

BY THE COMPTROLLER GENERAL

Report To The Chairman, Joint Economic Committee

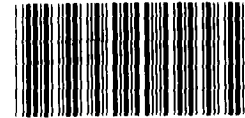
OF THE UNITED STATES

The Trucking Industry's Federal Paperwork Burden Should Be Reduced

The Department of Transportation can use its high-way safety information more effectively by summarizing available data and conducting followup surveys to assess the need for, or value of, required paperwork. For example, the truckers' Driver's Daily Log creates millions of pieces of paper each year but has not been evaluated to determine whether companies which have repeated violations are taking corrective action.

The Interstate Commerce Commission should strengthen its paperwork management controls. GAO found that the Commission (1) submitted requirements to GAO for approval which were either inaccurate or incomplete and occasionally collected unauthorized data, (2) delayed action to eliminate one requirement which cost business about 164,000 staff hours annually, (3) could reduce the paperwork burden on business by at least 218,800 hours annually by eliminating or revising another major requirement, and (4) delayed or disapproved without adequate justification implementation of certain recommendations for paperwork reduction.

This report, the second in a series on paperwork burden imposed on segments of American business, contains recommendations to both agencies to improve management of their programs.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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✓ The Honorable Henry S. Reuss *Rep*
Chairman, Joint Economic Committee
Congress of the United States

TNT 700700

Dear Mr. Chairman:

This report, prepared in response to your predecessor's request of January 22, 1979, discusses the efforts of the Department of Transportation and Interstate Commerce Commission in controlling the paperwork burden placed on the transportation industry.

Our report includes recommendations for cutting unnecessary paperwork costs, eliminating unnecessary reporting requirements, and improving the usefulness of the data collected. This report is the second in a series of reviews requested.

As arranged with your office, we are sending a copy of this report to Senator Lloyd M. Bentsen, prior Committee chairman. Unless you publicly announce its contents earlier, no further distribution of this report will be made until 7 days after its issue date. At that time we will send copies of this report to the Secretary, Department of Transportation; Chairman, Interstate Commerce Commission; interested congressional committees; and other parties. *R*

Sincerely yours,

James B. Stuck

Comptroller General
of the United States

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COMPTROLLER GENERAL'S
REPORT TO THE CHAIRMAN,
JOINT ECONOMIC COMMITTEE

THE TRUCKING INDUSTRY'S
FEDERAL PAPERWORK BURDEN
SHOULD BE REDUCED

D I G E S T

Opportunities exist for the Department of Transportation (DOT) and the Interstate Commerce Commission (ICC) to significantly reduce paperwork burdens imposed on the American trucking industry and to improve the usefulness of collected information.

DOT SHOULD USE
DATA MORE EFFECTIVELY

In carrying out its mission of highway safety, DOT's Federal Highway Administration imposes a heavy paperwork burden on the trucking industry. It is requiring duplicate information and is not using collected data efficiently.

To select companies for safety inspections, its Bureau of Motor Carrier Safety investigators generally rely on their own knowledge of motor carrier activities rather than requesting and using available summarized information to identify those companies most needing safety inspections. (See p. 9.)

Factual information provided by summaries and followup visits would help DOT justify its paperwork requirements. For example, the Office of Management and Budget has questioned the need for and use of the truckers' Driver's Daily Log and the United Parcel Service has initiated litigation challenging the need for carrying on its vehicles the previous trip's Vehicle Condition Report. (See pp. 12 and 14.)

DOT can also improve its paperwork management by eliminating the Accident Register, which duplicates its Accident Report requirement. (See pp. 15 to 17.)

ICC'S PAPERWORK MANAGEMENT
SHOULD BE IMPROVED

The paperwork burden on industry would be reduced if ICC strengthened its control process, revised and deleted specific reporting requirements, and more actively evaluated and implemented its data task force recommendations.

ICC does not have the controls necessary to ensure that its paperwork requirements are properly prepared and cleared before they are imposed on the public. During the past 6 years, 28 of the 70 currently cleared requirements resubmitted to GAO for approval either were incomplete, contained inadequate justification, or had issues which resulted in conditional clearances. GAO identified nine other instances where uncleared forms resulted in unauthorized data collection. (See p. 22.)

ICC's commodity statistics report is of little use because it is incomplete, inaccurate, and out of date. Eliminating this requirement would reduce the paperwork burden by 298,000 hours annually. If this requirement is not eliminated, a statistical sample of company shipping receipts would help to correct these problems and could reduce the reporting burden by at least 218,800 hours annually. (See pp. 31 to 36.)

ICC knew as early as 1975 that it did not need its quarterly loss and damage report, and DOT said in 1978 that it only needed semiannual rather than quarterly data. Changing to a semiannual report would have saved businesses about \$2.5 million and 164,000 staff hours annually. But ICC did not make any change until recently, when it decided to eliminate this requirement, effective January 1981.

(See pp. 39 and 41.) Since DOT believes it needs the data semiannually, legislation has been introduced to authorize DOT to collect it. (See pp. 41 and 42.)

During 1978, a six-member internal data task force reviewed ICC's financial and statistical reporting requirements and made recommendations which it estimated would annually save businesses and the Government \$20 million and \$500,000, respectively. Although action was taken on several recommendations, some recommendations were disapproved with limited justification and others were deferred pending possible deregulation of the industry. (See pp. 25 to 28.)

RECOMMENDATIONS TO DOT

The Secretary of Transportation should require the Administrator of the Federal Highway Administration to:

- Summarize safety violations by carrier and use these summaries (1) to identify high-risk carriers and (2) in followup visits to evaluate whether paperwork requirements contribute to improving highway safety.
- Evaluate the usefulness of the Driver's Daily Log in improving highway safety as the basis for continuing or eliminating the requirement.
- Routinely provide its field investigators with appropriate summarized data and ensure that they use it to systematically identify and investigate carriers most needing safety surveys.
- Eliminate the Accident Register requirement.

See page 18 for further recommendations.

RECOMMENDATIONS TO ICC

The Chairman of the Interstate Commerce Commission should:

- Strengthen ICC's paperwork management process by establishing controls to ensure that (1) clearance submissions are accurately prepared, (2) justifications for paperwork requirements are properly documented, and (3) requirements are cleared before they are imposed on the public.
- Eliminate or revise the commodity statistics reporting requirement.
- Expedite action on ICC's internal task force recommendations.

See pages 29, 38, and 43 for further recommendations.

MATTER FOR CONSIDERATION BY THE CONGRESS

If the Congress wants DOT to publish loss and damage reports showing industry management and law enforcement agencies the significance of the cargo theft problem, it should authorize DOT to require the applicable data. (See p. 43.)

AGENCY COMMENTS AND OUR EVALUATION

Except for two recommendations which asked DOT to determine if its paperwork requirements were enhancing highway safety, DOT agreed with GAO's recommendations. DOT maintains that compliance with regulations reduces accidents--not recordkeeping. GAO believes both functions are tools which should either contribute to highway safety enhancement or be eliminated. (See p. 19 for details.)

DOT also implied that GAO failed in its attempt to show that the DOT recordkeeping requirements were duplicative and burdensome.

GAO disagrees. This report demonstrates that some Bureau recordkeeping requirements are duplicative and burdensome and that other requirements could be used more effectively. (See pp. 11, 12, and 15.)

ICC generally agreed with GAO's recommendations and indicated that corrective action would be taken.

Both DOT and ICC felt they should have been given more credit for their paperwork reduction efforts and disagreed with selected GAO statements. These disagreements are individually addressed in appendixes III and IV.

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ABBREVIATIONS

DOT	Department of Transportation
GAO	General Accounting Office
ICC	Interstate Commerce Commission
OMB	Office of Management and Budget
QL&D	Quarterly reports of freight loss and damage for motor carriers

CHAPTER 1

INTRODUCTION

This is the second in a series of reports on the paperwork burden imposed on American business by Federal agencies. This report presents our findings on how the Department of Transportation (DOT) and the Interstate Commerce Commission (ICC) manage their paperwork requirements, particularly those affecting the trucking industry. According to DOT and ICC estimates, each year businesses spend 11 million hours filling out DOT and ICC required paperwork. Approved agency estimates show that the trucking industry alone spends at least 1.3 million hours completing paperwork for these agencies.

HOW THE PAPERWORK MANAGEMENT PROGRAM WORKS

For many years, both the Government and the public have recognized the need for Federal paperwork management which would protect the public from unneeded, redundant, or excessively burdensome information demands. One of the earliest attempts to control paperwork burden was the Federal Reports Act of 1942, which required Federal agencies to minimize the burden on businesses and maximize the usefulness of information obtained. To assist in this effort, the act authorized the Office of Management and Budget (OMB) to review or "clear" the agencies' proposed paperwork requirements. In 1973, the Congress amended the act ^{1/} and transferred to GAO authority to review independent regulatory agencies' information-gathering requirements. The Paperwork Reduction Act of 1980 (effective April 1, 1981) will strengthen the paperwork control process and, among other things, transfer GAO's independent regulatory agency review authority to OMB.

The paperwork management program requires that before agencies create new reporting requirements, they consider whether the information they want to collect is needed, duplicates other requirements, or could be collected through more effective or less burdensome methods. OMB and GAO, in the role of central "clearance" agencies, review the justifications for the new requirements and either approve or disapprove them.

^{1/}Public Law 93-153, Sec. 409(b), 87 Stat. 593 (1973).

Existing legislation requires DOT and ICC to obtain advance clearances from OMB and GAO, respectively, for proposed, renewed, or revised information collection plans and forms. Clearances are granted for limited periods, usually 3 to 5 years. Continued use of the forms requires additional periodic clearances.

OMB and GAO guidelines for preparing proposed clearance packages are based on the policy established by the 1942 Federal Reports Act. Essentially, both OMB and GAO require requesting agencies to submit justification showing that they plan to (1) obtain information with a minimum burden on respondents and at minimum cost to the Government, (2) eliminate unnecessary duplication, and (3) make maximum use of the information collected.

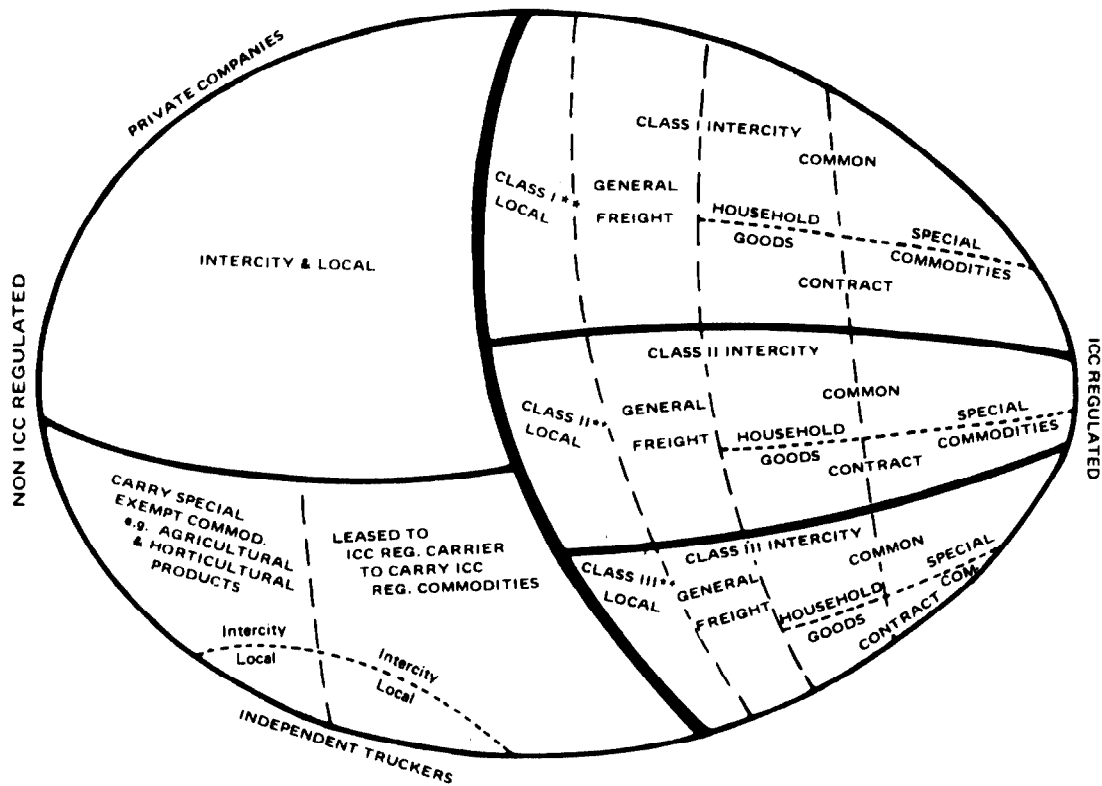
Both OMB and GAO guidelines require clearance packages to include information showing

- a detailed explanation of the circumstances which make the information requirements necessary,
- how the information will be used,
- why similar available data will not suffice,
- the number and type of respondents,
- the frequency of the reporting requirement, and
- the estimated burden (average time required by respondents to compile and report the required information).

HOW ICC AND DOT REGULATE THE TRUCKING INDUSTRY

The trucking industry has been grouped into many different classes for regulatory purposes. DOT is primarily responsible for enhancing safety, and ICC is concerned with economic regulation, including setting transportation rates. The chart on the following page shows the complex regulatory structure of the industry.

STRUCTURE OF THE TRUCKING INDUSTRY *



* NOT TO SCALE-- ICC REGULATED CARRIERS COMPRISE APPROXIMATELY 13 PER CENT OF TOTAL

** LOCAL = MAJORITY OF REVENUE DERIVED FROM THE PICKUP AND DELIVERY OF INTERCITY FREIGHT

NOTE: BOTH PRIVATE AND EXEMPT INTERSTATE MOTOR CARRIERS ARE SUBJECT TO DOT'S SAFETY REGULATIONS.

