

**Department of Transportation
Federal Motor Carrier Safety Administration**

**SUPPORTING STATEMENT
Annual Report of Class I and Class II For-Hire Motor Carriers
2126-0032**

SUMMARY

- This information collection is 306 hours. FMCSA estimates that the annual burden hour for this information collection has decreased by approximately 81 hours (306 hours for Form M and – 0 hour for Form MP-1) from the previously approved 387 hours.
- This is due to decreased numbers of Form M and Form MP-1 submissions received by the Agency between 2018 and 2020, which has resulted in lower estimates of annual respondents/responses for the upcoming information collection period. Estimated respondents decreased from 43 in the previously approved ICR (43 for Form M and 0 for Form MP-1) to 34 [34 (Form M) + 0 (Form MP-1)].
- The Form M was revised as follows:
 - Section 3, Schedule 300 - Operating Statistics, found on page V in the instructions and on page 7 on the previously approved form, was removed from the form.
 - Section 4, Schedule 400 – Revenue Equipment, found on page V in the instructions and on page 8 on the previously approved form, was removed from the form.
 - Section 5, Schedule 500 – Employment Information, found on page VI in the instructions and on page 9 of the form, on the previously approved form, was removed from the form.
 - In Section B – Revenue Commodity Group, found on page 2 of the revised form, a check box was added to provide the option to motor carriers to upload a balance sheet and income statement in lieu of completing Sections 100 and 200 of the form. This may also result in a burden hour decrease when filling out Form M.
 - On page i of the instructions of the form, Class I and Class II were redefined and Class III was added. To avoid confusion, the revised form uses the terms as defined in 49 CFR 368.2. It was previously misleading to use the terms “Class I” and “Class II” on the previous form because those terms are already defined in 49 CFR 369.2.

INTRODUCTION

The Federal Motor Carrier Safety Administration (FMCSA) submits to the Office of Management and Budget (OMB) its request to renew a currently approved information collection request (ICR) titled “*Annual Report of Class I and Class II For-Hire Motor Carriers*” (OMB Control No. 2126-0032). The currently approved ICR, which is due to expire on May 31, 2022, applies to Class I and Class II for-hire motor carriers of property (Form M) and Class I for-hire motor carriers of passengers (Form MP-1). FMCSA is requesting that information collection approval for Form M and Form MP-1 continue to be effective for the 3-year period covered by this ICR.

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 of property, including household goods and dual property motor carriers to file Form M.¹ Form M requests information on 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 annually, 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 to accommodate the re-designated regulations.

49 U.S.C. 14123 also requires the Secretary of Transportation to collect annual financial reports from certain for-hire motor carriers of passengers (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 Passengers² (Attachment F). FMCSA estimates that there are approximately 60 to 80 Class I passenger carriers, and currently the Agency has received financial information on Form MP-1 from 0 passenger carriers.

As the collection of the F&OS program data is statutorily required, FMCSA is requesting OMB's approval to renew this information collection for motor carriers reporting their annual financial and operating data. However, FMCSA does not use the information collected through either Form M or Form MP-1, nor does it enforce the filing requirements found in part 369. The Agency was not provided the necessary resources to administer the data collection and the financial reports are of little if any value in fulfilling the Agency's safety mission. While this statute also addresses safety reports, FMCSA has other statutory authority to collect required safety data from all regulated motor carriers. FMCSA has suggested that Congress repeal section 14123 in the past, but as the section still exists, this ICR is required to fulfill the collection mandate contained in the statute.

¹ See 49 CFR 369.1.

² U.S Code Chapter 49 Section 369.4.

FMCSA has created electronic forms that may be prepared, signed electronically, and submitted to FMCSA via <https://ask.fmcsa.dot.gov/app/ask/>. However, forms can still be mailed to FMCSA. Additionally, FMCSA revised Form M to limit the information solicited to that which is statutorily required. FMCSA also created the option, for both forms, for the filer to upload their own document, showing the same information as requested in the relevant form, in lieu of completing the form itself.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE IS THE INFORMATION USED

Form M is required 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. Form MP-1 is required 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 the annual report Form MP-1.

The data collected is 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. The agency is also considering how it might remove some of this reporting requirement, consistent with statute, through separate rulemaking, but the agency needs to renew the Collection of Information now while that process plays out. 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. In the past, the Bureau of Economic Analysis (BEA) used the data to inform the national annual input-output and Gross Domestic Product (GDP)³ estimates, to prepare estimates of industry output, and to provide details on inputs to supplement the information on motor carriers of passengers collected by the U.S. Census Bureau. FMCSA is not aware of anyone currently using this information.

3. EXTENT OF AUTOMATED INFORMATION COLLECTION

Information relevant to collection of the data and the necessary forms are available on FMCSA's website, <https://www.fmcsa.dot.gov/mission/forms>. The forms can be submitted electronically or printed and mailed to FMCSA.

