

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

**SUPPORTING STATEMENT  
Licensing Applications for Motor Carrier Operating Authority  
2126-0016**

**Introduction:** This supporting statement is submitted to request the Office of Management and Budget’s (OMB) approval for the renewal of the OMB Control Number 2126-0016 titled, “Licensing Applications for Motor Carrier Operating Authority,” information collection request (ICR), which is due to expire on October 31, 2016. This ICR is being renewed due to a Final Rule titled, “Unified Registration System; Correction” (81 FR 49553) dated July 28, 2016, (Attachment A) which changed the effective and compliance dates for the on-line Unified Registration System (URS) from September 30, 2016, to January 14, 2017 as the effective date, and April 14, 2017, as the date for full compliance.<sup>1</sup> In this request, FMCSA is requesting that registration forms OP-1(NNA), OP-1(FF), OP-1, and OP-1(P), (which will be incorporated into new online Form MCSA-1, covered under OMB Control Number 2126-0051 titled, “FMCSA Registration/Updates,” ICR) to account for revisions to the effective and implementation dates of the URS, and that the OP-1(MX) which will not be eliminated, continue to be effective for the 3-year term until October 31, 2019.

**Part A. Justification.**

**1. Circumstances that make collection of information necessary:**

The FMCSA registers certain for-hire Mexico-domiciled motor carriers under 49 U.S.C. § 13902(c) (Attachment C). These motor carriers may conduct transportation services in the United States only if they are registered with the FMCSA. Each registration is effective from the date specified and remains in effect for such period as the Secretary of Transportation (Secretary) determines by regulations. The ICC Termination Act of 1995 (ICCTA), Public Law No. 104-88, 109 Stat. 803 (December 29, 1995) (Attachment D), transferred this registration authority from

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<sup>1</sup> The Final Rule titled, “Unified Registration System,” (80 FR 63695) dated October 21, 2015, (Attachment B) changed the effective and compliance dates of the Final Rule titled “Unified Registration System” (78 FR 52608 dated August 23, 2013) from October 23, 2015, to September 30, 2016, in order to allow FMCSA additional time to complete the information technology (IT) systems work required to fully implement that rule. Previously, FMCSA sought emergency approval to continue using the Licensing Applications for Motor Carrier Operating Authority Forms OP-1(NNA), OP-1(FF), OP-1, OP-1(MX) and OP-1(P) through September 30, 2016, because these forms were still needed to support registration processes for entities subject to FMCSA’s regulations. Since an emergency ICR request is only approved for a maximum of 6 months, the emergency approval for revision approved by OMB on April 26, 2016, is only valid until October 31, 2016.

the former Interstate Commerce Commission (ICC) to the Secretary who subsequently delegated the registration function to the Federal Highway Administration (FHWA) (FMCSA's predecessor agency), then to the FMCSA at the time that agency was created.

On March 19, 2002, the FMCSA published an interim final rule (IFR) at 67 FR 12702 (Attachment E) which proposed to amend 49 C.F.R. part 365 and revise Form OP-1(MX). Under the amended regulations, Mexico-domiciled long-haul motor carriers seeking to operate within the United States beyond the commercial border zones, including carriers that previously filed pending Form OP-1(MX) applications, would be required to submit the revised Form OP-1(MX). Under the revised Form OP-1(MX), the FMCSA would collect more detailed information on an applicant motor carrier's size, operations and history than could be collected previously by using the existing form.

The Final Rule titled, "Unified Registration System," (78 FR 52608) dated August 23, 2013, implemented statutory provisions for an on-line registration system in the ICCTA and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, 2005 (SAFETEA-LU). The URS streamlines the registration process and serves as a clearinghouse and repository of information on and identification of motor carriers, brokers, freight forwarders, intermodal equipment providers (IEPs), hazardous materials safety permit (HMSP) applicants, and cargo tank facilities required to register with FMCSA. This ICR previously covered registration requirements for non-exempt for-hire carriers, freight forwarders, and property brokers. Under the URS, all forms in this ICR, except the OP-1 (MX), are folded into the Form MCSA-1 under the OMB Control Number 2126-0051 titled, "FMCSA Registration/Updates." The Form OP-1(MX) would be retained for the small number of Mexico-domiciled carriers that seek authority to operate beyond the United States municipalities on the United States-Mexico border and their commercial zones because they are not included within the scope of the URS rule.

