

TABLE 24.—WORST-CASE SCENARIO IMPACT ON DIFFERENT INDUSTRY SEGMENTS—Continued

Private industry classification	Short-haul drivers in total labor (%)	Number of short-haul drivers in 2000	Cost increase due to worst-case option (millions of dollars)	Cost increase as share of labor costs (%)	Cost increase as share of revenue (%)
Retail Trade, (excludes Eating & Drinking Places)	1.1	179,317	158	0.05	0.01

Given that the estimated impacts, expressed both in terms of labor cost shares and revenue shares, are well below 1 percent of their revenue, the FMCSA does not expect this rule to have any significant impact on small businesses in the short-haul private sector.

Therefore, the FMCSA, in compliance with the Regulatory Flexibility Act (5 U.S.C. 601–612), has considered the economic impacts of these requirements on small entities and certifies that this final rule does not have a significant economic impact on a substantial number of small entities.

Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 requires each agency to assess the effects of its regulatory actions on State, local, and tribal governments and the private sector. Any agency promulgating a final rule resulting in a Federal mandate requiring expenditure by a State, local or tribal government or by the private sector of \$100,000,000 or more in any one year must prepare a written statement incorporating various assessments, estimates, and descriptions that are delineated in the Act. In light of the fact that revisions to the HOS regulations is a major rule that would cost motor carriers more than \$100,000,000 in a given year, the FMCSA has prepared the following statement which addresses each of the elements required by the Unfunded Mandates Reform Act of 1995. Most of these required elements have already been covered in the regulatory impact analysis, and the sections of that evaluation containing the preexisting analyses are referenced in this statement. Any elements not included in the final regulatory evaluation have been addressed directly in this statement.

Qualitative and Quantitative Assessment of Costs and Benefits

The Unfunded Mandates Reform Act requires a qualitative and quantitative assessment of the anticipated costs and benefits of this Federal mandate. The options discussed in this final rule would cost between \$744 million and \$5.5 billion per year, relative to the

Status Quo. The FMCSA option would cost an estimated \$1.3 billion per year. Relative to the status quo with full compliance, the options will cost between positive \$3.4 billion and negative \$1.4 billion per year (meaning that they will result in cost savings). The FMCSA option would result in savings of about \$900 million per year. Cost estimates are discussed in chapter 9 of the RIA. The cost applies only to motor carriers subject to the FMCSRs. The final rule does not impose any cost on State, local, or tribal governments.

The FMCSA estimates that the annual monetary value of the benefits ranges from \$170 million to \$780 million, relative to the status quo. The FMCSA staff alternative has a benefit of \$670 million. Relative to the status quo with full compliance, the alternatives yield net benefits of \$1.2 billion to negative \$3 billion. The FMCSA staff alternative yields a net benefit of \$1.1 billion relative to the current rules with full compliance. The development of these estimates is discussed in the RIA chapter 9.

Effect on Health, Safety, and the Natural Environment

The Unfunded Mandates Reform Act also states that the FMCSA must discuss the effect of the Federal mandate on health, safety, and the natural environment. The FMCSA prepared an environmental assessment, which has been placed in the docket, which shows that this proposal would not have a significant impact on the natural environment.

The effects of this rule on health and safety will be much more significant: the primary benefit of this proposal would be a reduction in accidents. The FMCSA estimates that this final rule, when motor carriers adhere to it fully, would save between 24 and 75 lives each year as compared to complying fully with the current rules. Injuries will experience a commensurate fall. The RIA explains these estimates in detail in Chapters 8 and 9.

Federal Financial Assistance

Section 202(a)(2)(A) of the Unfunded Mandates Reform Act requires that this qualitative and quantitative assessment

of costs and benefits include an analysis of the extent to which costs to State, local, and tribal governments may be paid with Federal financial assistance or otherwise paid for by the Federal Government. Since this rule is applicable only to motor carriers subject to the Federal Motor Carrier Safety Regulations, there is no cost to State, local, and tribal governments. Therefore, no Federal funds for these entities will be necessary for motor carriers to comply with the proposed requirements.

Future Compliance Costs

To the extent feasible, section 202(a)(3) of the Unfunded Mandates Reform Act requires estimates of the future compliance costs of this Federal mandate and any disproportionate budgetary effects upon particular regions, or upon urban, rural, or other types of communities, or upon particular segments of the private sector. There are no disproportionate budgetary effects upon particular regions, or upon urban, rural, or other types of communities. The RIA included an analysis of the impact of the option on various regions, using the REMI Policy Insight™ Model. The model showed no significant disparate impact on any region. These impacts are discussed in chapter 11 of the RIA.

Effect on the National Economy

Section 202(a)(4) of the Unfunded Mandates Reform Act requires estimates of the effect on the national economy, such as the effect on economic growth, full employment, creation of productive jobs, and international competitiveness. The REMI model mentioned above also yielded an estimate of the macroeconomic costs of the options. Relative to the status quo with 100 percent compliance, FMCSA estimates that the impact on gross regional product (GRP) will be minimal, less than 0.1 percent of GRP for all the alternatives. One alternative would reduce GRP by almost \$12 billion per year, while all other alternatives would result in a small increase in GRP. Because the overall driving time for most CMV drivers would not change, the FMCSA does not believe the