

SUPPORTING STATEMENT FOR PROPOSED RULES UNDER THE SECURITIES EXCHANGE ACT OF 1934

This submission, pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq., consists of this supporting statement and Release No. 34-56160 (June 20, 2007).

A. JUSTIFICATION

1. NECESSITY FOR THE INFORMATION COLLECTION

In Release No. 34-56160, the Securities and Exchange Commission proposed rules and amendments that contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles for the collections of information are:

- (1) “Proxy Statements - Regulation 14A (Commission Rules 14a-1 through 14a-16 and Schedule 14A)” (OMB Control No. 3235-0059); and
- (2) “Securities Ownership - Regulation 13D (Commission Rules 13d-1 through 13d-7 and Schedules 13D and 13G)” (OMB Control No. 3235-0145).

These collections of information are necessary for the Commission to carry out the provisions of the Securities Exchange Act of 1934. They govern the information required to be included in Schedules 14A, 13D and 13G. These schedules provide disclosure requirements for securities ownership reports filed by investors and proxy statements filed by companies to help investors make informed voting or investing decisions.

2. PURPOSE OF THE INFORMATION COLLECTION

In Release No. 34-56160, the Commission proposed amendments to Regulations 14A and 13D. The proposed amendments to Exchange Act Rule 14a-8 would enable shareholders to include in company proxy materials their proposals for bylaw amendments regarding the procedures for nominating candidates to the board of directors. Schedule 14A and Schedule 13G would be amended to provide shareholders with additional information about the proponents of these proposals, as well as any shareholders that nominate a candidate under such an adopted procedure. Included in these nominating shareholder disclosures would be the disclosure requirements that currently apply to traditional proxy contests.

3. USE OF ELECTRONIC MEDIA

Schedule 14A and Schedule 13G are filed electronically with the Commission using the Commission’s Electronic Data Gathering and Retrieval (EDGAR) system.

4. DUPLICATION

We are not aware of any rules that conflict with or completely duplicate the proposed rules.

5. EFFECT ON SMALL ENTITIES

The proposed amendments are designed to require disclosure of information relating to shareholder proponents, nominating shareholders and shareholder director nominees in order to provide for a better informed voting decision. The additional disclosure would only be required by companies and shareholders seeking to amend a company's bylaws or utilize a shareholder nomination bylaw amendment.

6. DESCRIPTION OF CONSEQUENCES OF LESS FREQUENT COLLECTION

Less frequent collection would mean that information necessary to an informed proxy voting decision may not be available to investors. This may potentially cause uninformed proxy voting and decrease investor confidence in the full and fair disclosure system.

7. EXPLANATION OF SPECIAL CIRCUMSTANCES

Not applicable.

8. CONSULTATION OUTSIDE THE AGENCY

The Commission has issued a release soliciting comment on the new "collection of information" requirements and the associated paperwork burdens. A copy of this release is attached. Comments on Commission releases are generally received from registrants, investors and other market participants. In addition, the Commission and staff of the Division of Corporation Finance participate in an ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges. The Commission will consider all comments received.

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY

Not applicable.

11. SENSITIVE QUESTIONS

Not applicable.

12. and 13. ESTIMATES OF HOUR AND COST BURDENS

The paperwork burden estimates associated with the proposal include the time and the cost of preparing and reviewing disclosure, filing documents or otherwise publicizing information, and retaining records. These estimates represent the average burden for all companies, both large and small.

“Proxy Statements - Regulation 14A (Commission Rules 14a-1 through 14a-16 and Schedule 14A)” (OMB Control No. 3235-0059)

For Schedule 14A filings under Regulation 14A, we estimate that 75% of the burden of preparation is carried by the company internally and that 25% of the burden is carried by outside professionals retained by the company at an average cost of \$400 per hour. The portion of the burden carried by outside professionals is reflected as a cost, while the portion of the burden carried by the company internally is reflected in hours. The burden was calculated by multiplying the estimated number of additional annual responses we believe will be generated by the proposed amendments by the estimated average number of hours each entity will spend complying with the requirements of the amended rules.

