

of drivers yields an estimate of \$3,844 per carrier per year for medical examinations.

As indicated earlier, FMCSA estimates that the sum of all estimated costs of requiring operators of small passenger-carrying CMVs to comply

with 49 CFR parts 391, 395, and 396 is approximately \$23,850,000 for the first year and \$20,184,234 per year thereafter. If the costs of the rulemaking are distributed evenly among these 1,843 motor carriers, the costs per carrier would be approximately \$12,940

for the first year the requirements are in effect, and a little more than \$10,952 per year thereafter.

A summary of the estimated first-year costs per motor carrier is presented below:

Summary of First-Year Costs Per Motor Carrier to Comply with the FMCSRs
\$3,844 for medical exams
\$102 for driver qualifications files (\$35 subsequent years)
\$7,012 for hours-of-service recordkeeping
\$1,982 for inspection, repair, and maintenance
Total: \$12,940

The actual costs each individual fleet would experience depend on the number of drivers employed and the number of small passenger-carrying CMVs operated. The above estimates are intended to serve as a baseline of 10 CMVs per fleet and about 11 drivers per business. Driver-related costs, such as driver qualifications and hours-of-service, for each business would decrease or increase as the number of drivers employed decreases below the baseline or increases above the baseline. The same holds true for vehicle-related costs.

In order to better determine the potential impact on small businesses, FMCSA met with representatives of SBA. As a result of that meeting, the FMCSA reviewed the U.S. Department of Commerce's 1997 Economic Census, Transportation and Warehousing (Publication No. EC 97T48S-LS, Issued August 2000) to better determine the revenues of businesses under the NAICS subsector 485, which covers transit and ground transportation, and more accurately assess the number of small entities based on SBA's \$6,000,000

threshold for defining a small business in the passenger transportation industry.

For businesses covered by NAICS code 4852, interurban and rural bus transportation, the 1997 census data indicate there are 407 firms with combined revenues of \$1,147,432,000. For the purposes of this analysis, the revenues for the businesses in this group were divided by the number of firms resulting in an estimate of \$2,819,243 in revenues per year for each carrier [$\$1,147,432,000 / 407 \text{ firms} = \$2,819,243$].

The agency also considered businesses covered by NAICS code 4853, taxi and limousine service. The 1997 census data indicate there are 6,418 firms with combined revenues of \$3,154,521,000. For purposes of this analysis, the revenues for businesses in this group were also divided by the number of firms resulting in an estimate of \$491,511 in revenues per year for each carrier [$\$3,154,521,000 / 6,418 = \$491,511$].

Based on the estimates above for the revenues per firm for interurban and rural bus transportation businesses, and revenues per firm for taxi and limousine

service businesses, FMCSA believes that most, if not all, of the firms in these categories appear to be small businesses based on SBA's \$6,000,000 threshold.

The costs per carrier associated with this rule would, on average, be approximately 0.45 percent of the revenues for interurban and rural bus services [$(\$12,940 \text{ costs per carrier}) / (\$2,819,243 \text{ revenues per carrier}) \times 100 = 0.45 \text{ percent}$], and 2.6 percent of the revenues for taxi and limousine services [$(\$12,940 \text{ costs per carrier}) / \$491,511 \text{ revenues per carrier} \times 100 = 2.6 \text{ percent}$].

For interurban and rural bus services with a profit margin greater than 0.45 percent, the new rule will decrease their profits but the businesses would maintain some level of profit. For bus services with profit margins of 0.45 percent or less, the rule could result in the failure of the business. Likewise, for taxi and limousine services with a profit margin greater than 2.6 percent, the rule would decrease their profits but the businesses would maintain some level of profit. For taxi and limousine businesses with profit margins of 2.6