SOURCE: DOT'S TRANSPORTATION SYSTEMS CENTER

The Interstate Commerce Commission

ICC is an independent Federal agency responsible for regulating interstate surface transportation within the United States. It has jurisdiction over some 18,000 companies, including railroads, trucking, bus lines, water carriers, coal slurry pipelines, freight forwarders, and transportation brokers. ICC requires financial and statistical data from these companies to carry out its responsibilities for rate regulation, mergers, acquisitions, abandonments, and discontinued services.

Recognizing that small trucking companies have a smaller impact on the economy and larger proportional paperwork burdens, ICC established reporting requirements by three different classes.

Class I	Carriers with annual gross operating revenues of \$5 million or more.
Class II	Carriers with annual gross operating revenues of \$1 million to \$4,999,999.
Class III	Carriers with annual gross operating revenues of less than \$1 million.

As of September 30, 1980, ICC was imposing 70 reporting requirements on its regulated companies. Some of these apply only to a single transportation mode, such as water carriers. According to agency estimates, these requirements account for a total of 2 million hours of paperwork burden annually. The motor carrier industry must complete 28 of these requirements at an estimated paperwork burden of about 1.28 million hours annually. One full-time and two part-time employees are assigned to ICC's paperwork management program. Other staff members work periodically on paperwork-related matters in connection with their regulatory activities.

The Department of Transportation

DOT is responsible for fostering the development and safety of the Nation's transportation system. Its activities range

from transportation-related research programs to safety programs for aviation, highways, and railroads. DOT's Federal Highway Administration requires the collection of information from the trucking industry. Nationally, DOT regulates about 162,000 motor carriers.

DOT uses about 4.6 staff years annually in carrying out its paperwork management program. One full-time person in the Office of the Secretary and two people part-time from the Federal Highway Administration are assigned to the program. The remaining time is used by various other DOT staff.

OBJECTIVES, SCOPE, AND METHODOLOGY

We evaluated the paperwork management systems of the Department of Transportation and the Interstate Commerce Commission. Our objective was to determine if DOT and ICC paperwork burden estimates were reliable and reasonable, if the data collected were used, and if companies were required to report duplicate information.

We selected for detailed review those DOT and ICC reporting or recordkeeping requirements related to the trucking industry which were extremely time consuming or were required of many respondents. At ICC these included the (1) Freight Commodity Statistics Report, (2) Quarterly Freight Loss and Damage Report, (3) Annual Financial Report (M-1), and (4) Quarterly Financial Report. DOT reports and recordkeeping requirements chosen included the (1) Driver's Daily Log, (2) Driver's Qualification File, (3) Accident Report, (4) Accident Register, and (5) Vehicle Condition Report.

To ascertain the reasonableness of DOT's and ICC's burden estimates, we visited 12 companies in Washington, D.C.; Pennsylvania; Ohio; North Carolina; and Colorado. These included Class I, II, and III regulated carriers plus several unregulated carriers. We reviewed company records, talked with corporate officials, and observed how employees gathered and compiled data and recorded the time spent in reporting. We also asked whether the companies used the information or if similar or duplicate information was required by the Federal Government or by State or local governments.

In evaluating DOT's and ICC's paperwork management systems, we interviewed reports clearance officials at OMB and GAO and reviewed applicable documents and records.

We also interviewed DOT officials at Washington, D.C., headquarters and at field offices in Denver, Colorado; Raleigh, North Carolina; and Columbus, Ohio. In further determining how data were used, we interviewed DOT Bureau of Motor Carrier Safety officials in all nine Bureau regions. A structured interview guide was used to insure maximum uniformity of information collected.

Additionally, we visited DOT's Transportation System Center in Cambridge, Massachusetts, to obtain information on data collection, processing, and analysis.

We interviewed ICC officials at Washington, D.C., headquarters and reviewed records and other reports pertaining to their paperwork management controls. Additional interviews were conducted at the Small Business Administration, at the Department of Commerce's Office of Federal Statistical Policy and Standards, and at various trucking associations.

Although we did not perform a detailed evaluation of the ICC data task force review effort, we did ascertain that ICC spent considerable time and effort on the project and that its review team identified significant potential annual savings--\$20 million for industry and \$500,000 for the Government. We also reviewed ICC's efforts to evaluate and implement the task force recommendations.

Paperwork burden estimates are normally stated in terms of the average time it takes respondents to provide the required information to the Federal Government. Such estimates are prepared by each agency for each of its paperwork requirements in accordance with OMB and GAO regulations. Cost estimates used in this report were computed by applying a \$15 per hour figure to the appropriate paperwork burden estimate. The \$15 per hour figure was developed by the Commission on Federal Paperwork in 1977, and we believe it to be a conservative estimate.

CHAPTER 2

DOT CAN USE DATA MORE EFFECTIVELY AND REDUCE BURDEN

In carrying out its responsibility for assuring highway safety, the Department of Transportation imposes a heavy paperwork burden on the Nation's trucking industry. However, DOT is not effectively using all the information it collects. It needs to summarize data into more useful categories, disseminate key headquarters data to field officials, and stop requiring duplicate information.

PAPERWORK REQUIREMENTS BURDEN THE TRUCKING INDUSTRY

DOT's Bureau of Motor Carrier Safety ^{1/} is responsible for reducing commercial vehicle accidents, fatalities, and property losses. In an effort to meet its objectives, the Bureau requires industry to comply with five recordkeeping or reporting tasks. DOT's 1981 burden estimates for these requirements are shown in the following table.

	<u>DOT burden estimates</u>	
	<u>Respondents</u>	<u>Hours</u>
	----(000 omitted)---	
Recordkeeping requirement:		
Driver Qualification File	162	2,138
Accident Register	162	9
Driver's Daily Log	727	31,516
Vehicle Condition Report	1,362	27,306
Reporting requirement:		
Accident Report	162	36

We analyzed the paperwork burden required by DOT at eight trucking firms. We reviewed company records, talked with corporate officials, and observed how employees gathered and compiled data and recorded time spent in reporting. Our

^{1/}A bureau under DOT's Federal Highway Administration.

observations and analyses generally supported DOT's burden-hour estimates, except for the Driver's Daily Log. We believe DOT substantially understated this estimate.

Before May 1979, DOT had interpreted the Federal Reports Act as including only "reporting" requirements; therefore, it did not have its "recordkeeping" requirements cleared. These requirements are now being cleared.

The Bureau's burden estimates are initially prepared by program level officials. These draft estimates are reviewed (1) for consistent methodology by the Office of the Associate Administrator for Safety, (2) for technical competence by the Office of Management Systems, and (3) as a final cursory oversight by the Office of the Secretary of Transportation before being sent to OMB for clearance.

INFORMATION COULD BE USED MORE
EFFECTIVELY IN MANAGING RESOURCES

The Bureau has a small investigative staff (189 investigators to cover about 162,000 companies) to determine whether companies are complying with safety regulations and to educate and assist them in safety matters. The staff's effectiveness is reduced, however, by the haphazard method used to select carriers for surveys. The Bureau has not systematically used available information to identify those companies most needing safety inspections.

During site surveys, investigators review the carriers' safety practices, including the use of drivers' qualification statements, Driver's Daily Logs, accident-reporting practices, and vehicle maintenance practices. They also conduct roadside inspections. Vehicle Condition Reports and the Driver's Daily Log are used during these inspections to evaluate, from a safety standpoint, driver fatigue and adequacy of vehicle maintenance.

During fiscal year 1979, the Bureau conducted 6,941 carrier terminal surveys and performed 23,756 roadside inspections. This activity resulted in numerous administrative actions such as citations for safety deficiencies and placing vehicles out of service because of safety hazards. This activity ultimately resulted in 306 enforcement actions.

Bureau instructions do not contain specific procedures for selecting motor carriers for Bureau surveys. Investigators told us that they usually try to choose carriers which (1) have recently reported serious accidents, (2) are new operators, (3) have not been investigated during the past 6 years, or (4) have drivers who have complained about company safety practices. Although this information is available or could be summarized by carrier, investigators rely primarily on their memory of motor carrier activities to identify these carriers. As a result, they have not always selected motor carriers most in need of safety inspections.

Over 3 years ago, we found that carriers with the poorest safety records were not being surveyed and recommended that DOT develop an information system to systematically identify carriers most in need of safety surveys. ^{1/} Subsequently, the Bureau established a computerized file which included motor carrier census data (Motor Carrier Census System) and accident statistics (Automated Accident Report System). These statistics include the total number of accidents by company and the amount of property damage, injuries, and fatalities for each accident for all interstate carriers. For all ICC-regulated carriers, the data provides additional information showing related statistics for each million miles driven (accident ratios).

Bureau investigators do not automatically receive this information, however, and generally do not use it. None of the nine field investigators we talked to received headquarters data from the Automated Accident Report System. Furthermore, most did not seem to have a good understanding of the type of computerized data available from headquarters. Only 12 investigators requested information from the Accident Data Branch during 1979.

Bureau investigators commented that a report showing nationwide accident statistics by carrier would make it easier for them to identify those carriers most needing surveys. They added that accident ratios for all interstate carriers rather than just for ICC-regulated carriers would provide even more useful data.

1/"The Federal Motor Carrier Safety Program: Not Yet Achieving What the Congress Wanted" (CED-77-62, May 16, 1977).

In addition to making more effective use of existing information, DOT needs a complete and current accident data base. While DOT has had its Automated Accident Report System for almost a year, it remains only partially operational.

Accident ratios showing, by carrier, the number of accidents for each million miles driven are not current and have only been developed for ICC-regulated carriers--about 11 percent of approximately 162,000 carriers regulated by DOT. The latest figures available from ICC were from the 1978 reporting year. Initially, DOT limited its accident ratio data to these carriers because these were the only carriers that reported mileage data to Federal agencies. However, DOT has had authority to collect this data from all interstate carriers for almost a year, yet had not obtained it.

To complete the accident data base and provide complete accident ratio coverage for all companies reporting accidents, DOT designed a questionnaire which was approved by OMB in November 1979. Eight months later this survey was in process but had not been completed. A DOT official explained that minor problems, such as difficulty in obtaining mailing labels, had slowed initiation of this survey. Although the survey was completed prior to January 1981, at that time additional work remained to be done on the accident report file before the accident ratios could be computed and provided to Bureau investigators.

ADDITIONAL ANALYSIS OF AVAILABLE DATA NEEDED

Each year, in addition to collecting accident reports, the Bureau conducts many roadside inspections and surveys of carrier terminals, places equipment and drivers out of service, and issues citations for safety deficiencies. This information is reported annually as aggregated data--such as total number of trucks put out of service. Before April 1980, there were no nationwide statistics showing detailed results, by carrier, of terminal surveys or roadside checks. In April, Bureau headquarters began preparing detailed summaries of roadside checks and in October headquarters sent the regional offices their first computerized listing. Headquarters officials said they planned to begin preparing detailed summaries of terminal surveys by 1981. However, prior to October 1980, except in one region where a management information system was being tested, useful summaries showing deficiencies by carriers were not being supplied to the regions.

Although the Bureau requires five recordkeeping and reporting requirements to assist in carrying out its activities and summarizes several of them, only general accident data was being sent to the regions prior to October 1980. Other summaries would help the Bureau to (1) identify high-risk carriers, (2) evaluate the effectiveness of its programs, and (3) determine whether its paperwork requirements are necessary. These summaries could be developed from available information without placing an additional burden on private industry.

The following chart shows summarized statistics which would help Bureau investigators identify high-risk carriers--those that frequently use unsafe vehicles or unqualified or fatigued drivers.

<u>Recordkeeping requirement</u>	<u>Summary data needed by investigators (by carrier surveyed)</u>
Driver Qualification File	Number of unqualified drivers
Driver's Log	Number of drivers placed out of service for exceeding authorized driving time
Vehicle Condition Report	Number of vehicles placed out of service because of faulty equipment

Summaries would help the Bureau select carriers and evaluate its effectiveness

Bureau investigators use the Driver Qualification File, Driver's Log, and Vehicle Condition Report during roadside inspections or terminal surveys to identify safety violations. Although this data is reported to headquarters, the data, summarized by carrier, was not being routinely sent to regional investigators. Thus, to identify high risk carriers, an investigator must rely on memory or review many files. Some investigators had files on 3,500 companies.

Prior to October 1980, when the Bureau began reporting summarized roadside inspection data, the Bureau only provided investigators with general terminal survey data (Motor Carrier Census System). This system does not provide adequate detail or include applicable roadside inspection information. It provides quarterly information which shows the names and addresses of all companies' headquarters in the investigator's region; fleet size; type of carrier; date of last terminal survey; and in instances where surveys were recently conducted, the accident ratio calculated during the survey.

However, this summary does not include important data showing the number and type of violations identified during the survey or during roadside inspections.

Not only will the recently summarized roadside inspection data supplement terminal survey data, but it will also provide broader coverage. Many roadside inspections may have been conducted on carrier operations outside the carrier's headquarters region, and thus the investigator conducting the terminal survey may be unfamiliar with the results until after he selects the carrier for a survey and reviews the file.

Historical summaries of this more detailed type of information would also assist the Bureau in evaluating its effectiveness. Summarized statistics, by carrier, and subsequent followup visits would enable the Bureau to determine whether carriers improved their safety programs after receiving fines and penalties. Bureau officials told us that, other than the Motor Carrier Census System (initiated at GAO's recommendation), similar summary statistics necessary for followup evaluations were not routinely available to investigators. Officials said without these summaries and followup work, they could not determine whether their activities resulted in better carrier safety programs. The October roadside inspection summary, issued after our discussion with these officials, should help the Bureau in its selection and followup work.

Only one of the nine Bureau regions had data which would enable Bureau officials to begin evaluating their effectiveness. This region is concluding a Bureau-initiated pilot study using region-generated summaries to choose companies for safety surveys and to monitor progress in improving safety. We believe this type of summary--which enables officials to systematically identify carriers most needing safety inspections--would greatly enhance the usefulness of the data collected.

Region officials said the study had been conducted to develop and test a proposed management information system. Although the study began 3 years ago and Bureau officials told us it was ready to be implemented in other regions, no implementation plan has been developed. Furthermore, officials would not estimate when a plan would be developed.

The Driver's Log--an example of slow action and unknown effectiveness

Drivers are required to use the Driver's Log to record the time they spend driving and in related activities. These

logs are reviewed during inspections to determine if drivers have worked more consecutive daily or weekly "hours of service" than authorized by law.