The Final Rule titled, "Unified Registration System; Correction" dated July 28, 2016 changed the effective and compliance dates of the 2013 URS Final Rule in order to allow FMCSA additional time to complete the information technology (IT) systems work required to fully implement that rule. This revision will restore the Forms OP-1, OP-1(P), OP-1(FF), and OP-1(NNA) to this ICR because these forms are still needed to support registration processes for entities subject to FMCSA's regulations. After full compliance, scheduled for April 14, 2017, all forms, except the OP-1 (MX), in this ICR will be folded into the Form MCSA-1 under the OMB Control Number 2126-0051 titled, "FMCSA Registration/Updates."

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

Data contained on the completed Forms OP-1, OP-1(P), OP-1(FF), OP-1(MX), and OP-1(NNA) provides information to the FMCSA on the type of surface transportation operations which the registration applicant proposes to conduct. In addition, the forms also enable FMCSA staff to make a determination concerning the level of insurance coverage which the applicant will be required to obtain to maintain its registration, the applicant's familiarity with relevant safety requirements and its willingness to comply with those requirements during its operations, and

applicant's ability to meet any specific statutory and regulatory requirements applicable to its particular proposed operations.

Information on the forms is also used to prepare a notice of the registration application, which is published in the "FMCSA Register." Publication of this notice initiates a 10-day period during which an interested party may file a complaint seeking denial of the registration on a limited number of statutory grounds.

At the end of the 10-day period, the FMCSA will issue the registration authorizing surface transportation operations if no complaints have been filed; if the applicant is willing and able to comply with all applicable statutory and regulatory provisions and safety fitness requirements; and if the applicant has made the required insurance and process agent filings.

For Form OP-1(MX) applications, such FMCSA publication will occur only after the motor carrier successfully completes the Pre-authorization Safety Audit (PASA) and FMCSA approves the application. Such publication of a summary of the application as a preliminary grant of authority in the FMCSA Register is not an issuance of registration authority, but notice to the public to permit interested parties wishing to oppose the authority to submit a protest to FMCSA.

A preliminary grant of authority cannot become effective as an active operating authority for a minimum of 10 days after publication.

### **3. Extent of automated information collections:**

Applicants for registration authority file forms in the OP-1 series on a voluntary and, for the most part, one-time basis. Except for Forms OP-1(MX) and OP-1(NNA), the forms call for a limited amount of information to identify the applicant and the nature and scope of its proposed operations. Forms OP-1(MX) and OP-1(NNA) include narrative descriptions of the applicant's safety policies and procedures and information regarding the drivers and vehicles it plans to use in the U.S. operations. Currently, the Form OP-1(MX) can only be filed by using the paper format. It is anticipated that 80 percent (80%) of all responses will be collected electronically.

### **4. Efforts to identify duplication:**

There are no similar filings made with any other Federal agency or within the Department of Transportation that would result in duplication of this information.

### **5. Efforts to minimize the burden on small businesses:**

The paperwork burdens associated with completing most forms in the OP-1 series are minimal for small businesses, as the forms are easy to understand and complete. Most applicants are required only to check appropriate boxes on the forms and to fill in blank spaces with information on their identity and on the nature of the transportation operations and/or services they propose to register. This information is readily available to the applicants and is the minimum necessary to accomplish the purpose of the filing. Mexico-domiciled applicants, however, are required to

provide additional safety information and certifications of compliance to demonstrate their willingness and ability to comply with applicable safety regulations. The requested information cannot be obtained from any other source since all Mexico-domiciled applicants will be located outside of the United States, and we are requesting no more information than is absolutely necessary to ensure compliance with applicable safety regulations.

**6. Impact of less frequent collection of information:**

There is no requirement that the forms in the OP-1 series be filed on a periodic basis. The forms are filed on an “as needed” and usually one-time basis. The purpose of these forms, which is to allow transportation entities to meet statutory registration requirements, would be defeated if the information was collected less frequently.