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 Census Bureau is prohibited by law from providing data about individual carriers to the public.

5. EFFORTS TO MINIMIZE THE BURDEN ON SMALL BUSINESSES

This ICR covers for-hire motor carriers of property and household goods (Form M) and for-hire motor carriers of passengers (Form MP-1).

³ The gross domestic product is the market value of all officially recognized final goods and services produced within a country in a given period.

For-Hire Motor Carriers of Property and Household Goods (Form M)

For-Hire Motor Carriers of Property and Household Goods fall under the following North American Industry Classification System (NAICS) codes:

- 484110 General Freight Trucking, Local
- 484121 General Freight Trucking, Long-Distance Truckload
- 484122 General Freight Trucking, Long-Distance, Less Than Truckload
- 484210 Used Household and Office Goods Moving
- 484220 Specialized Freight (except Used Goods) Trucking, Local
- 484230 Specialized Freight (except Used Goods) Trucking, Long-Distance

The Small Business Administration (SBA) defines the small business standard for the above NAICS codes to be at the \$30 million threshold in operating annual revenues. For example, if a for-hire motor carrier of property and household goods has an operating revenue of less than \$30 million, then the motor carrier would be considered a small business.

FMCSA requires for-hire motor carriers of property and household goods with an operating revenue of \$3M or greater, adjusted for inflation, to submit Form M. Thus, FMCSA requires small businesses with an operating revenue between \$3M and \$30M to submit Form M. FMCSA receives an average of 42.7 Form M forms annually.⁴ Of the 42.7 forms, FMCSA estimates 24 of the forms—or approximately 56%—are submitted by small businesses.

To reduce the burden of Form M, in 1999, Form M was reduced to eight pages, and in 2013, FMCSA eliminated the quarterly reports including “Form QFR Quarterly for Property Carriers,” which was previously authorized by OMB Control Number 2126-0032.

FMCSA does not have the statutory authority to eliminate the annual reporting requirements for property carriers. However, for this iteration of the PRA approval, FMCSA revised Form M to limit the information solicited to that which is statutorily required. FMCSA also created the option for the filer to upload their own document, showing the same information as requested in Form M, in lieu of completing the form itself. FMCSA also removed Section 3, Schedule 300 - Operating Statistics, Section 4, Schedule 400 – Revenue Equipment, and Section 5, Schedule 500 – Employment Information, from the Form M.

For-hire motor carriers of passengers (Form MP-1) fall under the following NAICS codes:

- 485111 Mixed Mode Transit Systems
- 485112 Commuter Rail Systems
- 485113 Bus and Other Motor Vehicle Transit Systems
- 485119 Other Urban Transit Systems
- 485210 Interurban and Rural Bus Transportation
- 485310 Taxi Service
- 485320 Limousine Service
- 485410 School and Employee Bus Transportation
- 485510 Charter Bus Industry

⁴ Data source: FMCSA, Electronic Document Management System (EDMS), Form M files on record, as of 11/14/2019.

- 485991 Special Needs Transportation
- 485999 All Other Transit and Ground Passenger Transportation

The SBA defines the small business standard for the above NAICS codes to be at the \$16.5 million threshold in operating annual revenues. FMCSA thus requires small businesses with an operating revenue between \$5 million and \$16.5 million, adjusted for inflation, to submit Form MP-1. FMCSA did not receive any Form MP-1 data from 2016 to 2018. However, FMCSA does expect more than half of respondents in the future (if any) will be small businesses.

In an effort to reduce the burden to small businesses, on December 17, 2013, FMCSA eliminated the quarterly report for Class I passenger carrier financial quarterly survey “Form MP-1 Quarterly,” authorized by OMB Control Number 2126-0031.

FMCSA does not have the statutory authority to eliminate the annual reporting requirements for passenger carriers. However, for this iteration of the PRA approval, FMCSA created the option for the filer to upload their own document, showing the same information as requested in Form MP-1, in lieu of completing the form itself.

6. IMPACT OF LESS FREQUENT COLLECTION OF INFORMATION

As required by statute, FMCSA requires that Form M and Form MP-1 be submitted on an annual basis. Updating financial data on an annual basis is consistent with financial reporting standards.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances.

8. COMPLIANCE WITH 4 CFR 1320.8

FMCSA published a Federal Register notice (86 FR 59446) on October 11, 2021, announcing FMCSA’s intent to submit this ICR to OMB for approval and requesting comments from the public for 60 days. FMCSA received 0 comments in response to the 60-day Federal Register notice.

FMCSA published a Federal Register notice (87 FR 30327) on May 18, 2022, announcing the submission of this ICR to OMB for approval, and soliciting comments for 30 days.

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 household goods, and Form MP-1, filed by Class I motor carriers of passengers. The following section summarizes the estimated burden hours, by form.