Since DOT does not compile summary data on Bureau identified hours-of-service violations or determine whether carriers or drivers take corrective action after drivers are placed out of service, the effectiveness of the Driver's Log in preventing driver fatigue and reducing accidents cannot be assessed.

Historically, the Bureau has viewed the hours-of-service regulation as a method of reducing or eliminating motor carrier accidents by controlling driver fatigue. The principal tool of enforcement is the recordkeeping requirement known as the Driver's Log, which has been imposed on motor carriers since March 1, 1939, and has remained virtually unchanged for the past 40 years.

DOT has not fully evaluated the effectiveness of the log and subsequent out-of-service restrictions. It has, however, recently begun to test alternatives designed to reduce the related paperwork burden on trucking companies. This action was initiated partly due to pressure from publicity resulting from a Commission on Federal Paperwork report and from OMB.

In its 1977 summary report, the Commission on Federal Paperwork cited the Driver's Daily Log as an example of burdensome Federal recordkeeping requirements, noting that it created 1.2 billion sheets of paper annually. In September 1977, OMB cleared the Driver's Daily Log and optional multiday logs but noted "substantial reservations about the need for and utility of the log for the elimination of fatigue-induced accidents * * *." Additionally, OMB requested that DOT conduct a full evaluation to determine the feasibility of alternatives and submit the evaluation before its next request for clearance.

DOT had no summarized statistics or followup evaluations to refute OMB's reservations. Thus, DOT initiated studies to determine the feasibility of alternatives such as mechanical recording equipment, and such company records as timecards. After obtaining public comments, DOT also reduced its requirement by exempting drivers who operate within a 100-mile radius of their terminals.

While public comments and current studies will provide information showing the effect on burden resulting from DOT's actions (number of drivers exempted, reduced recording time,

etc.), this information will not provide an answer to the most important question: Does the Driver's Log effectively help DOT control driver fatigue and thereby reduce accidents? Information addressing this question could be obtained by (1) summarizing, by company, the number of drivers put out of service because of excessive driving time and (2) conducting followup surveys to determine if frequent violators are taking corrective action resulting in fewer accidents. We believe DOT should conduct this type of survey. DOT's findings should be used to either justify the Driver's Log or support a decision to eliminate it.

The Vehicle Condition Report--summarized statistics would help DOT support new information requirements

On April 1, 1980, DOT changed its regulations and required that a copy of the previous trip's Vehicle Condition Report be carried in each interstate vehicle as well as kept at company facilities. DOT said this change was needed to (1) ensure that mechanical defects were detected and repaired before an accident occurred and (2) establish a uniform system which would provide drivers with a document supporting those instances when carriers were failing to meet their repair obligations.

On March 5, 1980, the United Parcel Service initiated litigation challenging the need for this requirement. In its petition the United Parcel Service asked the court to either (1) set aside and suspend the new regulation, which would require all drivers to carry in their vehicles a copy of the most recent Vehicle Condition Report, or (2) order DOT to exempt the United Parcel Service from the new requirement.

The United Parcel Service alleged that the requirement should be set aside or suspended because it (1) is "arbitrary and capricious" and "imposes unnecessary and burdensome record-keeping requirements," (2) "exceeds the agency's statutory authority," and (3) is inconsistent with the Federal Reports Act. The United Parcel Service also alleged that DOT (1) provided inadequate justification to support its broad and burdensome recordkeeping requirement and (2) "arbitrarily * * * denied the United Parcel Service petition for exemption from the new requirement * * *."

DOT supported its new requirement on the following bases:

1. "Commercial motor vehicle accident rates--especially those where defects appear to be the cause--are higher than necessary."
2. "The proportion of selected commercial vehicles found to be mechanically unsafe * * * has been over 20 percent."
3. The Bureau has received numerous driver complaints alleging unsafe maintenance practices by motor carriers.
4. The Professional Drivers' Council and the International Brotherhood of Teamsters have filed petitions with the Bureau endorsing its proposed change.
5. Bureau sponsored research at the University of Michigan showed a definite "relationship between accident frequency and the degree of motor carrier preventive maintenance."

DOT lacks additional specific data which would either refute or support its claim that driver Vehicle Condition Reports are necessary to help reduce accidents or the number of unsafe vehicles on the road. For example, DOT had not summarized by carrier the number of vehicles placed out of service because of faulty equipment or determined whether frequent violators were taking corrective action.

DUPLICATE ACCIDENT RECORDS
SHOULD BE ELIMINATED

DOT obtains information on trucking accidents through two paperwork requirements--the Accident Report and the Accident Register. Although the time required to complete the Accident Register is short compared with that necessary to complete other paperwork requirements, the Register duplicates the Accident Report and is not essential for DOT activities.

Businesses submit Accident Reports to DOT and keep Accident Registers on file. DOT requires Accident Report submission for two purposes--to make intelligent decisions on

new regulatory actions and to revise regulations. Accident Registers are only reviewed during Bureau investigations.

DOT requires businesses to maintain eight types of information on the Accident Registers. This includes such items as location, name of driver, amount of damage, number of fatalities, and nature of the accident. Seven of the eight items are also required on the more comprehensive Accident Report. The one item not included asks whether the accident occurred during an interstate, foreign, intrastate, or exempt intercity operation. However, none of the Bureau investigators we interviewed used this information or knew why it was required. One Bureau official said that although not currently used, this data could provide geographic detail on accidents.

DOT has never developed written justification for the Accident Register requirement. DOT headquarters officials told us the Register makes "good business sense" and provides a ready reference for Bureau investigators. All nine of the Bureau investigators we interviewed said they referred to Accident Registers. They said they used them to (1) determine if the companies were complying with DOT regulations, (2) compute accident ratios, and (3) quickly review companies' accident histories. However, as shown below, the investigators agreed that the Accident Register duplicates other DOT data and they do not need it to carry out their daily activities. The Bureau's Investigator Training Manual supports these statements. It does not discuss the Register or explain how it should be used.

DOT requires several different forms and reports other than the Accident Register. Investigators agreed that these provided adequate support to determine if a company was complying with DOT regulations.

Some investigators use accident ratios computed by DOT to compare the safety records of different companies. The ratio shows the number of company accidents per million miles traveled. However, Bureau investigators do not have to use Accident Registers to manually compute accident ratios because these ratios are printed in the Bureau's computerized Motor Carrier Census File, which is available upon request from headquarters. Additionally, the accident ratio information shown on Accident Registers is also readily available on file copies of the companies' Accident Reports.

Although several investigators used Accident Registers as a ready reference to companies' accident histories, they

agreed that Accident Reports could serve this purpose. A company's filed Accident Reports are readily accessible and contain more complete information. According to DOT estimates, companies average less than one reportable accident per year. Bureau investigators said companies seldom have more than 15 Accident Reports on file per year. They added that during investigations they review Accident Reports and therefore do not need Accident Registers. Also, the Bureau summarizes key accident history information in its Motor Carrier Census File.

DOT estimates that businesses spend a total of 9,000 hours annually (about \$135,000 ^{1/}) maintaining Accident Registers. Although the Register does not impose a large burden on businesses, it is duplicative and unnecessary. By requiring a company to adopt specific recordkeeping procedures, DOT reduces a company's flexibility to determine its own information needs and increases the Federal involvement in company activities.

CONCLUSIONS

In carrying out its mission of enhancing highway safety DOT's Federal Highway Administration imposes a heavy paperwork burden. Some of the data is duplicative. Other data could be summarized more conveniently and used to more effectively manage its investigative resources.

Since DOT's investigative staff is small compared with the total number of carriers, every effort should be made to maximize this staff's effectiveness. However, the staff is not using available information to systematically identify and investigate those carriers most needing safety surveys. The Bureau could aid regional investigators by giving them summaries of available data (such as carrier violations noted during carrier surveys) and by expeditiously obtaining important mileage data and computing and reporting accident ratios.

Although the Administration requires and uses Driver Qualification Files, Driver's Daily Logs, and Vehicle Condition Reports in carrying out its investigations, it cannot adequately evaluate the effectiveness of these requirements without additional summarization and followup work. Using these summaries in followup work with carriers with frequent safety violations

^{1/}Based on the Commission on Federal Paperwork's estimate of \$15 per hour.

would help the Administration evaluate the effectiveness of its safety regulations, assess the feasibility of paperwork alternatives, and support decisions for creating new paperwork requirements.

A pilot project has been underway for 3 years to develop and test a management information system that could provide necessary summarized data for monitoring a company's progress; however, no formal systematic plan for implementing the system in other regions has been developed. The results of this project should be merged with Bureau-generated data and expeditiously implemented.

The Administration is also requiring unnecessary duplicate information. Its Accident Register is not necessary, duplicates the Accident Report, and should be eliminated.

RECOMMENDATIONS

We recommend that the Secretary of Transportation require the Administrator of the Federal Highway Administration to:

- Routinely provide Bureau field investigators with appropriate summarized data and ensure that they use it to systematically identify and investigate carriers most in need of safety surveys.
- Begin collecting mileage data and reporting accident ratios for all DOT-regulated carriers reporting accidents.
- Summarize safety violations, by carrier, and use these summaries (1) to identify high-risk carriers and (2) in followup visits to evaluate whether DOT's paperwork requirements contribute to enhancing highway safety.
- Evaluate the usefulness of the Driver's Daily Log in enhancing highway safety to provide a basis for continuing or eliminating the requirement.
- Assure that the Bureau uses data developed during its pilot study to expeditiously and systematically develop and carry out an implementation plan for a Department-wide management information system.
- Eliminate the Accident Register requirement.

AGENCY COMMENTS AND OUR EVALUATION

DOT agreed with four of our six recommendations and indicated that corrective actions would be taken.

DOT disagreed, however, with our recommendations to (1) evaluate the usefulness of the Driver's Daily Log and (2) determine if its paperwork requirements were enhancing highway safety. It asserted that GAO "* * * totally misses the point that recordkeeping does not reduce accidents--compliance with Federal Motor Carrier Safety regulations does." DOT goes on to state that "Records are used to assure that motor carriers are complying with safety regulations and to support actions necessary to bring motor carriers into compliance through administrative or enforcement efforts."

In our view, it is DOT which missed the point. Obviously, recordkeeping or reporting in and of itself does not reduce accidents. However, if the information collected by DOT through its reporting and recordkeeping requirements does not contribute to enhancing highway safety, these requirements serve no useful purpose and should be eliminated.

Moreover, DOT's comments are internally contradictory. In one sentence it states the obvious--that recordkeeping does not reduce accidents--while in the next sentence it makes the point--again, obvious--that records are used to assure compliance with safety regulations. These comments reflect a disturbing lack of understanding of the concepts of information resources management. In brief, these concepts include

- information requirements well-defined in terms of mission objectives,
- meeting those requirements at minimum costs to both respondents and the Federal government, and
- maximizing the usefulness of information collected.

Thus, we believe it is essential that DOT evaluate the usefulness of its reporting and recordkeeping requirements in enhancing highway safety.

DOT also stated that the report contained inaccurate statements and indicated that we "attempted" to show that the Bureau's recordkeeping requirements were duplicative and burdensome.

Most of DOT's examples of "misstatements" represented either a difference in GAO and DOT opinion or the result of action taken by DOT since our audit was completed. In a few other instances clarification was needed to avoid misleading the reader. GAO did identify instances of duplication and what we believe to be unnecessarily burdensome requirements. DOT's examples are addressed individually in appendix IV.

CHAPTER 3

ICC NEEDS TO IMPROVE ITS PAPERWORK MANAGEMENT SYSTEM

ICC needs better controls to reduce the paperwork burden it imposes on the business community. Many of its proposed paperwork requirements were inadequately prepared, unauthorized information had been collected, and internal recommendations for paperwork reduction had been delayed or disapproved without adequate justification.

ICC'S PAPERWORK REVIEW PROCESS NEEDS STRENGTHENING

ICC does not have the controls necessary to insure that its proposed paperwork requirements are properly prepared and reviewed and approved by GAO before they are imposed on the public.

The 1942 Federal Reports Act, as amended, requires that ICC obtain advance clearance (review and approval) from GAO for proposed, renewed, or revised information plans or forms. The justification used to support these clearance requests is supposed to show (1) need for requirements, (2) how ICC will use the information, and (3) how much time (burden) it will take businesses to obtain and report the information. However, ICC's submissions are frequently incomplete. This fact raises questions concerning whether need, use, and burden have received adequate consideration.

Inadequate controls allow incomplete clearance packets

ICC's Managing Director is its designated clearance officer. However, except for signing official documents, he has delegated this function as a part-time job to a staff member in his office's Section of Administrative Technologies--the central control point for all internal clearance activities. It notifies applicable ICC sections when GAO clearance approval of their report forms is about to expire. These sections, in turn, prepare draft submissions and send them through their bureau or office chief to the Administrative Section for final review before they are submitted, under the Managing Director's signature, to GAO for clearance.

However, the Administrative Section was not assuring that revised and renewed clearance requests included adequate assessments and proper documentation supporting proposed paperwork requirements. In many instances its justifications were incomplete or did not adequately assess need and burden, and little followup analysis was performed to evaluate the actual content of the proposed requirements.

The individual significance of incomplete submissions varied from minor to serious, depending upon the type of omission. Although a few omissions have been relatively minor, the frequency of incomplete submissions indicates a control problem and unnecessarily takes valuable time of both ICC and GAO staff. Some major omissions prohibited us from determining whether the requirement was excessively burdensome or duplicative and have resulted in unauthorized data requirements.

GAO's Regulatory Reports Review staff received more improper clearance submissions from ICC than from any of the other 11 independent regulatory agencies under GAO's jurisdiction. Historically, GAO's staff has had to spend a disproportionate share of its time working with ICC's staff on individual clearance submissions.

During the past 6 years many proposed ICC paperwork requirements submitted to GAO for clearance approval lacked information necessary for final clearance decisions. Of the recurring submissions for the 70 currently cleared requirements, 28 failed to meet legal requirements for clearance submissions--11 were incomplete, 5 contained inadequate justification, and 12 had issues which resulted in conditional GAO clearances. Moreover, in at least nine other instances, uncleared forms resulted in unauthorized data collection. In two of these instances the data collected was unnecessary.

