage, and distribution managers in each sector and the number of participating companies in each sector, the total cost for the burden hours for this collection is estimated as \$26,059.31.

National Industry-Specific Occupational Employment and Wage Estimates, May 2021
Occupation: Transportation, Storage, and Distribution Managers (SOC Code 113071)

Occupation (SOC code)	Employment ⁽¹⁾	Employment percent relative standard error ⁽³⁾	Hourly mean wage	Annual mean wage ⁽²⁾	Wage percent relative standard error ⁽³⁾	Hourly median wage	Annual median wage ⁽²⁾	Expected Number of Respondents	Expected Burden Hours per Response	Total Burden Hours	Total Effort Cost
Dairy Product Manufacturing(311500)	450	7.1	50.68	105420	2.9	47.62	99040	1	26.5	26.5	1343.02
Building Material and Supplies Dealers(444100)	1810	7.1	28.56	59410	2.7	23.89	49690	1	26.5	26.5	756.84
Food and Beverage Stores (4451 and 4452 only)(4450A1)	170	16.7	34.54	71850	9.9	34.91	72610	1	26.5	26.5	915.31
General Merchandise Stores(452000)	1870	3.9	35.91	74690	1.7	35.91	74700	1	26.5	26.5	951.615
Deep Sea, Coastal, and Great Lakes Water Transportation(483100)	1510	10.2	64.23	133600	1.5	60.82	126500	2	26.5	53	3404.19
Truck Transportation(484000)	10450	7.2	44.98	93550	1.8	39.31	81770	4	26.5	106	4767.88
Support Activities for Water Transportation(488300)	1440	27.2	54.34	113030	5.8	54.59	113540	6	26.5	159	8640.06
Freight Transportation Arrangement(488500)	4010	11.0	48.72	101330	3.3	44.19	91910	3	26.5	79.5	3873.24
Automotive Equipment Rental and Leasing(532100)	4260	6.7	26.55	55230	3.6	23.73	49350	2	26.5	53	1407.15
Total Burden								21	26.5	556.5	26059.31

Cells in gray extracted from BLS National Industry-Specific Occupational Employment and Wage Estimates, May 2021

- (1) Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers.
- (2) Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours.
- (3) The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

SOC code: Standard Occupational Classification code -- see <http://www.bls.gov/soc/home.htm>
Date extracted on :Jun 30, 2022

13. Provide an estimate of cost to the respondents. Do not include the cost of any hour burden shown in items 12 and 14. General estimates should not include purchase of equipment or services or portions thereof made prior to October, 1995.

There is no additional cost to the respondents.

14. Estimate of cost to the Federal government:

Two full-time GS-12 employees will be needed through September to support the pilot phase. The salary per employee estimated at the step 7 level will be \$107,803.00 annually, which equals \$26,950.75 for three months. The total fully loaded cost for two employees for three months is estimated as \$75,462.10.

15. Explanation of program changes or adjustments:

This is a new ICR for a short-term pilot.

16. Publication of results of data collection:

At the conclusion of the pilot, the FLOW project will provide a summary of status, progress, and recommendations. If scaled to a national program, this will become an annual summary that will include significant milestones, progress, adjustments, and accomplishments prepared by USDOT.

17. Approval for not displaying the expiration date of OMB approval:

Not applicable. BTS is not seeking approval to not display the expiration date.

18. Exceptions to certification statement:

Not applicable. BTS does not have any exceptions to the certification statement.