Information Collection 1: Class I Non-Exempt Motor Carriers of Property and Household Goods (Form M)

FMCSA classifies non-exempt motor carriers of property, household goods, and dual property carriers under three classifications. Class I carriers have an annual operating revenue of \$10 million or more;¹ Class II carriers have an annual operating revenue of at least \$3 million but less than \$10 million; and Class III carriers have an annual operating revenue of less than \$3 million. FMCSA requires motor carriers with operating revenues of more than \$3 million to submit Form M on an annual basis. Because the \$3 million threshold was implemented in 1994, carriers must adjust their operating revenue threshold using the following formula: [Current year's annual operating revenue × (1994 average Producer Price Index (PPI) / Current year's average PPI) = Adjusted annual operating revenues]. For example, if a carrier has \$3.5 million operating revenue in 2020, the formula would be [\$3.5 million × [125.54 (1994 average PPI²) / 202.88 (current year's average PPI³)] = \$2.3 million (adjusted annual operating revenue)]. Thus, the equivalent of \$3.5 million revenue in 2020 is \$2.2 million in 1994 dollars. In this example, the carrier would not have to submit Form M because it does not meet the \$3 million threshold.

FMCSA received 43 forms in 2018, 19 in 2019, and 41 in 2020. Thus, on average, FMCSA expects to receive 34 forms per year (43 + 19 + 41 = 103 / 3 years = 34 forms per year).

FMCSA estimates that each carrier will spend an average of 9 hours completing Form M, resulting in a total of 306 burden hours per year (34 respondents × 9 hours per response) for all carriers required to submit the form.

FMCSA expects completion and submission of Form M to be performed by an accountant designated by the motor carrier business entity. The median salary of an accountant in the truck transportation industry is \$31.97 per hour.⁴ To arrive at a loaded wage, we divide the total cost of compensation for private industry workers of the transportation and material moving series (\$31.49) by the average cost of hourly wages and salaries (\$21.25) in the same series as reported by the Bureau of Labor Statistics in its Employer Costs for Employee Compensation for May 2021,⁵ which results in an estimated load factor of 1.482. Multiplying

¹ Total revenue for all classes includes interstate and intrastate revenue.

² U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Final Demand: Finished Goods [WPUFD49207], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WPUFD49207>, August 12, 2021.

³ Current year is equal to 2020. U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: All Commodities [PPIACO], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PPIACO>, August 12, 2021.

⁴ Bureau of Labor Statistics (2021). "Occupational Employment and Wages, May 2021, NAICS 484000 – Truck Transportation." Available at https://www.bls.gov/oes/current/naics3_484000.htm (accessed August 12, 2021). See Occupation Code: 13-2011, *Accountants and Auditors*.

⁵ Bureau of Labor Statistics (2019). "Table 4. Employer Costs for Employee Compensation for private industry

the median hourly wage by the load factor results in a loaded hourly wage of \$47.38 ($\$31.97 \times 1.482 = \47.38). Table 1 summarizes the estimated number of respondents, responses, burden hours, and labor costs to industry, using the estimates provided above.

Table 1. Information Collection 1: Estimated Form M respondents, responses, burden hours, and labor costs by year, for calendar years 2021-2023.

Year	Number of Respondents (a)	Number of Responses (a × 1 = b)	Average Burden Hours per Response (c)	Total Burden Hours (b × c = d)	Loaded Hourly Wage (e)	Total Labor Costs (d × e)
2021	34	34	9	306	\$47.38	\$14,498
2022	34	34	9	306	\$47.38	\$14,498
2023	34	34	9	306	\$47.38	\$14,498
Total	102*	102*	—	918	—	\$43,494
<i>Annual (rounded)</i>	<i>34</i>	<i>34</i>	<i>9</i>	<i>306</i>	<i>\$47.38</i>	<i>\$14,498</i>

• Estimates may be off due to rounding.

Information Collection 1, Form M

Estimated Number of Annual Respondents: 34

Estimated Number of Annual Responses: 34 [34 respondents × 1 response per form = 34 respondents].

Estimated Total Annual Burden Hours: 306 hours [918 total burden hours / 3 years = 306 burden hours].

Estimated Total Annual Labor Costs to Industry: \$14,498 [306 hours × \$47.38 = \$14,498].