Various types of important information were omitted from the submissions. Examples of incomplete submissions included:

1. Providing descriptions justifying the proposed form without providing documentation. (GAO needs documentation to determine whether the proposed requirement is needed.)

2. The standard clearance form (S.F. 83) was not signed by ICC's clearance officer. (The signed S.F. 83 certifies that the responsible agency official has reviewed the proposed paperwork and has officially stated that the burden has been minimized.)
3. Increasing or decreasing the estimated number of respondents or burden hours without explaining why the change was made. (GAO needs these explanations to assist it in determining whether the burden has been minimized.)

Although the ICC burden estimates for the four selected requirements reviewed seemed reasonable (see p. 5), these estimates were developed several years ago and officials could not remember or document how they had been developed.

Inadequate justification included instances where ICC's submission did not (1) address specific questions asked by GAO in granting a 1-year conditional clearance to the previously submitted form, (2) address public comments received by GAO during its review process, or (3) explain why the form was being submitted for clearance after the previous form had expired.

During the past 2 years, GAO granted conditional clearances for many forms because ICC had not adequately addressed issues raised by an internal ICC task force. In each instance, in later submissions following the conditional periods, ICC failed to adequately address GAO's questions which had initiated the original conditional clearance. GAO's clearance problems with ICC's Water Carrier Annual Report (Form W-1) ^{1/} illustrate how incomplete clearance requests take additional GAO and ICC time and do not assure that ICC has carefully assessed need and use.

Five times during the past 6 years, ICC submitted its Form W-1 to GAO for clearance. Each submission contained irregularities which prevented us from immediately granting unqualified clearances. For example, ICC (1) did not allow GAO its required 45-day review period, (2) failed to respond to comments submitted to us by respondents, (3) did not answer four essential questions, even though we had previously issued

^{1/}The Form W-1 report presents annual comprehensive financial, operating, and statistical data of Classes A & B water carriers.

a 1-year conditional clearance to allow ICC time to develop answers, and (4) printed new forms using GAO's previous approval number and eliminating the expiration date and sent these forms to respondents without notifying them that we had not approved the forms. (See app. I for details.)

An ICC official said ICC conducts primarily technical reviews of submitted clearance requests and assigns reports control symbols. The official said ICC seldom questions its bureau or office statements addressing need or usefulness of the proposed or revised forms.

Informal GAO efforts have not achieved corrective actions

We have made repeated efforts to help ICC improve its paperwork clearance procedures. However, substantive corrections have not been made.

During the past few years, GAO's Regulatory Reports Review staff has had numerous discussions with ICC officials to resolve clearance problems and suggest improvements. Although improvements have been promised several times, ICC has continued to submit improperly prepared or incompletely justified clearance requests.

Stronger internal controls should assist ICC in complying with the Paperwork Reduction Act of 1980. Improved controls should reduce the unnecessary forms-approval processing time incurred by both GAO and ICC and provide additional time for ICC to properly prepare clearance packets and adequately assess the need for and use of the requested information. It should also help OMB when it assumes GAO's clearance responsibilities on April 1, 1981.

UNAUTHORIZED INFORMATION IS BEING COLLECTED

ICC's paperwork management system has not prevented unauthorized information from being collected.

GAO's Regulatory Reports Review staff has no practical way to determine when unauthorized forms are sent to businesses. However, at least nine times the staff has learned that ICC violated the Federal Reports Act by imposing

reporting requirements on businesses without receiving the necessary GAO clearances. ICC estimates indicated that these forms took the industry about 362,000 business hours to complete.

The nine requirements were imposed on industry under three different types of situations. On three occasions, forms were sent to industry with their expiration date notations deleted, making them appear to have been approved by GAO, when, in fact, they had not. On three other occasions, ICC failed to notify the industry that forms had expired and that the reporting requirement would not be effective unless we cleared its renewal request. Subsequently, some businesses used expired forms to submit applicable data. Finally, in three other instances, ICC notified the industry of new reporting requirements and established effective reporting dates before the reporting requirements were cleared by GAO.

Several businesses told our Regulatory Reports Review staff that they had not noticed that applicable forms had expired and subsequently either reported or planned to report the information. ICC officials explained that uncleared forms are sometimes mailed to businesses because (1) ICC printing and mailing contractors inadvertently deleted the form's expiration dates and (2) even though GAO clearance had not been obtained, ICC could not delete the requirement without conducting rulemaking proceedings.

ICC has also required data which (1) could have been less burdensome and more useful if collected differently and (2) was not used by ICC. These instances are discussed in detail in chapters 4 and 5.

ACTIONS NEEDED ON INTERNAL TASK FORCE RECOMMENDATIONS

During 1978, a six-member ICC task force reviewed the periodic financial and statistical reports required of carriers by the Commission. The task force made recommendations which it estimated would annually save carriers and the Government \$20 million and \$500,000, respectively. ICC should be commended for independently initiating this review and identifying potential areas for improvement. However, more can be done. Some recommendations had been disapproved and others had been suspended pending possible deregulation.

On January 23, 1978, the Director of ICC's Bureau of Accounts established a data task force to determine if ICC's publication, "Transport Statistics in the United States," was being used. The task force concluded that the publication generally was not being used because it did not contain timely, accurate, or meaningful information. Consequently, the task force redirected its study from a review of this publication to a broader area covering the collection of financial and statistical information.

The task force reviewed each of the 45 periodic financial and statistical reports then being required of carriers by ICC, interviewed designated officials from each office and bureau using the data throughout the Commission, and met with many external users of the data. Following issuance of a preliminary report on June 5, 1978, a team of representatives of various ICC offices and bureaus performed a detailed review of the preliminary report and offered extensive comments and suggestions.

The final report, dated January 3, 1979, made 10 general recommendations and 47 specific recommendations. General recommendations included statements addressing the need to verify accuracy, use of statistical sampling, standardization of schedules and reports, and need for a consistent data base. Specific recommendations addressed individual report line items which the task force considered to be redundant, excessively burdensome, or not used.

Following issuance of the final report, a three-man team from the Accounting and Reporting Section of the Bureau of Accounts reviewed the data task force's final recommendations and prepared a paper showing which recommendations they had accepted. After minor editorial changes, the paper was submitted to the ICC Chairman on June 21, 1979. The team partially disagreed with 11 recommendations and completely disagreed with 3 recommendations. The Section Chief told us that ICC had no plans to implement those parts of the 14 recommendations with which the 3-man team disagreed.

In our opinion, the three-man team's written reasons for disapproval failed to conclusively prove that the task force recommendations should not be implemented. For example, the task force recommended combining two forms which, in

essence, would eliminate the railroads' Form B-1 report. 1/ Although the three-man team agreed that the Form B-1 report was not used, it concluded that the form should be revised to provide "adequate" data rather than eliminated. This analysis conflicts with ICC's policy which states that data requirements "* * * shall be limited to meeting the Commission's current needs * * *[and] will be required only for information needed by the Commission regularly and frequently."

ICC periodically prepares internal status reports showing action taken on specific data task force recommendations. In a September 4, 1979, memorandum to GAO, ICC stated its position concerning implementation:

"* * * the Bureau of Accounts is reviewing the individual recommendations. With some refinements, those recommendations meeting with Commission policy will be forwarded to the full Commission with a draft of the Notice of Proposed Rulemaking. The Commission will then vote on whether or not to issue the NPR. If the NPR is issued, then the full administrative procedures will be followed. The Commission may decide that they don't wish to issue the NPR and reporting will continue on the present basis. A separate NPR must be issued for each proposal."

A June 1980 internal ICC status report states that ICC has implemented 22 of the task force's 47 specific recommendations. Before June 1980, ICC had suspended indefinitely 10 recommendations which addressed reporting requirements of either freight forwarders, water carriers, or motor carriers, pending possible deregulation. However, following (1) recent deregulation of the freight forwarders and motor carrier industries and (2) ICC staff's informal review of our draft report which questioned the need for indefinitely suspending action pending uncertain deregulation, ICC changed its approach. It now plans to issue notices of proposed rulemaking which propose implementing all 10 recommendations, including those applying to water carriers where deregulation is still pending.

1/The Form B-1 report presents comprehensive financial, operating, and statistical data on refrigerator car lines owned or controlled by railroad companies.

These delays caused unnecessary paperwork. For example, 1 of the 10 previously suspended recommendations proposed eliminating the water carrier's quarterly Form QWS. ^{1/} Before ICC changed its approach, an ICC official told us that since Form QWS involved only water carriers, no action to eliminate the form would be taken until the deregulation question was resolved. Deregulation of water carriers has been under consideration for the past 2 years without being resolved. ICC estimates that businesses spent 2,520 hours preparing the QWS forms during this 2-year period. Recently, ICC initiated action to eliminate this form.

During the past year, we issued 1-year conditional clearances for 11 requested forms because applicable task force recommendations had not been adequately addressed. The conditional clearances did not request ICC to implement any of the recommendations. They merely asked for consideration of applicable recommendations and a statement at the end of the year on which recommendations, if any, had been considered and how ICC planned to deal with them in the future. ICC responded by questioning GAO's wisdom in issuing conditional clearances based on internal recommendations which had not been adopted as Commission policy. In a note to GAO, an ICC official stated that, "We anticipate that it will be years before all recommendations will be considered, the appropriate revisions proposed, and approved changes implemented."

We do not believe it is unreasonable to request a report on what, if any, consideration has been given to applicable task force recommendations more than 1 year after publication, especially in view of the impact that implementation would have on reducing respondent burden and the task force's estimated potential savings to carriers and the Government of over \$20 million annually.

CONCLUSIONS

The Interstate Commerce Commission needs to improve its paperwork management system. The paperwork burden on industry would be reduced if the Commission strengthened its paperwork control process and also more actively evaluated and implemented its internal data task force recommendations.

^{1/}The Form QWS report shows the quarterly revenue freight carried by water carriers.

Changes in ICC's paperwork control process are vital to assure that before paperwork requirements are imposed on the public, the resulting burden and need for information is thoroughly assessed. ICC does not have adequate controls to ensure that its clearance submissions have been properly prepared or that proposed requirements have been cleared before they are imposed on the public.

The Commission also needs to actively evaluate and, if feasible, implement recommendations by its internal data task force which, according to task force estimates, would save industry \$20 million and the Government \$500,000 annually. ICC should be commended for undertaking a study of this magnitude resulting in potential for such significant savings. However, more needs to be done.

Since the task force's draft report included input from a team of representatives of the various ICC offices and bureaus, the three-man team from the Section of Accounting and Reporting which reviewed the final recommendations may have done so from too narrow a perspective. This team's disagreements with the final recommendations should be analyzed and taken into account only if found to be fully supportable. Also, ICC should continue its actions to consider the individual merits of the 10 recommendations temporarily suspended pending deregulation.

RECOMMENDATIONS

We recommend the Chairman of the Interstate Commerce Commission:

- Strengthen ICC's paperwork management process by establishing controls to ensure that (1) clearance submissions are accurately prepared, (2) justifications for paperwork requirements are properly documented, and (3) requirements are cleared before they are imposed on the public.
- Evaluate the differences between the final data task force recommendations and the assessment by the Section of Accounting and Reporting's three-man review team and, in instances where the task force recommendations are valid and the team's recommendations are not fully supported, initiate steps to implement the task force recommendations.

AGENCY COMMENTS AND OUR EVALUATION

ICC indicated that its clearance procedures have been reinforced and that it has expedited implementation of the Data Task Force recommendations. ICC made no comment concerning the work of its three-man review team.

ICC's efforts should benefit both the public and private sectors; however, additional reinforcement may be needed. Also, ICC should evaluate the differences between its Data Task Force and its three-man review team in determining which ICC recommendations to implement. (See app. III for details.)

CHAPTER 4

ICC'S FREIGHT COMMODITY STATISTICS REPORT

SHOULD EITHER BE ELIMINATED OR REPLACED

WITH BETTER, LESS BURDENSOME DATA

The Interstate Commerce Commission requires most Class I motor carriers to classify and report their commodity shipments. However, the statistics summarized from this requirement are generally inaccurate, incomplete, and outdated. Consequently, they are only used occasionally. Moreover, the requirement is highly burdensome. The requirement should either be eliminated or revised to provide more useful data while imposing less burden on the respondents.

BETTER COMMODITY STATISTICS NEEDED IF COLLECTION IS CONTINUED

On December 9, 1955, ICC ordered about 800 Class I motor carriers to begin reporting commodity statistics. Similar information had been collected from the railroads since the 1800s. ICC stated that this motor carrier information had long been needed but never collected and justified the requirement by stating that the report, together with other available information:

"constitutes the basic information needed by ICC for adequate regulation of motor carrier rates, for the determination of the adequacy of service and related matters in connection with applications either for operating rights by new motor carriers or for territorial expansion of operating rights by existing motor carriers and for making decisions on regulatory policy affecting various types of carriers."

In a May 1980 memorandum, an ICC official stated that, "this is the only timely data available that can be used to answer questions about the composition of regulated traffic." ICC has also stated that this data is important from a regulatory standpoint in analyzing and monitoring the motor carrier industry and that the data can be used to monitor the impacts of pricing flexibility, more flexible entry, and exemption of commodities.

Information generally not used

Government and industry analysts said that because the commodity statistics are inaccurate, incomplete, and out of date,

they use them primarily to verify information derived from other sources. The analysts generally concluded that the data was "flawed at best but nevertheless better than nothing."

Data is inaccurate

The commodity statistics report is not completely accurate because some respondents classify shipments charged at truckload rates as "truckloads" for commodity statistics reporting purposes, even though ICC instructions require different criteria for "truckload" designations for its commodity statistics report. According to ICC instructions, a commodity shipment is supposed to be designated as a "truckload" only if it weighs 10,000 pounds or more. Shipments weighing less than 10,000 pounds are supposed to be summarized under a "Small Package Freight Shipment" title and are not to be listed according to the kind of commodity shipped.

