

**SUPPORTING STATEMENT
FOR REQUEST OF OMB APPROVAL
UNDER THE PAPERWORK REDUCTION ACT AND 5 C.F.R. § 1320**

The Surface Transportation Board (STB or Board) requests approval for an existing collection without an OMB control number of the Board’s Classification Index Survey Form.

A. Justification:

1. Why the collection is necessary. Railroads are classified by size into three groups of carriers. The Board must determine the classification of each rail carrier as a Class I (large), Class II (medium-sized), or Class III (small) railroad. Railroads with a Class I classification must file Annual Reports (Form R-1) under 49 U.S.C. 11145. See OMB Control Number 2140-0009 (Class I Railroad Annual Reports). These reports are used by the Board, other Federal agencies, and industry groups to monitor and assess railroad industry growth, financial stability, traffic, and operations, and to identify industry changes that may affect national transportation policy. All other railroads (those not required to file an R-1 Annual Report) track their adjusted revenues using the “railroad revenue deflator formula,” and, if the computation derived from that formula indicates a change in a carrier’s classification, that carrier must submit a “Classification Index Survey Form” to the Board pursuant to 49 C.F.R. § 1201 General Instructions 1-1 and § 1241.15.

At this time, there are only six Class I rail carriers and eight Class II carriers. There are about 500 Class III rail carriers. The classification determination is set forth in STB Docket EP 748, using the annual deflator factor and inflation-adjusted railroad revenue thresholds.

2. How the collection will be used. The information sought in this collection provides notice to the Board and the public about a change in classification for a particular rail carrier. But it also makes a rail carrier approaching a change in classification aware that it may have increased or decreased obligations upon that change in classification. Upon a change in classification, the carrier may be required to adjust their reporting or other regulatory requirements.

The Board’s classification of rail carriers affects the degree to which they must file annual, quarterly, and other operational reports. It is also used in a variety of other contexts, including differentiating the legal standards and procedures that apply to certain transactions subject to Board licensing and prescribing labor protection conditions, depreciation studies, abandonments, and certain exemptions, among others. Regarding current Board reports and annual processes, a carrier that changes its classification to a higher category may need to be included in a variety of STB projects, including, but not limited to, Uniform Rail Costing System, Cost of Capital, etc.

Generally, railroads have three years to adjust to any required changes. To notify the public, the Board will post the submitted Classification Index Survey Form, or its information, on its website after acknowledging receipt and seeking any necessary clarifications.

3. Extent of automated information collection. Electronic filing of this information is permitted and encouraged.

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

5. Impact on small businesses. The notice will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act. It is rare for a railroad to change classification, and the collection is simply a verification of a change.

6. Consequence if collection not conducted or conducted less frequent. The Board is required by statute to collect this information.

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

8. Outside consultations. The Board published a 60-day notice requesting comments on this collection at 88 Fed. Reg. 26639 (May 1, 2023). No comments were received. The Board has also published a 30-day notice providing for comments about this collection to be sent to OMB. See 88 Fed. Reg. 42415 (June 30, 2023).

9. Payment or gift to respondents. No payments or gifts to respondents are made.

10. Confidentiality. One of the purposes of this collection is to provide notice to the public of changes in a rail carriers classification. Thus, when filed, the Classification Index Survey Form, or the information contained therein, will be posted on the Board's website.

11. Sensitive information. All information collected through this report is available to the public.

12. Estimated Burden Hours. 24 hours. The following information pertains to the estimate of burden hours associated with this collection:

(1) Number of respondents: One annually.

(2) Frequency of response: On occasion.

(3) Annual hour burden per respondent and total: The Classification Index Survey Form filing may require some work to make sure its determination is accurate and proper. Staff has estimated that the average hourly burden associated with this

collection will be less than 24 hours.

13. Other costs to respondents. None identified. Filings may be submitted electronically to the Board.

14. Annualized cost to federal government. We estimate that it takes 8 hours annually (GS 14, GS-15) to review each survey submission to ensure it includes all required information and to discuss possible clarifications or actions required (if any) due to the classification change, and one hour (GS-14) to post the form on the STB's website, for a total of 9 hours.

15. Explanation of Program Changes or Adjustments. This is an existing collection without an OMB Control Number. We are bringing this infrequent collection into compliance.

16. Plans for tabulation and publication. This collection will be posted on the Board's website.

17. Display of expiration date for OMB approval. Pursuant to 49 C.F.R. § 1241.15, the Board makes available a Classification Index Survey Form for all railroad companies not required to file an R-1 Annual Report. If there is a change in a carrier's classification, the survey form shall be filed with the Office of Economics, Surface Transportation Board, Washington, DC. An OMB expiration date is included at the top of the form.

18. Exceptions to Certification Statement. No exceptions are sought.

B. Collection of Information for Employing Statistical Methods:

Not applicable.