When Mexico-domiciled motor carriers who have previously filed an OP-1(MX) application form are required to comply with the registration provisions, they may do so by completing a one-time, re-filing of the revised form. There will be no \$300 filing fee required for this one-time re-filing of the Form OP-1(MX). All Mexico-domiciled carriers will be required to report changes in basic identifying information, such as addresses and telephone numbers, through supplemental filings as the changes occur. The FMCSA does not require Mexico-domiciled registrants to re-file the entire form in these circumstances. A new application form is currently required only if the Mexico-domiciled carrier wishes to extend the scope of its authority or is applying for new authority. Under the current registration rules, where a Mexico-domiciled carrier wishes to expand its authority, it must make an “initial filing” of the Form OP-1(MX) and go through the full application process to obtain the additional authority.

**7. Special circumstances:**

No special circumstances apply to this information collection.

**8. Compliance with 5 CFR § 1320.8:**

On December 30, 2015, FMCSA published a notice in the Federal Register (80 FR 81670) that provided notice and requested comments on an emergency ICR revision request due to the Final Rule titled “Unified Registration System,” (80 FR 63695) dated October 21, 2015. This changed the effective and compliance dates of the 2013 URS Final Rule from October 23, 2015, to September 30, 2016. No comments were received from the public in response to this FR notice.

On August 12, 2016, FMCSA published a notice in the Federal Register requesting public comments on “Licensing Applications for Motor Carrier Operating Authority” Information Collection Request OMB Control Number 2126-0016 (81 FR 53539) (Attachment F). No comments were received from the public in response to the FR notice

**9. Payments or gifts to respondents:**

Respondents are not provided with any payment or gift for this information collection.

**10. Assurance of confidentiality:**

There is no assurance of confidentiality. The OP-1 series forms call for information identifying the applicant and the scope of its proposed operations. All registration applications filed with the FMCSA become part of a public docket and are open to the public for inspection and review.

**11. Justification for collection of sensitive information:**

The information requested and collected is not of a sensitive nature.

**12. Estimate of burden hours for information requested:**

After full compliance of the URS, scheduled for April 14, 2017, all new and existing entities will use the URS Online Application Process Form MCSA-1, covered by OMB Control Number 2126-0051, "FMCSA Registration/Updates," for all registration purposes except for the OP-1(MX). Therefore, the following estimate includes years 1, 2 and 3 where only OP-1(MX) will be used for the full 3 years and use of the other OP-1 forms are to be extended for only year 1 to account for revisions to the effective and implementation dates of the URS,

This ICR currently comprises all of the forms in the "OP-1" series: OP-1, OP-1(FF), OP-1(P), OP-1(MX), and OP-1 (NNA). Forms OP-1, OP-1(P), and OP-1(FF) are estimated to take 2 hours to complete. Forms OP-1(MX) and OP-1(NNA) are estimated to take 4 hours to complete. For Form OP-1 (MX), FMCSA anticipates that 12 respondents will submit forms annually. All told, FMCSA estimates 37,216 responses for all OP-1 series forms in year 1, and that the associated annual burden is 74,464 hours.

In years 2 and 3 FMCSA anticipates that 12 respondents will submit 12 Form OP-1(MX) responses annually, and the associated annual burden is 48 hours. Table 1 shows the annual responses for the Forms and the total annual burden for the ICR.

<b>Form</b>	<b>Year 1</b>			<b>Years 2 and 3</b>		
	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Annual Burden Hours</b>	<b>Annual Responses</b>	<b>Hours per Response</b>	<b>Annual Burden Hours</b>
<b>IC-1: OP-1</b>	35,700	2	71,400	0	0	0
<b>IC- 2: OP-1(P)</b>	1,000	2	2,000	0	0	0
<b>IC- 3: OP-1(FF)</b>	500	2	1,000	0	0	0
<b>IC- 4: OP-1(MX)</b>	12	4	48	12	4	48
<b>IC- 5: OP-1(NNA)</b>	4	4	16	0	0	0
<b>Total for ICR</b>	<b>37,216</b>		<b>74,464</b>	<b>12</b>		<b>48</b>

### **Estimated Total Number of Annual Respondents and Responses:**

**Year 1: 37,216** (35,700 IC-1: OP-1 responses + 1,000 IC-2: OP-1(P) responses + 500 IC-3: OP-1(FF) responses + 12 IC-4: OP-1(MX) responses + 4 IC-5: OP-1(NNA) responses).

**Years 2 and 3: 12** (12 IC-4: OP-1(MX) responses)

**Estimated Average Number of Annual Respondents and Responses: 12,413 respondents and responses** [(37,216 respondents and responses for Year 1) + (12 respondents and responses for Year 2) + (12 respondents and responses for Year 3) = 37,240 respondents and responses/3 year approval for ICR = 12,413].