For example, a full trailer load of pillows weighing less than 10,000 pounds should be classified under the general "Small Package Freight Shipment" title rather than under the detailed "Miscellaneous Fabricated Textile Products" title used for "truckload" shipments. However, a full trailer load, regardless of weight, is usually given a truckload rate for billing purposes. A company official told us that the clerk who rated the freight bills also did the commodity statistics coding and the clerk usually indiscriminately assigned all truckload rated freight bills as a "truckload" on the commodity statistics report, regardless of the shipment's weight.

Data is incomplete

ICC and DOT analysts also said the reported commodity statistics are incomplete. Although no supporting evidence was available, analysts said they knew that in many instances Class I carriers either did not file the requested reports or else estimated their statistics from internal samples of traffic taken at various periods during the year. Additionally, several companies told us that many of their clerks classified their commodity shipments as "mixed" or "miscellaneous" shipments rather than taking the time to identify and list the shipment under its correct specific-commodity category.

Data is outdated

For the years 1973-77, the commodity statistics report has generally been published 2 years after applicable data was

collected. It was last published for 1977. DOT analysts said that all three factors--inaccurate, incomplete, and several years old summarized data--detracted from the usefulness of the commodity statistics report.

DATA COLLECTION IS BURDENSOME
AND OF NO USE TO INDUSTRY

The commodity statistics report is one of the most burdensome requirements imposed on trucking companies by ICC. ICC has estimated that trucking companies take 298,000 hours annually to obtain data, identify the appropriate commodity category, and report these statistics. Company officials said that, although completing the form was extremely time consuming, they would not mind too much if they believed the information were actually used. However, since the reporting requirement is limited to Class I companies and these companies do not consistently report the type and amount of commodities shipped, they did not believe the information accurately reflected business activity or was useful to the Federal Government.

The companies we talked with said they did not use the commodity statistics information themselves. They said that only in instances of overdue bills or missing shipments was this information "nice to know" and even then it was not essential to their business activity. They also cited lack of timeliness, incomplete industry coverage, and inconsistent detailed statistics as other main drawbacks.

ICC IS CONSIDERING ELIMINATING
OR REVISING THE REQUIREMENT

In October 1979 GAO gave ICC a 1-year limited clearance on its commodity statistics form (Form TCS) because (1) ICC's data task force recommended that the form be shortened and that sampling be used to acquire the data and (2) we were reviewing ICC's paperwork management.

In February 1980 ICC issued for public comment a proposal to broaden its Class I carrier collection base and use a random statistical sample of Class I, II, and III carriers. According to ICC's plan, all regulated motor carriers would constitute the reporting sample universe, but a carrier would be required to file only when it was selected as part of the random sample. The sample would be statistically valid, enabling ICC to project the total activity of all regulated motor carriers.

In July 1980, following adverse public comment on its initial proposal, the Commission decided to publicize a second proposal, which would be required of all the currently reporting Class I carriers but would reduce the commodity statistics report from 447 commodity classification line items to 35 commodity classifications. This second proposal, after further consideration following an informal review of our draft report, was dropped in favor of eliminating the requirement entirely. On October 17, 1980, ICC issued a second notice for public comment proposing to eliminate the requirement. ICC stated that the time spent by businesses compiling applicable data was not justified by the occasional use of the data by ICC. ICC concluded that any need for the data could be satisfied by periodic special requests. Final action will be taken after the public comments are received and evaluated.

Since the plan to eliminate the report is still in the "proposal" stage, additional changes could be proposed before a final decision is made on the commodity statistics reporting requirement. Our work showing little used, inaccurate, incomplete, and outdated data indicates that the data as currently received is practically useless and that the requirement should be eliminated. However, if, after further consideration, ICC should decide that some form of commodity statistics is needed, an improved, less burdensome collection method is possible.

AN IMPROVED COLLECTION METHOD IS POSSIBLE

There is a range of alternatives to ICC's current and previously proposed collection methods. Each could provide better, less burdensome data while meeting ICC's needs. The key differences are that the alternatives, unlike ICC's current method, would use (1) readily available freight bills instead of requiring special commodity designation codes which do not appear on the freight bills and (2) a sample of these freight bills rather than requiring Class I motor carriers or selected companies to report all their "truckload" commodity shipments.

ICC's previously proposed statistical sample of companies rather than of commodity shipments would have placed an inordinate burden on "selected" companies and, according to ICC and DOT statisticians, is inferior to a commodity shipment sample.

Although ICC's previously planned random sample would have reduced the total burden on industry, it would have provided no relief for those companies chosen in the sample. Also, although a sample of "companies" would provide statistical validity for industry activity, it would not provide the information necessary to adequately project the kind and volume of "commodity" shipments by each company--a key element according to Federal analysts.

The following two collection methods would be an improvement over ICC's current and proposed methods. The first one would eliminate almost all the paperwork burden from businesses but would substantially increase ICC's workload and costs. The second alternative would impose a larger industry burden than the first and would also provide less detail, but would not increase ICC's workload and would require less time than that now required of businesses. Various combinations of these two alternatives would produce varying amounts of data and require different amounts of time to report. However, each could provide better data with less motor carrier burden than the present reporting method.

The first alternative would require respondents to submit copies of certain freight bills selected by an ICC-developed statistically valid sampling plan. This method would shift the burden of coding, recording, and summarizing the data from businesses to ICC. Businesses would only be required to copy selected freight bills and send them to ICC, reducing their reporting burden by about 87 percent.

For example, DOT officials estimate that a statistically valid sampling plan could call for about every 100th freight bill. Thus, each company would have to send ICC a copy of every freight bill ending in "00." Officials also estimate that businesses would take about 5 hours to pull the selected freight bills from the files and prepare and mail them to ICC each month. Thus, the total burden to each company would be about 60 hours rather than the 470 hours currently estimated by ICC. However, under this method, ICC would have to work with raw data rather than with already coded, summarized information, which would substantially increase its workload and costs.

Another advantage of this method is that it would provide ICC with a sample of all freight bills, not just "truckload"

commodity shipments, from which it could gather detailed data on all commodity movement by Class I carriers, regardless of shipment size or weight. Additionally, this method would aid auditors in checking compliance, thus contributing to more complete and accurate data. Since the actual freight bills would be submitted, a simple verification of the company's total number of freight bills would indicate the proper number of freight bills that should have been mailed to ICC. Also, all coding would be done by ICC and would not have to be verified by ICC at the business level.

Under the second alternative, ICC would sample only freight bills of "truckload" commodity movements. This method would place most of the paperwork burden on industry rather than on ICC. With the smaller number of freight bills to be sampled, however, ICC could require companies to transfer information from their freight bills to cards similar to those used by the industry's rate bureaus and could still reduce the burden from that now required.

We estimate that this method would take companies about 125 hours to report, 1/ about 73 percent less than ICC's current reporting method estimate of 470 hours per respondent, or a total industry savings of 218,800 hours annually. Compared with ICC's industry estimate of 298,000 hours for the current reporting method, the industry savings for either of the two alternatives would be over \$3.2 million 2/ annually.

Both alternatives would require business data to be submitted monthly rather than annually. Although these approaches should improve reporting timeliness, they might not resolve the problem of nationwide data not being published for several years. ICC, in an effort to solve this problem, recently arranged for DOT's Transportation Systems Center to process and publish the freight commodity statistics. The Center plans to publish consolidated data annually.

1/Based on a conservative GAO estimate of an average of 50,000 Class I "truckload" freight bills per company per year times a 2-percent sample divided by 8 freight bills coded each hour. (The most recent commodity statistics report indicates that companies average only 33,780 "truckloads" per year.)

2/Based on the Commission on Federal Paperwork's estimate of \$15 per hour.

CONCLUSIONS

ICC's commodity statistics report is seldom used because it inaccurately reflects business activity and is out of date before the consolidated information is published. Furthermore, it is burdensome to the businesses involved. This indicates that the requirement should be eliminated.

Although ICC is now preparing to eliminate the requirement, additional changes could be made before a final decision is made--as evidenced by two previous proposals which were never implemented.

ICC's previously planned change, while reducing the number of reporting categories, might not have substantially reduced the reporting burden and would not have prevented inaccurate "truckload" classifications or prohibited the industry from estimating the type and quantity of commodities shipped. However, information developed through statistical sampling techniques could provide more timely, useful information and be less burdensome.

If the requirement is not eliminated and the reporting format remains unchanged, ICC will continue to receive erroneous data, such as "truckload" designation inaccuracies, inaccurate coding, and statistics reported under general rather than under specific categories. A simplified reporting format using existing company records would reduce the reporting burden and improve the accuracy of the data collected.

ICC needs to complete its assessment as to whether the commodity statistics data is essential for its operations. Based upon this assessment, the commodity statistics reporting requirement should either be completely eliminated or else revised using a statistical sample of existing company records. Any revision should balance ICC's estimated need for representative data with the burden to be imposed on both the industry and ICC. Balancing factors should include the range of the reporting universe (Class I carriers versus Class I, II, and III carriers or all freight bills versus "truckload" freight bills) and the reporting method (industry submitted copies of freight bills versus industry coded cards).

RECOMMENDATION

We recommend that the Chairman of the Interstate Commerce Commission complete a determination of whether the commodity statistics data is essential for ICC operations. Based upon this determination, the Chairman should either eliminate the requirement or revise it using a statistical sample of existing company records. The burden imposed by the reporting universe and reporting method of any revised reporting requirement should be compatible with ICC's needs.

AGENCY COMMENTS

ICC indicated that it has proposed elimination of the commodities statistics report (see app. III p. 56).

CHAPTER 5

LOSS AND DAMAGE DATA--DELAYED ICC ACTION CAUSED UNNECESSARY PAPERWORK, WEAKENED COLLECTION CONTROL, AND MAY HAVE POSTPONED A DECISION ON THE DATA'S USEFULNESS

DOT's Office of Transportation Security is using ICC-required freight loss and damage information to coordinate and promote cargo security activities. Although ICC recognized as early as 1975 that DOT was the primary user of this quarterly loss and damage data (QL&D) and also that a significant burden reduction was feasible, changes were not made for 5 years. In a 1978 letter to ICC, DOT indicated that it only needed data which would require less than half the estimated QL&D reporting burden of 328,320 hours annually. DOT, unlike ICC, however, has no legal authority to require this data and wanted ICC to continue collecting it.

ICC DELAYED DROPPING THE QL&D REQUIREMENT

In November 1975, ICC conducted an internal survey of users of its publications and found that it seldom, if ever, used the QL&D information and that DOT was the primary user agency. This finding was later confirmed in January 1979 by ICC's data task force, which found that ICC did not use the loss and damage report and concluded that ICC could no longer justify collecting this information. However, despite these findings, ICC continued to require companies to report this information quarterly.

In 1975, 1976, 1977, and 1979, GAO granted limited clearances on the condition that ICC work with DOT, reevaluate both agencies' need for the information, and change or eliminate the requirement accordingly. Each year ICC asked for extensions stating that the evaluation would be performed. Finally in May 1980 ICC overruled DOT's request for part of the data and issued a final rule eliminating the entire requirement effective January 1981 for both motor carriers and railroads.

Also, in 1979 GAO disapproved schedule B of the three-part QL&D form after finding that neither ICC nor DOT used it. However, ICC completely disregarded this action and mailed schedule B along with the two approved schedules to businesses for the next quarterly collection, omitting the expiration date on schedule B. ICC thus created the impression that

all three schedules were required and that schedule B had been approved. This action violated section 3512 of the Federal Reports Act. ICC officials said they had done this because they could not legally delete reporting requirements without going through formal rulemaking procedures. Although ICC may not be able to legally eliminate a requirement without a formal rulemaking procedure, this does not justify the action taken. Schedule B recipients should have been individually notified that GAO had denied clearance for the schedule and that continued use of schedule B violated the Federal Reports Act. ICC continued to require the schedule B information through May 22, 1980, when it was eliminated pursuant to the rulemaking.

DOT NEEDED LESS THAN HALF THE
CURRENTLY REQUIRED INFORMATION

ICC estimates that businesses spend 328,320 hours annually reporting QL&D information. According to DOT, however, not all required data is necessary and reported data is needed only half as frequently as currently collected. At \$15 per hour, a 50-percent burden reduction would save businesses \$2.46 million annually.

In an August 10, 1978, letter to ICC, DOT summarized the consensus of several discussions between ICC and DOT officials. It noted that two significant agreements had been reached: The QL&D report should be collected semiannually rather than quarterly and the commodity breakdown was unnecessary.

Changing the collection period alone would have reduced the reporting burden by about one half, or about 164,000 hours annually. Eliminating the commodity breakdown requirement would have further reduced the burden. The current QL&D form requires businesses to identify and report lost or damaged commodities under 1 of 63 different classifications.

COLLECTION BY THE USER AGENCY
PRODUCE BETTER CONTROL

Having ICC, the nonuser agency, collect QL&D information not only results in unnecessary information being gathered but also reduces the control over the accuracy of the data submitted.

DOT officials are concerned that without proper verification some carriers either will not report or will report

inaccurate data. In particular, they question the loss data supplied by carriers having a bad year. However, neither ICC nor DOT is verifying the completeness or accuracy of the data submitted.

Recognizing that DOT was the primary user, ICC transferred the actual collection of data to DOT for the 1978 quarterly report. ICC mailed the requirement notices but asked that the data be submitted directly to DOT. Before this change, ICC occasionally matched respondents against the mailing list to verify the respondent rate. However, ICC officials said that no verification had been done, since the data had been sent directly to DOT.

Since DOT has no express authority to collect the QL&D data and therefore cannot require carriers to provide it, it conducts no reviews to insure that the data is timely, accurate, or uniform. However, DOT is concerned that the data base may be unreliable. In comments to ICC, it stated that the effectiveness of its National Cargo Security Program would be severely damaged if unreliable data were used to measure trends and proposed corrective actions.

DOT HAS NO AUTHORITY TO COLLECT QL&D DATA

In June 1971, DOT established the Office of Transportation Security to direct its antihijacking and cargo security activities. DOT used the authority in the Department of Transportation Act of 1966 (49 U.S.C. 1651), which gave it responsibility for developing and implementing national policies and programs to provide fast, safe, efficient, and coordinated transportation. However, because the act did not authorize a regulatory program, DOT used ICC's QL&D data and promoted voluntary measures to improve cargo safety.