Information Collection 2: For-hire Non-exempt Motor Carriers of Passengers (Form MP-1)

FMCSA has two classifications for non-exempt for-hire motor carriers of passengers (Form MP-1). Class I carriers have annual operating revenues of \$5 million or more,⁶ and Class II carriers have annual operating revenues of less than \$5 million. FMCSA requires motor carriers with operating revenues of more than \$5 million to submit Form MP-1 on an annual basis. Because the \$5 million threshold was implemented in 1986, carriers must adjust their operating revenue threshold using the following formula: [Current year's annual operating revenue × (1986 average Producer Price Index (PPI) / Current year's average PPI) = Adjusted annual operating revenues]. For example, if a carrier had a \$5.5 million operating revenue in 2020, the formula would be $\$5.5 \text{ million} \times [103.52 (1986 \text{ average PPI}) / 202.88 (\text{current year's average PPI})] = \$2.8 \text{ million (adjusted annual operating revenue)}$. Thus, the

workers by occupational and industry group, May 2021.” Available at <https://www.bls.gov/news.release/ecec.t04.htm> (accessed August 12, 2021).

⁶ Total revenue for all classes includes interstate and intrastate revenue.

⁷ U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Final Demand: Finished Goods [WPUFD49207], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WPUFD49207> , August 12, 2021.

equivalent of \$5.5 million in revenue in 2019 is \$2.8 million in 1986 dollars. In this example, the carrier would not have to submit Form MP-1 because it does meet the \$5 million threshold.

FMCSA did not receive any Form MP-1 submissions between 2018 and 2020, and the Agency does not expect to receive any Form MP-1 submissions during the upcoming three-year information collection period. Therefore, the Agency estimates that there will be zero (0) respondents, zero (0) responses, zero (0) burden hours, and zero (0) labor costs associated with information collection 2 during the three-year information collection period.

Information Collection 2 Summary

Estimated Number of Annual Respondents: 0.

Estimated Number of Annual Responses: 0.

Estimated Total Annual Burden Hours: 0 [0 total burden hours / 3 years = 0].

13. ESTIMATE OF TOTAL ANNUAL COST TO RESPONDENTS

In addition to the labor costs summarized in Item 12, above, FMCSA conservatively adds the cost of mail for the expected number of Form M forms received annually, noting that electronic submission is available. FMCSA estimates a flat cost of \$1.00 for an envelope and postage. FMCSA thus estimates the total cost of an envelope and postage for motor carriers mailing Form M to be \$34 ($\1.00×34 forms). Because FMCSA anticipates 0 (zero) Form MP-1 submissions during the information collection period, there are zero mailing costs associated with Form MP-1.

FMCSA does not anticipate any other non-labor costs.

Estimated Total Annual Non-Labor Cost to Respondents: \$34 [34 forms submitted annually \times \$1.00 in mailing costs = \$34].

14. ESTIMATE OF COST TO THE FEDERAL GOVERNMENT

The processing of Forms M and MP-1 is conducted by a GS-7 Federal Government staff member. According to the U.S. Office of Personnel Management's General Schedule for 2021, a GS-7 staff member salary and wages are 27.09⁸ per hour. In addition, the federal government load rate is 1.28⁹, thus the loaded wage rate is \$34.68 ($27.09 \times 1.28 = \34.68). It takes 4 minutes or .067 hours (4 minutes / 60 minutes = .067 hours) to process each form. If there are 34 forms expected per year, then the cost to the federal government is \$79 ($(34 \text{ forms} \times \$34.68 \times .067) = \$79$)

The estimated total annual cost to the Federal Government for processing Form MP-1 is \$0, as FMCSA does not expect any carriers to submit Form MP-1 during the three-year information collection period.

Estimate of Annual Cost to Federal Government: \$79 (34 annual forms \times \$34.68 \times .067 hours = \$79).

⁸ Office of Personnel Management, Pay Table, Washington-Baltimore-Arlington, DC-MD-VA-WV-PA; <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/general-schedule/>, August 15 20201.

⁹ Load rate consistent with other FMCSA Information Collection Requests.

15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS

Estimated annual respondents for Form M decreased from 43 in the previously approved ICR to 34 in the current ICR. Estimated annual burden hours for Form M decreased by 81 [306 proposed hours – 387 currently approved hours = -81]. Estimated annual respondents for Form MP-1 stayed the same from 0 in the previously approved ICR to 0 in the current ICR. Estimated annual burden hours for Form MP-1 decreased by 0 hours for Information Collection 2 (Form MP-1). The change is due to the decrease in the number of Form M submissions received by the Agency between 2018 and 2020, which has resulted in lower estimates of annual respondents/responses for the upcoming information collection period.

Labor costs to the industry have decreased by \$2,276 annually [\$14,494 in proposed costs – \$16,770 currently approved costs = -\$2,276]. This is due to the decreased estimates of annual respondents/responses.

For the Federal Government, annual costs have increased by \$6 [\$79 in proposed costs – \$73 in previously approved costs = -\$79]. This increase is due to a revision in the federal government employee load rate, which was revised to be consistent with other FMCSA ICRs.

16. PUBLICATION OF RESULTS OF DATA COLLECTION

FMCSA is required by Federal law to make the collected Form M and Form MP-1 data publicly available subject to the exemption described in Item 2 above. There are no plans at this time for the Agency to publish analytical reports.

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.