### **Estimated Total Annual Burden Hours for ICR:**

**Year 1: 74,464 hours** (71,400 IC-1: OP-1 burden hours + 2,000 IC-2: OP-1(P) burden hours + 1,000 IC-3: OP-1(FF) burden hours + 48 IC-4: OP-1(MX) burden hours + 16 IC-5: OP-1(NNA) burden hours).

**Years 2 and 3: 48** (12 estimated annual Form OP-1(MX) responses x 4 hours to complete the Form OP-1(MX) = 48).

**Estimated Average Number of Annual Burden Hours for ICR: 24,853 hours** [74,464 hours for Year 1 + 48 hours for Year 2 + 48 hours for Year 3 = 74,560 hours/3 year approval for ICR = 24,853 estimated average number of annual burden hours].

FMCSA expects completion and submission of an OP-1 to be performed by a carrier compliance officer or equivalent. The Agency estimates the labor cost for this occupation to be about \$65.00 per hour, comprising wages of \$32.69 per hour,<sup>2</sup> employee benefits equal to 57 percent of wages,<sup>3</sup> and overhead expenses equal to 27 percent of wages and benefits<sup>4</sup> ( $\$65 = \$32.69 \times (1 + 0.57) \times (1 + 0.27)$ ). Total annual labor cost from filing OP-1 forms is estimated to be \$4,840,160 ( $\$65 \times 74,464$  hours) in year 1, and \$3,120 in years 2 and 3 ( $\$65 \times 48$  hours).

The 3-year average annual cost from filing OP-1 forms is estimated to be \$1.62 million (\$4.84

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<sup>2</sup> Bureau of Labor Statistics (BLS). Occupational Employment Statistics, May 2014 National Industry-Specific Occupational Employment and Wage Estimates, 13-1041 Compliance Officers.

[http://www.bls.gov/oes/current/naics4\\_484100.htm](http://www.bls.gov/oes/current/naics4_484100.htm). Accessed October 21, 2014. The BLS does not have a wage estimate for this occupation in the passenger carrier industry, but FMCSA believes that the trucking wage is accurate enough for both property and passenger carriers.

<sup>3</sup> FMCSA estimates this 57% employee benefit rate by using the private industry average wage (\$24.56 per hour) and benefit information (\$13.99 per hour) for production, transportation, and moving material workers. Benefits thus amount to 57 percent of wages ( $0.57 = \$13.99 / \$24.56$ ). From "Employer Costs for Employee Compensation—June 2015". Accessed on October 21, 2015 at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

<sup>4</sup> Berwick, Farooq. "Truck Costing Model for Transportation Managers". Upper Great Plains Transportation Institute, North Dakota State University (2003) accessed on October 21, 2015 at <http://ntl.bts.gov/lib/24000/24200/24223/24223.pdf>

million in year 1, \$3,120 in year 2, and \$3,120 in year 3).

### **13. Estimate of total annual costs to respondents:**

All OP-1 applicants are required to pay a \$300 filing fee except OP-1(NNA) applicants that are private carriers.

**Estimated Average Annual Cost to Respondents: \$3.7 million** [(\$300 per Form x 37,216 respondents (does not include the 4 private OP-1(NNA)) respondents for Year 1) + (\$300 per Form OP-1(MX) x 12 respondents for Year 2) + (\$300 per Form OP-1(MX) x 12 respondents for Year 3) = \$11.2 million/3 year approval for ICR = 3.7 million].

### **14. Estimate of cost to the Federal government:**

After April 14, 2017, all new and existing entities will use the URS Online Application Process Form MCSA-1, covered by OMB Control Number 2126-0051, "FMCSA Registration/Updates," for all reasons for filing except for the OP-1(MX). The following estimate includes year 1, where all forms will be processed, where they account for revisions to the effective and implementation dates of the URS, and years 2 and 3 where only OP-1(MX) will be processed.

The OP-1 (MX) and the OP-1 (NNA) forms are processed by Grade 9, step 5, Transportation Specialists at the Trans-Border Office. The labor cost of this activity is estimated to be \$58 per hour, comprising wages of \$29.02 per hour,<sup>5</sup> employee benefits equal to 57 percent of wages,<sup>6</sup> and overhead expenses equal to 27 percent of wages and benefits<sup>7</sup> ( $\$58 = \$29.02 \times (1 + 0.57) \times (1 + 0.27)$ ).