On September 25, 1979, ICC proposed eliminating the QL&D requirement, effective January 1980. DOT submitted comments on the proposed action, stated that it needed this information but was not authorized to collect it, and asked ICC to continue its filing requirements. However, in May 1980 ICC overruled the request and eliminated the requirement effective January 1981. Unless DOT receives mandatory and express congressional collection authority before 1981, it will have to rely on voluntarily submitted data after ICC eliminates the requirement.

Foreseeing this possibility, DOT arranged to have the American Trucking Associations, Inc. collect and submit necessary cargo theft data annually. However, DOT officials said they believed they should have collection authority rather than relying on voluntarily submitted data so they could obtain information semiannually rather than annually and could verify the data for completeness and accuracy.

On January 15, 1979, and again on January 5, 1981, Congressman J. J. Pickle introduced legislation (H.R. 655 and H.R. 19 respectively) to, among other things, replace DOT's voluntary security program with a mandatory one. This would provide DOT the necessary authority to require businesses to report necessary loss and damage information. He also requested and received a GAO study of DOT's Office of Transportation Security. 1/

CONCLUSIONS

Because ICC delayed revising the requirement and took 5 years to stop requiring the QL&D form, a huge unnecessary paperwork burden was imposed on businesses and reporting controls were weakened. Since DOT, the primary user agency, needed the data only half as often as required by ICC, at least 164,000 unnecessary burden-hours were required of businesses each year ICC delayed eliminating the form. This huge unnecessary requirement clearly illustrates the importance of taking timely corrective action after specific reporting requirements are identified as unnecessary.

Although DOT uses ICC's QL&D data, it questions the accuracy of voluntarily submitted data and its subsequent value as a management tool. When ICC stops collecting this data effective January 1, 1981, however, DOT will either have to rely on voluntarily submitted trucking association data or operate without comparable data unless the Congress passes legislation to authorize DOT to collect such information. If DOT cannot obtain the reliable data it wants, it may discontinue processing and publishing cargo theft data and apply its resources to other activities.

1/"Promotion of Cargo Security Receives Limited Support"
(CED-80-81, Mar. 31, 1980).

RECOMMENDATION

We recommend that the Chairman of the Interstate Commerce Commission direct ICC's Managing Director to initiate action to revise or eliminate reporting requirements immediately after all or part of them have been determined to be unnecessary.

MATTER FOR CONSIDERATION BY THE CONGRESS

This chapter should be useful to the Congress when considering legislation to replace DOT's voluntary security program with a mandatory one.

If the Congress wants DOT to publish loss and damage reports showing industry management and law enforcement agencies the significance of the cargo theft problem, it should authorize DOT to require the applicable data.

AGENCY COMMENTS AND OUR EVALUATION

Neither ICC nor DOT commented on this recommendation. ICC did, however, comment on the QL&D form. ICC agreed that it knew as early as 1975 that it did not use the QL&D data and that DOT used only part of the data. However, ICC stated that (1) it could not tailor the report to suit DOT alone because of the needs of four other major users and (2) a later decision to delete the requirement was delayed until January 1981 to allow DOT time to arrange to acquire loss and damage data from other sources.

We disagree that the four other major user's needs prohibited changes. In 1975 each of these agencies indicated in writing that, like DOT, a semiannual rather than a quarterly reporting basis would meet their needs. Also, we did not take issue with the fact that ICC allowed DOT time to make other arrangements for collecting necessary data. However, we believe ICC should have initiated action earlier than it did (see app. III, p. 56).

CHRONOLOGICAL HISTORY OF GAO
CLEARANCE PROBLEMS WITH ICC'S
ANNUAL REPORT--CLASS A & B CARRIERS
BY WATER, FORM W-1

Five times during the past 6 years, ICC submitted its W-1 report to GAO for clearance. Each submission contained inadequacies which prevented GAO from immediately granting unqualified clearances.

The following chronology shows in detail how incomplete clearance packets waste GAO and ICC time and raises questions about how carefully ICC assesses need and use.

Submission I

- April 2, 1975. GAO advised ICC that it could take no action on the W-1 submission because ICC had not allowed GAO the required 45-day review period.
- September 29, 1975. GAO received a second W-1 clearance packet and approved it. Expiration date December 31, 1978.

Submission II

- September 7, 1976. GAO received ICC's request for approval of its revised W-1 report.
- October 20, 1976. GAO notified ICC that clearance was suspended because ICC had not responded to comments submitted to GAO by respondents.

- November 3, 1976. GAO received necessary response.
- November 11, 1976. GAO approved the revised W-1. Expiration date December 31, 1978.

Submission III

- July 27, 1978. GAO received ICC's request for clearance renewal.
- September 19, 1978. GAO granted a 1-year conditional clearance and asked ICC to use the year to (1) consider its internal task force's preliminary report, which raised questions concerning the use of information collected and proposed ways to reduce respondent burden and (2) determine if the W-1 duplicated annual reports filed at the Securities and Exchange Commission. GAO asked ICC to answer four specific questions in making this determination.

Submission IV

- October 24, 1979. GAO received ICC's request for clearance renewal. Questions concerning the internal task force report and possible duplication with reports filed at the Securities and Exchange Commission were not addressed.
- November 21, 1979. GAO officially notified ICC that it could not continue reviewing the W-1 request until these important considerations were addressed.
- February 28, 1980. ICC resubmitted the request with a minimally acceptable answer to GAO's September 19, 1978, questions.

--April 29, 1980. GAO notified ICC that it would not review or approve the W-1 form because ICC had violated the Federal Reports Act. Through a sample survey, GAO learned that ICC (1) had printed new W-1 forms showing GAO's previous approval and number but eliminating the expiration date, which showed that the form had expired, (2) had sent the forms to respondents during March 1980 for data collection by March 31, 1980, and (3) had not notified the respondents that the forms were not in compliance with 44 U.S.C. 3512 or GAO's rules and regulations. GAO asked ICC to resubmit the W-1 form in late 1980 so that GAO would be able to complete its review before the forms are printed and distributed for data collection.

Submission V

--July 22, 1980. GAO received ICC's request for clearance renewal for the 1980 reporting year. ICC stated that it was considering applicable internal task force recommendations but that forthcoming changes, if any, could not be implemented before the 1981 reporting year.

--August 26, 1980. GAO contacted ICC and requested support showing that ICC planned to include in its W-1 instructions a statement on filing a Corporate Disclosure Supplement--determined to be necessary during a previous GAO clearance.

--September 4, 1980. GAO received support indicating that ICC would include this statement on the W-1 instruction sheet.

--September, 5, 1980. GAO granted a 1-year conditional clearance to allow ICC time to complete its action on the internal task force recommendations for the Form W-1 and still collect the W-1 data for the 1980 reporting year.

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Congress of the United States
JOINT ECONOMIC COMMITTEE

(CREATED PURSUANT TO SEC. 8(A) OF PUBLIC LAW 94, 78TH CONGRESS)
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January 22, 1979

The Honorable Elmer B. Staats
 Comptroller General of the United States
 General Accounting Office
 441 G Street
 Washington, D. C. 20548

Dear General Staats:

In a letter to you dated September 14, 1978, while I was Vice Chairman of the Joint Economic Committee, I requested that the General Accounting Office undertake a study of the federal paperwork burden on American businesses to determine whether or not the federal agencies imposing this burden are accurately measuring the number of hours businesses must spend filling out government forms and completing paperwork requirements. This is a very important problem since the various federal agencies, by their own estimates, make businesses spend more than 69 million hours annually on reporting and record-keeping tasks cleared under the Federal Reports Act, as well as some 200 to 250 million more hours on tax forms. If the burden of paperwork is not computed accurately by federal agencies, the Office of Management and Budget or the GAO, then we have no way of determining the true cost of federal paperwork or of balancing the costs and benefits. The burden of federal paperwork has now reached such a staggering level that it must be brought under control, and soon, before it wrings the last drop of entrepreneurship and productivity from America's businesses.

The concerns of the Joint Economic Committee would be addressed most effectively if the General Accounting Office were to review selected paperwork clearance packages that impose a significant burden on businesses, and prepare an in-depth evaluation of each clearance.

The studies should look at both burden and use of reporting and recordkeeping requirements, keeping in mind such questions as: Are the burden estimates made by the agencies reasonably reliable indicators of the true burden? Do the agencies use

The Honorable Elmer B. Staats
January 22, 1979
Page Two (2)

these figures to manage or limit the paperwork burden on businesses? Do they make good use of the reports, or are the reports simply collected and filed away? Are any reporting requirements duplicative? Are any simply ridiculous? Are the requirements consistent with the intent of laws passed by Congress?

The clearance packages should be selected from such areas as agriculture, transportation, environmental protection, pensions and taxes. A separate report to the Committee at the completion of each study would give the Committee the broadest scope of information for evaluating the burden and usefulness of federal paperwork requirements.

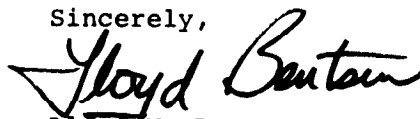
In each report, I would also appreciate having your legislative recommendations for cutting unnecessary paperwork costs, eliminating unnecessary reporting requirements, or improving the usefulness of the data collected.

If your studies show that the departments and agencies are using inadequate procedures for estimating the burden of federal paperwork, would you please prepare a final report to the Committee discussing the overall problems associated with estimating burden and what, if anything, can be done to insure that the government begins developing reasonable burden estimates.

I understand that you have already begun to take a close look at the paperwork imposed on the meat industry by the Department of Agriculture and that you are forming a panel of industry experts to help you evaluate some of the most burdensome reporting and recordkeeping requirements. This is an excellent area for a pilot study and I look forward to having your findings and recommendations.

I appreciate the excellent assistance you and your staff have provided to me in this area already and I look forward to your reports on specific reporting and recordkeeping requirements.

Sincerely,



Lloyd M. Bentsen
Chairman

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE CHAIRMAN

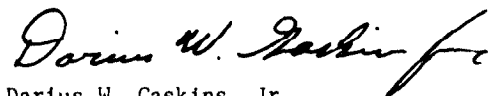
Mr. Henry Eschwege
Director Community and Economic
Development Division
United States General Accounting Office
Washington, DC 20548

Dear Mr. Eschwege:

Enclosed is the Interstate Commerce Commission's response to your November 13, 1980, request for written comments on the General Accounting Office (GAO) draft report on "The Department of Transportation and the Interstate Commerce Commission Shou'd Do a Better Job Managing Paperwork and Reducing Burden."

Thank you for the opportunity to comment on the draft report.

Sincerely yours,



Darius W. Gaskins, Jr.
Chairman

Enclosure

GAO note: The title of the report was changed after agency comments were requested. Page references in all agency comments were revised to correspond to pages in this final report. No other changes were made to agency comments.

INTERSTATE COMMERCE COMMISSION COMMENTS ON THE GAO DRAFT REPORT ON
PAPERWORK MANAGEMENT AND REPORTING BURDENS

The GAO Report on the Commission's Reports Management Program, while containing some constructive criticism, does not give full credit for our reduction of the paperwork burden. I believe our reports management program is basically sound and know that we have worked hard to reduce the reporting burden. I am not satisfied we have done all we can, but our effort is accelerating with the passage of the Motor Carrier Act and the completion of major rule changes by the Commission.

In 1979, the Commission adopted a strong policy statement to collect only data it will use and established the Data Task Force to identify unnecessary reports and data collection. During the past two years we have reduced reporting requirements by 23.5%, primarily through adoption of Data Task Force Recommendations.

Every report established is thoroughly reviewed to determine if it is necessary, if the data sought are available elsewhere, and how the data are going to be used. Affected parties are able to comment on the reporting requirement upon publication of the proposed rule as well as when GAO clearance is sought.

The Commission has adopted 44 of 47 Data Task Force recommendations. Twenty-one of the 44 adopted have been implemented. By the end of 1981 all 44 will be implemented.

The staff is developing a second data reduction plan going beyond Data Task Force recommendations. This plan will be considered by the Commission within a few months.

Specific responses to the comments in the draft report follow.

On page 11 of the digest and page 22 of Chapter 3, GAO states that 28 of 70 current requirements submitted to them for clearance by the Commission over the past 6 years were incomplete, inadequately justified, or resulted in conditional clearances. In fact, the ICC has submitted 173 clearance packages to the GAO during the past 6 years, not 70. We have 70 reports, but many have been cleared more than once because clearance periodically expires and must be renewed. Of the 28 packages in question, GAO elected to grant conditional clearances for 12 to give the Commission time to act on Data Task Force Recommendations. All 28 packages were eventually resubmitted and cleared.

GAO response

GAO agrees that more than 70 clearance packages were submitted to GAO during the past 6 years and mentioned on page 22 that the submissions were "recurring." We believe, however, that the 70 current requirements are the appropriate universe since it

should be easier to prepare a complete, adequately justified, renewal clearance package than an originally initiated one.

Only 10 conditional clearances were issued because of Data Task Force recommendations. Also, only 7 of the 12 conditional clearances had expired and been resubmitted for clearance. In each of these seven instances appropriate action was not taken during the conditional period necessitating an extension of the conditional clearance. Some conditional clearances have been extended for more than four years.

On page iii of the digest and beginning on page 22 of Chapter 3, GAO states that the Commission has not acted as quickly as it should to implement the recommendations of the Data Task Force. Twenty-one of the 44 recommendations have been implemented. They are:

Annual Report	R-1	Reduced Data
	R-2	Reduced Data
	R-5	Eliminated
	R-6	Eliminated
	B-1	Eliminated
	RBO	Reduced Data
	MP-2	Reduced Data
	M-4	Eliminated
	P	Eliminated
	Ex Parte 305	Eliminated
	C-1	Reduced Data
	PTR-R	Quarterly to Annual
	PTR-M	Quarterly to Annual
	PTR-FF	Quarterly to Annual
	PTR-W	Quarterly to Annual
	M-3	Reduced Data
Quarterly Report	QLD-R	Eliminated
	QLD-M	Eliminated
	QFR	Reduced Data
Quarterly Report of Pipelines		Eliminated
Circular Number 31		Taken over by DOT

In process are rulemakings to revise Form CBS, the Quarterly Condensed Balance Sheet of Railroads, the Railroad Wage Forms A and B and the Preliminary Report of Number of Employees of Railroads.

Separate rulemaking proceedings in 1981 will propose eliminating the following reports:

Annual Report	R-3	Effective for the 1980 Reporting Year
	M-3	
	R-4	
	W-1	
	W-3	
	W-4	
	F-1	
	F-2	
	C-1	
	MP-2	
Quarterly Report	QWS	Effective for 1981
	QFF	

These proposals, which also include the elimination of the Uniform System of Accounts for Freight Forwarders, Water Carriers, Pipelines, and Private and Refrigerator Car Lines, go beyond the Data Task Force Recommendations.

Other reductions in reporting burden not recommended by the Data Task Force are in various stages of rulemaking. They include:

(1)	PTR-R	Proposed Elimination Effective for 1981 Reporting Year.
	PTR-M	Proposed Elimination Effective for 1981 Reporting Year.
	PTR-FF	Proposed Elimination Effective for 1981 Reporting Year.
	PTR-W	Proposed Elimination Effective for 1981 Reporting Year.
(2)	TCS	Eliminate Effective for 1980
(3)	B.U. Form 588	Eliminate Effective for 1980
(4)	OS-A	Eliminate Effective for 1981
	OS-B	Eliminate Effective for 1981
	OS-C	Eliminate Effective for 1981
(5)	QFR-S	Eliminate Effective for 1981

In the near future, the Commission will consider draft Notices of Proposed Rulemaking on the following:

- (1) Elimination of all reporting by Class I and Class II Motor Carriers of Freight and Household Goods other than "I-27" and "I-28B".
- (2) Elimination of Class II Railroad Reports.
- (3) Twenty-five percent reduction of required data in Annual Report Form R-1.
- (4) Twenty percent reduction of required data in Annual Report Forms M and M-H.

All adopted Data Task Force Recommendations will be implemented by the end of 1981. Recommendations beyond the Data Task Force will have been proposed, considered, and either implemented or rejected in rulemakings by then.

GAO response

We agree that ICC has taken action and stated on page 25 that ICC should be commended for initiating the review. However, the above cited action does not address the fact that (1) prior to reviewing our draft report 10 recommendations had been indefinitely suspended pending possible deregulation, (2) ICC seems to have accepted a three-man team's assessment of the final Data Task Force report which, without proper supporting justification, partially disagrees with 11 Task Force recommendations and completely disagrees with 3 Task Force recommendations, and (3) ICC's many proposed rulemakings easily can be changed and do not provide assurances that the data requirements will either be reduced or eliminated.

On page 4, GAO states that ICC imposes 70 reporting requirements on its regulated companies and that the Motor Carrier Industry is required to complete 28 of these. It is important to note that, while the ICC has 70 approved reporting forms, no one carrier is required to file even a quarter of that number. The 70 public use forms are divided among reporting requirements for railroads, motor carriers, water carriers, freight forwarders, and application forms.

Only 44 of the reports are mandatory. Applications are filed on the initiative of the carrier. Class I railroads are required to submit 13 reports each, the largest number. Class I motor carriers submit 9 reports. Reporting requirements for small carriers are substantially less.

GAO response

This section was written solely for background information showing the range and scope of ICC's jurisdiction. Also, it is somewhat misleading to view applications as voluntary. They are mandatory if one plans to do business in the transportation industry.

On page 21, Chapter 3, GAO states the "ICC does not have the controls necessary to insure that its proposed paperwork requirements are properly prepared and reviewed and approved by GAO before they are imposed on the public." A discussion of that point continues through page 25.

The Commission has adequate procedures for correct preparation of clearance packages. Many of the disagreements regarding clearance of forms are due to legitimate differences of opinion between ICC and GAO staff about what information we can and should provide and what we cannot, rather than to shortcomings in packages.

Preparing a technically correct clearance packet is a fairly straightforward, simple matter. We apologize for the minor technical flaws noted in your report. The Section of Management Services is thoroughly familiar with the procedures for preparing the packets. GAO guidelines for preparing packets have been distributed to all Bureaus and Offices. They are specific about the data one must submit.

We will assure greater attention to technical detail in the future. To that end, we are reviewing our procedures for preparing submission for clearance to determine if there are weaknesses. This may lead to the preparation of an additional administrative issuance with a more precise and detailed description of clearance procedures.

Of 173 packages submitted in 6 years, GAO judged 28 inadequate. Twelve of those were granted conditional clearance to give the Commission additional time to act on Data Task Force Recommendations. Only 16, then, of 173, were rejected, and several of those because of minor matters such as the omission of a signature. All 28 were eventually cleared. We will increase our effort to ensure that initial submissions are correct.

GAO response

Greater attention to technical detail should go far toward correcting the problem. However, the significance of the problem should not be minimized.

Although 173 packages may have been submitted during the 6-year period, only 70 were currently in effect; thus, many packages were actually resubmissions and should have been accurate and complete.

The Commission failed to adequately address applicable questions during the allocated time for each of the 7 conditional clearances which had been resubmitted for clearance. GAO had to provide followup action and extend the conditional clearance period in each instance.

GAO does not consider the omission of the ICC clearance officer's signature to be a "minor" matter. This signature is required by regulations implementing the Federal Reports Act. It performs an agency accountability function and certifies that the necessity for the data collection request has been evaluated at the highest levels of the agency.

Beginning on page 31, Chapter 4, GAO reviews the compilation of data in the Motor Carrier Commodity Statistics Report (Form TCS). The report notes that the Commission has found little use for the data and has proposed a rule to eliminate it. There seems no reason to pursue an alternate method of compiling the data since the Commission has proposed to abandon the program entirely.

GAO response

We agree that an alternative method will be unnecessary if the program is abandoned entirely. However, as stated on pages 34 and 37, two previous proposals were not implemented. An alternate method using a statistical sample of existing company records should be considered only if some aspect of the Form TCS is maintained.

Chapter 5, beginning on page 39, discusses the ICC's failure to eliminate or reduce the burden of the Quarterly Loss and Damage Report (QL & D). The Commission knew as early as 1975, that it did not use the data and that DOT used only part of the report. However, the Commission could not tailor the report format to suit solely the needs of DOT because of the needs of other major users such as DOD, GSA, DOJ, The United States Postal Service, and The American Trucking Association.

When the Commission changed its policy in April 1979, to stop collecting data it did not use, ICC staff began the rulemaking to delete QL & D. Deletion was delayed until January 1981 to allow DOT sufficient time to arrange to acquire loss and damage data from other sources.

GAO response

GAO does not agree that the Commission could not revise the report format or change its collection frequency because of the needs of such agencies as DOD, GSA, DOJ, or the U.S. Postal Service (USPS). Also, even though the American Trucking Association may use the data, a private association's needs should not be the determining factor in the format or frequency of collection.

The 1975 responses of DOD, GSA, DOJ, and the U.S. Postal Service indicated that these agencies needed only general statistics and unanimously supported semi-annual rather than quarterly collection of loss and damage data. The agencies responded to ICC's 1975 survey as follows:

- DOD -- "Changing the frequency of reporting to a semi-annual basis would pose no inconvenience to us as our own reports in this area are issued on a semiannual basis"
- GSA -- "Changing of the publication frequency from a quarterly to a semi-annual basis would not work any hardship on GSA in performing its role."
- DOJ -- "As you know, the Department of Transportation, in its role as overall coordinator of the program, is a primary user of the variety of information contained in your loss and damage reports. Thus, for detailed comment on the format of the reports, we defer to the views of DOT."
- USPS -- "Since the publication does not involve postal operations or security, the changing of the reporting frequency from quarterly to semi-annually would not have an adverse impact on the Postal Service."

Finally, we did not take issue with ICC allowing DOT time to make other arrangements for collecting necessary loss and damage data. The point we made showed that ICC should have initiated action in early 1976 rather than in late 1979--saving over 3 years effort and 986,000 burden hours.

In summary, we can do more to reduce the reporting burden, but the Commission's effort to manage and reduce reporting requirements should not be portrayed as ineffectual and negligent. We will continue to improve Commission procedures for clearing reports, and we have significantly reduced the reporting burden on carriers.

In response to your recommendations on pages iv, 29, 38, and 43, we have: (1) Reinforced procedures to ensure that clearance submissions are accurate, justification for reports are properly documented, and requirements are cleared before imposed; (2) proposed elimination of the Commodities Statistics Report; and, (3) expedited implementation of the Data Task Force Recommendations and additional ones.

GAO response

Implementation of our recommendations should benefit both the public and private sectors. However, we reserve judgment on ICC's action until the Commission has had time to implement these proposed changes. Several factors indicate that additional ICC effort may be needed. For example, (1) the same day we received these comments we received another clearance package which had not been certified by the ICC clearance officer, indicating that further reinforced procedures are needed, (2) although the Commodity Statistics Report is proposed for elimination, final elimination is not assured since two previous proposals were not carried out, and (3) although ICC said it plans to expedite implementing 44 of the 47 Task Force recommendations, it did not address our recommendation for further consideration of those Task Force recommendations amended or opposed by the three-man team.



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Assistant Secretary
for Administration

400 Seventh Street, S W
Washington, D C 20590

DEC 17 1980

Mr. Henry Eschwege
Director, Community and Economic
Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

We have enclosed two copies of the Department of Transportation's (DOT) reply to the General Accounting Office (GAO) draft report, "The Department of Transportation and the Interstate Commerce Commission Should Do A Better Job of Managing Paperwork and Reducing Burden," dated November 13, 1980.

We agree in general with the recommendations in this report, although we are concerned with the accuracy of the findings which led to the recommendations. The report contains a number of inaccurate statements. It attempts to show the Bureau of Motor Carrier Safety's recordkeeping requirements as duplicative and burdensome, with little or no impact on highway safety and totally misses the point that recordkeeping does not reduce accidents--compliance with the Federal Motor Carrier Safety Regulations does. Records are used to assure that motor carriers are complying with safety regulations and to support actions necessary to bring motor carriers into compliance through administrative or enforcement efforts.

If we can further assist you, please let us know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert L. Fairman".

Robert L. Fairman
Acting

Enclosures

1. COVER SUMMARY

"GAO found that the Department had not compiled proper summaries nor had it conducted adequate followup surveys to properly assess the need for or value of its requirements."

Comment (DOT)

This statement is misleading and not accurate. It uses adjectives such as proper, adequate, and properly assess which are vague and confusing and not clear as to the meaning of "its requirements." The General Accounting Office (GAO) uses the driver's daily log requirement as an example of the Department of Transportation not conducting the necessary evaluation to determine whether motor carriers found to have repeatedly violated the authorized driving time are taking corrective action. This statement reflects a lack of understanding of the Bureau of Motor Carrier Safety (BMCS) compliance activities. When repeated violations of the hours of service regulations are found, the BMCS utilizes a number of sanctions, including administrative action, civil or criminal prosecution, and recommending a conditional or unsatisfactory safety fitness rating to the Interstate Commerce Commission (ICC) in connection with the motor carrier's application for operating authority. Also in selected cases, safety consent agreements are utilized to assure that carriers are taking adequate management steps to assure compliance. In all of the above actions, which are specifically designed to obtain an adequate level of compliance, there is a built-in followup mechanism. In fact, there are specific followup procedures contained in the BMCS training manual to ensure that corrective action is taken (Volume 2, Chapter 7).

GAO response

Summaries by nature are written in general terms. Appropriate specific details supporting our general statements are provided within the body of the report.

We applaud DOT for taking disciplinary action on "found" repeated violators. However, the point we made (see pp. 9 and 13) showed that DOT (1) had not summarized available statistics to help "find" repeated violators and (2) had not made followup evaluations to assess the usefulness of the Driver's Daily Log (demonstrate that the log effectively assists DOT in controlling driver fatigue; thereby reducing accidents).

Moreover, the BMCS training manual provides only guides for selecting carriers for surveys rather than specifically outlining the selection procedure--further necessitating the need for properly compiled summaries. The training manual states that audits "* * *" should be conducted when the field staff member suspects noncompliance with regulatory requirements, to determine corrective action taken after a previous audit, to evaluate a carrier or shipper who has not been previously audited, or to evaluate a carrier who is applying to the Interstate Commerce Commission for operating authority." (Underscoring added.)

2. DIGEST

"The Department should use data more effectively."

Comment (DOT)

The GAO states that the Federal Highway Administration (FHWA) "is not systematically using available data to identify those companies most needing safety inspection." We strongly disagree with this statement. In 1974, the FHWA's BMCS initiated a study to identify essential elements of a Motor Carrier Safety Information System that would meet existing and future needs. As a result of this study activity, the BMCS established a project entitled "Master Motor Carrier Data File" which is designed to integrate the existing truck and bus accident data file and a new motor carrier safety census file to provide a capability to obtain readily accessible data on the operational characteristics and safety compliance profile of all known interstate motor carriers. This new system is designed to provide necessary safety compliance information on the posture of individual motor carriers and will allow for identification of those carriers most in need of safety management audits.

Status

The motor carrier/hazardous materials shipper information system at the present time consists of the following automated files:

1. The Motor Carrier Census System
2. The Hazardous Materials Shipper Census System.
3. The Automated Vehicle Inspection System
4. The Automated Accident Report System
5. The Safety Management Audit System
6. State Vehicle Inspection Data from Information Furnished by the States Engaged in the Motor Carrier Safety Demonstration Project
7. The Automated Compliance Reporting System

Item 1 - The Motor Carrier Census System

On May 1, 1980, the motor carrier census system was converted to an on-line interactive system allowing instant entry and retrieval of information concerning certain items of information about the interstate motor carrier population regulated by BMCS.

This system has been thoroughly debugged and is fully operational. Quarterly hard-copy reports are routinely furnished to the BMCS field staff, including each Regional Director, Officer-In-Charge, and Safety Investigator.