As shown in table 2, the total cost to the Federal government of collecting and processing the OP-1 series of forms in year 1 is about \$15.325 million per year. In years 2 and 3, the cost to the Federal government of collecting and processing the OP-1(MX) form is \$5,916.

As discussed in item 13 above, \$11.2 million of that cost is recouped via fees charged to applicants in year 1, and \$3,600 in years 2 and 3.

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<sup>5</sup> See <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/salhrl.pdf>

<sup>6</sup> Bureau of Labor Statistics (BLS). *Table 10: Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by industry group, June 2014.* <http://www.bls.gov/news.release/ecec.t10.htm>.

<sup>7</sup> Berwick, Farooq. *Truck Costing Model for Transportation Managers*. North Dakota State University. Upper Great Plains Transportation Institute. 2003. Appendix A, pp. 42-47.

<b>Table 2: Cost to U. S. Government for OP-1 (MX) Form</b>							
<b>Forms</b>	<b>Responses Year 1</b>	<b>Responses Years 2 &amp; 3</b>	<b>Cost per Hour</b>	<b>Hours per Response</b>	<b>Cost per Response</b>	<b>Annual Cost Year 1 (million)</b>	<b>Annual Cost Years 2&amp;3 (million)</b>
<b>IC 1: OP-1</b>	35,700	0	\$65	6.5	\$422.50	\$15.1	\$0
<b>IC 2: OP-1(P)</b>	1,000	0	\$65	6.5	\$422.50	\$0.423	\$0
<b>IC 3: OP-1(FF)</b>	500	0	\$65	6.5	\$422.50	\$0.211	\$0
<b>IC 1: OP-1(MX)</b>	12	12	\$58	8.5	\$493	\$0.00592	\$0.0018
<b>IC 5: OP-1(NNA)</b>	4	0	\$58	8.5	\$493	\$0.197	\$0
<b>Total for ICR</b>	37,217	12				\$15.325	\$0.0018

**Year 1: \$4.125 million** [\$15.325 million cost to process forms - \$11.2 million cost recouped via fees charged to applicants = \$4.125 million]

**Years 2 and 3: \$4,632** [(\$5,916 cost to process forms - \$3,600 cost recouped via fees charged to applicants for Year 2) + \$5,916 cost to process forms - \$3,600 cost recouped via fees charged to applicants for Year 3) = \$5,592]

**Estimated Average Annual Cost to the Federal Government: \$1.3 million** [(\$15.325 million cost to process forms - \$11.2 million cost recouped via fees charged to applicants for Year 1) + (\$4,632 cost to process forms for Year 2 & 3) = \$4.129 million/3 year approval for ICR = \$1.376 million]

**15. Explanation of program changes or adjustments:**

The program shows no increase or decrease in adjustment of burden hours. Calculations were the same as presented in the approved request for the emergency approval. However, there is an increase in annual burden cost to the Federal government due to an increase in labor costs for processing the forms.

**16. Publication of results of data collection:**

Data provided by this information collection will not be published.

**17. Approval for not displaying the expiration data for OMB approval:**

The FMCSA is not seeking an exemption from displaying the expiration date.

**18. Exceptions to certification statement:**

There are no exceptions to the certification statement.

Attachments:

- Attachment A: Final Rule; correction entitled, “Unified Registration System” (81 FR 49553 dated July 28, 2016)
- Attachment B: Final Rule; extension of effective dates entitled, “Unified Registration System” (80 FR 63695 dated October 21, 2015)
- Attachment C: 49 U.S.C. 13902(c)
- Attachment D: ICC Termination Act of 1995 (ICCTA) [Pub. L. 104-88, 109 Stat. 803, December 29, 1995]
- Attachment E: Interim Final Rule entitled, “Application by Certain Mexico-Domiciled Motor Carriers to Operate Beyond United States Municipalities and Commercial Zones on the United States-Mexico Border (67 FR 12702 dated March 19, 2002)
- Attachment F: Federal Register Notice requesting comments on “Licensing Applications for Motor Carrier Operating Authority” Information Collection Request OMB Control Number 2126-0016 (81 FR 53539)