Item 2 - The Hazardous Materials Shipper Census System

Effective on or about October 1, 1980, the hazardous materials shipper census system was converted to an on-line interactive system allowing instant retrieval of certain data relating to shippers of hazardous materials regulated by BMCS.

Item 3 - The Automated Vehicle Inspection System

During calendar year 1979, using software programs specified by BMCS and hardware installed in the BMCS Operations Division, all vehicle inspections performed during the calendar year by BMCS field personnel were identified by the carrier's unique census number.

After the file was partially loaded on January 3, 1980, software programs specified by BMCS were implemented which enabled BMCS to instantly retrieve a motor carrier's vehicle inspection experience to date via remote computer terminal, and to make comparative analyses to determine which carriers, by class, fleet size, commodity transported, etc. (the identifiers being contained on the central census system), have the worst vehicle inspection record.

This file, for calendar 1979, was fully loaded and operational on April 15, 1980.

In late August 1980, hard-copy outputs were specified by BMCS for the field staff from this file listing the carriers in descending order by fleet size and classification by the number of violations per inspection to each Regional Director, Officer-In-Charge, and Safety Investigator. Those carriers with the worst inspection records are at the top of the lists.

The copies of these lists were produced the last week in September 1980, and were distributed in early October 1980.

This output, which required considerable programming, will in the future be produced annually on or about April 1 for the previous calendar year.

Item 4 - The Automated Accident Report System

On November 6, 1979, the Office of Management and Budget approved for BMCS use Form MCS-137. This form enables BMCS to systematically collect mileage (exposure) information from the motor carrier population.

This information, which is entered on the basic census on-line in the Operations Division, can, when the accident report file for calendar 1979 is fully edited and loaded, be used to compute such ratios as accidents per million miles, fatalities per hundred million vehicle miles, and ratios for injuries and property damage for all carriers who reported accidents in calendar 1979.

The above information enables BMCS to specify computer programming similar to that specified and operational for the vehicle inspection data which can produce listings of carriers showing those with the highest accident ratios for specified periods of time.

These lists will be produced as soon as the 1979 accident file is loaded--the mileage information is already entered in the system.

Item 5 - The Safety Management Audit System

Effective January 1980, the safety compliance audit form, which lists violations discovered during audits at motor carrier and hazardous materials shippers' premises, was revised to provide a means of quantifying the degree of noncompliance discovered during the audit for each safety requirement.

It is anticipated that the information contained on this form will be fully automated effective January 1, 1981, and that meaningful statistics and listings of carriers with the highest violation rates can be produced on or about July 1, 1981.

Item 6 - State Vehicle Inspection Data from Information Furnished by the States Engaged in the Motor Carrier Safety Demonstration Project

Examination of automated violation information obtained from the demonstration States indicates that this information can also be supplied to the BMCS field staff to determine which carriers are in violation of safety requirements based upon this inspection data.

As resources become available, specifications for periodic outputs from the demonstration State data will be written and submitted to Data Systems Division, FHWA, for programming.

Item 7 - The Automated Compliance Reporting System

Effective September 15, 1980, automated files are in place which will enable the ICC to obtain safety compliance ratings for motor carriers applying for operating authority using automated data processing techniques. Negotiations are presently underway with the ICC to execute a new memorandum of agreement to implement this automated program. Target date for successful completion is January 1, 1981. The system is presently loaded and in place, ready for use.

The Military Traffic Management Command of the Department of the Army has expressed an interest in also obtaining this information, and will be allowed to access it with respect to carriers of military explosives as soon as a memorandum of agreement between the Department of the Army and FHWA is executed. Target date is January 1, 1981.

Additional Information

Remote computer terminals have been specified for installation in each motor carrier safety office space in each Regional Office to enable the field motor carrier safety staff to have access to the information system.

GAO response

DOT should be commended for its efforts to automate its motor carrier safety data. However, additional work remains to be done to enable it to summarize available data and systematically identify those companies most needing safety inspections.

Over 3 years ago GAO found that carriers with the poorest safety records were not being surveyed and recommended that DOT develop an information system to systematically identify carriers most in need of safety surveys. Our draft report pointed out that although general summaries had been developed, summaries ranking carriers by (1) number of accidents per million miles driven, (2) violations identified during roadside checks, and (3) violations identified during terminal surveys were needed to assist investigators in identifying potential carriers for inspection.

In October, 1980, as we mentioned on page 10, the Bureau provided investigators for the first time a summary ranking carriers according to violations identified during roadside checks (Automated Vehicle Inspection System). Although work is continuing to provide investigators with summaries showing carrier violations identified during terminal surveys (Safety Management Audit System) and number of carriers accidents per million miles driven (Automated Accident Report System), additional work needs to be done to compile these summaries and routinely provide them to investigators.

3. RECOMMENDATION TO THE DOT

"Summarize safety violations by carrier and use these summaries (1) to identify high-risk carriers and (2) in followup visits to evaluate whether paperwork requirements enhance highway safety."

Comment (DOT)

The BMCS agrees with (1) and as stated under the Digest, a Motor Carrier Safety Information System was initiated in 1974. This system has progressed and should be fully automated by January 1, 1981.

With respect to (2), the BMCS has continually reviewed its paperwork requirements on the motor carrier industry. The Federal Motor Carrier Safety Regulations (FMCSR), through the formal rulemaking process, establish requirements for qualifications and maximum hours of service of drivers, and safety of operation

and equipment. These requirements are promulgated specifically to enhance highway safety. The documents required by the paperwork requirements of the FMCSR are designed to provide the necessary documentation to ensure that motor carriers are in fact complying with the minimum driver and vehicle safety regulations. In those instances where carriers are violating the regulations, these documents are vital and necessary to determine violations and support corrective actions, including civil and criminal prosecutions where warranted.

GAO response

We agree that the rulemaking process is an important procedure when initiating regulations and data requirements since it allows for public comment. However, initially justified data requirements may no longer be valid. Information developed during followup visits would help DOT evaluate the effectiveness of its safety regulations, assess the feasibility of paperwork alternatives, and support decisions for creating new paperwork (see pp. 12 through 15).

"--Evaluate the usefulness of the Driver's Daily Log in enhancing highway safety as the basis for continuing or eliminating the requirements."

Comment (DOT)

Again, the maximum hours of service requirements are promulgated to ensure that drivers do not become fatigued and involved in accidents, thereby enhancing highway safety. The driver's daily log is a document that is used to verify that carriers and drivers are complying with the hours of service limitations. It also provides vital evidence to support enforcement actions for violations of the regulations. However, the BMCS is concerned about the paperwork burden involved and has taken steps to reduce it to a minimum consistent with the public safety needs. Carriers and drivers are afforded the option of using a multi-day log to reduce paperwork. An exemption has been provided for the operation of light-weight vehicles from this recordkeeping requirement. The former 50-mile radius exemption from the requirement to maintain daily logs has been extended to a 100-mile radius. A Notice of Proposed Rulemaking has been issued to establish the same exemption for operations conducted within a 10-hour limitation.

The BMCS is also interested in testing alternative ways of recording driver's hours with a less burdensome paperwork impact. In this regard, it is conducting a 1-year test program, which is scheduled to be completed by June 1981.

This research effort has already concluded that there is no single alternative to the existing driver's log that can be recommended universally at the present time. It is possible that offering the option to carriers and drivers to use any one of the following options will satisfy the objectives of safety:

1. The existing driver's log.
2. The tachograph--with additional information to be added to the existing recording charts.
3. Existing carrier timecards or trip sheets--assuming they include specified critical information.

GAO response

These activities are discussed on pages 13 and 14. Although these activities address the paperwork burden created by the driver's log they do not answer a crucial question--does the log or its alternatives help reduce accidents? GAO's position remains that additional followup analysis would greatly support any final DOT decision.

"--Provide Bureau field investigators with appropriate summarized data and ensure that they use it to systematically identify and investigate carriers most in need of safety surveys."

Comment (DOT)

We agree. The BMCS has already initiated this action (see Digest) which will be fully implemented by January 1, 1981.

GAO response

BMCS should be commended for the action it has taken since our audit work was completed. However, since most of its automated files have not been fully implemented, Bureau investigators have yet to receive most of the appropriate summaries necessary for identifying and evaluating carriers. BMCS should be encouraged to finish its ongoing projects.

"--Eliminate the Accident Register Requirement."

Comment (DOT)

We agree. In its continuing efforts to reduce the paperwork burden on the industry without sacrificing safety, the BMCS had identified the accident register as a candidate for elimination. This action would require rule-making and public participation. It is our plan to initiate rulemaking in the near future. However, it should be emphasized that the elimination of the accident register will reduce the paperwork burden only on those carriers who report accidents which is about 4,500 of the total 172,000 under BMCS jurisdiction.

GAO response

We urge DOT to follow through in eliminating this requirement. At the time of our exit conference this requirement was being submitted to OMB for approval and had not been identified as a "candidate for elimination." Also, see our response to the following DOT "COMMENTS ON CHAPTER 1 AND 2" concerning the 4,500 and 172,000 figures.

"--Begin collecting mileage data and reporting accident ratios for all DOT regulated carriers reporting accidents."

Comment (DOT)

The BMCS has already initiated this program. In 1979 annual mileage data was obtained from all motor carriers who reported accidents. This mileage data will be obtained each year and used to compute accident ratio. Information obtained from the file will be furnished to Headquarters personnel and the field staff.

GAO response

Although the 1979 mileage data has been collected, work remains to be done to develop applicable accident ratios and provide this summarized information to Bureau investigators. We encourage BMCS to complete this project.

"--Assure that the Bureau expeditiously and systematically develops and carries out a Department-wide implementation plan from important data developed during its pilot study."

Comment (DOT)

It is assumed that GAO's reference to a pilot study is the project being conducted on a trail basis in Region 10 on carrier selection for review. The BMCS is following this project very closely and will certainly include the positive results of this pilot into our on-going system, if practical.

GAO response

DOT's assumption is correct. We are referring to the Region 10 project. We encourage DOT to develop a "plan" for evaluating the study and implementing positive results.

4. COMMENTS ON CHAPTER 1 AND 2

The body of the GAO report has a number of mis-statements. The following represents just a few of the more obvious ones:

GAO response

The following are not examples of "misstatements." Most instances represent either a difference in GAO and DOT opinion or are the result of action taken by DOT since our audit was completed. A few examples needed clarification. Individual GAO responses follow.

Page 2--Statement on trucking companies regulated by ICC or DOT--There are no motor carriers subject to ICC regulations that are not subject to DOT. The chart following page 2 does not show the regulatory structure.

GAO response

The statement and the DOT chart have been clarified.

Page 5--162,000 motor carriers should be 172,000 and 14,000 shippers of hazardous materials. Unregulated carriers should be ICC unregulated carriers.

GAO response

Our 162,000 motor carrier figure, current in July 1980, was provided only as general information. This figure changes daily. For example, as of December 5, 1980, DOT regulated 173,798 motor carriers. Also, since we did not address shippers of hazardous materials, we chose not to use the 14,000 figure.

Page 7--Accident Register. "Pieces of Paper," is not 162,000 but only 4,500.

GAO response

A DOT reports clearance officer concurred with the 162,000 figure. However, since the number of pieces of paper is difficult to estimate, debatable, and not the best measure of paperwork burden, we deleted this section from the chart.

Page 8--1 percent enforcement action--completely misleading. Includes the individual roadside inspections with terminal survey. This is erroneous--should be 4 percent of terminal surveys. It is not practical or desirable to take criminal enforcement in each individual roadside inspection.

GAO response

The 1 percent figure was the correct percentage of the total surveys and inspections. However, since it was not necessary to prove our point, in the interest of clarity we deleted this statement.

Page 9 and 10--Inaccurate. Field offices are furnished with periodic printouts of carrier population showing the date of most recent survey and hazardous materials audits. They have also been furnished a printout listing, in descending order, carriers having the most defects per vehicle inspection.

GAO response

As described on pages 11 and 12, at the time of our audit field offices only received the general terminal survey data (Motor Carrier Census System) routinely. The "descending order" printout listing was furnished only on request and not routinely sent to field offices until October 1980, after our draft report was reviewed.

Page 11 --Some safety inspectors have files on 3,500 companies. This is not true.

GAO response

This was true during our audit. Two investigators in region six had files on 3,500 companies. Since our audit, additional investigators may have been hired, consequently lowering the number of files assigned to each investigator. Other regions indicated that their investigators had files on over 1,000 companies. The point being made is that investigators have too many files to rely on memory in identifying high risk carriers.

Page 12 --The GAO apparently doesn't understand that copies of all roadside inspections go the carrier's file at Headquarters and the field office. Safety Investigators are instructed to review the file before commencing a terminal safety management audit.

GAO response

This paragraph has been clarified. The point we were making was that investigators needed a better system to systematically select carriers most needing surveys. DOT's Automated Vehicle Inspection System, implemented in October 1980, provides a file of companies with the worst roadside inspection records and should assist investigators in their selection process.

Page 13--The GAO confused on hours of service regulations and multi-day log.

GAO response

We realize that the multi-day log has been cleared as an option to the Driver's Daily Log (see p. 13).

Page 15--The PROD and IBT are not the sole basis for support of Part 396--inspection and maintenance.

GAO response

Our report did not state that the Professional Driver's Council and the International Brotherhood of Teamsters were the sole basis for DOT's support. In fact, we listed four other sources (see p. 15).

Page 16--Accident Register. Does not contain accident ratios.

GAO response

Our report did not state that the Accident Register contained accident ratios. We explained on page 16 that investigators can use the Accident Register (as one component) in manually computing accident ratios. Obviously, if the Accident Register contained accident ratios they would not have to be manually computed.

5. SUMMARY

In summary, the information used in the report is inaccurate. It attempts to show the BMCS recordkeeping requirements as duplicative and burdensome, with little or no impact on highway safety and totally misses the point

that recordkeeping does not reduce accidents--compliance with the FMCSR does. Records are used to assure that motor carriers are in fact complying with the safety regulations and used to support actions necessary to bring motor carriers into compliance through administrative or enforcement efforts.

GAO response

Our major DOT findings showed that some BMCS record-keeping requirements are duplicative and burdensome and that other requirements could be used more effectively.

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