We estimate that the proposed amendments to Rule 14a-8 would create an incremental burden of six hours of company personnel time and costs of \$800 for the services of outside professionals for 30 additional issuers. We estimate that these amendments will increase the annual paperwork burden by approximately 180 hours of company personnel time (30 issuers x 6 hours) and a cost of approximately \$24,000 (30 issuers x \$800) for the services of outside professionals. In addition, we estimate that proposed Rule 14a-17 would create an incremental burden of six hours of company personnel time and costs of \$800 for the services of outside professionals for each shareholder nominee included in a Schedule 14A for 15 additional issuers. We estimate that these amendments will increase the annual paperwork burden of Regulation 14A by approximately 90 hours of company personnel time (15 issuers x 6 hours) and a cost of approximately \$12,000 (15 issuers x 800) for the services of outside professionals. In total, we estimate that the proposed rules will increase the annual paperwork burden under Regulation 14A by 270 hours of company personnel time and a cost of \$36,000 for the services of outside professionals.

“Securities Ownership - Regulation 13D (Commission Rules 13d-1 through 13d-7 and Schedules 13D and 13G)” (OMB Control No. 3235-0145)

For Schedule 13G filings under Regulation 13D, we estimate that 25% of the burden of preparation is carried by the company internally and that 75% of the burden is carried by outside professionals retained by the company at an average cost of \$400 per hour.¹ The portion of the burden carried by outside professionals is reflected as a cost, while the portion of the burden carried by the company internally is reflected in hours. The burden was calculated by multiplying the estimated number of additional annual responses we believe will be generated by the estimated average number of hours each entity will spend complying with the requirements of the rules.

We estimate that the proposed amendments would increase the number of Schedule 13G filers by 30 and would create an additional incremental burden of 4.1 hours per response for those filers, which we would add to the existing Schedule 13G

¹ In our prior submission, we estimated the average cost to be \$300 per hour. We have subsequently increased the cost estimate by \$100 since our last estimate provided to OMB for Regulation 13D based on our consultations with several registrants and law firms and other persons who regularly assist registrants in preparing and filing with the Commission. We are therefore increasing our estimated cost of outside professionals to \$400 per hour.

burden. This results in a total burden of 14.5 hours for those 30 filers. Each of the 30 additional filers would incur a burden of approximately 3.6 hours of respondent personnel time (25% of the total burden) and costs of \$4,350 for the services of outside professionals (75% of the total burden). In sum, we estimate that the amendments to Schedule 13G would increase the annual paperwork burden by approximately 108 hours of respondent personnel time and increase the cost by approximately \$130,000 for the services of outside professionals.

In addition, we are proposing an adjustment in Regulation 13D to increase the cost of outside professionals from \$300 to \$400 per hour. We attribute an estimated 106,725 hours of services of outside professionals to prepare Schedules 13D and 13G. The cost adjustment would increase the cost from \$32,017,500 to \$42,690,000 (106,725 x \$400). The estimated cost burden is solely for purposes of the Paperwork Reduction Act and is not derived from a comprehensive or even a representative survey of the costs of the Commission rules and forms.

14. ESTIMATE OF COST TO FEDERAL GOVERNMENT

The estimated cost of preparing the proposed amendments is approximately \$50,000.

15. EXPLANATION OF CHANGES IN BURDEN

Table 3 below illustrates the changes in cost and hour burdens from the burden estimates currently approved by OMB. Columns (A) and (B) represent the total hour and cost burden estimates for the respective forms under the proposed rules. Columns (C) and (D) represent the previous burden estimates most recently submitted to OMB. Columns (E) and (F) represent the change in burden from the previous estimates. Columns (G) and (H) represent the incremental hour and cost burden under the proposed rules. Columns (I) and (J) represent the adjustment, which encompasses any change in burden that is not attributable to the proposed rules.

Requested Burdens		Current Burden		Change in Burden		Program Change		Adjustment	
Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost
(A)	(B)	(C)	(D)	(E)=(A)-(C)	(F)=(B)-(D)	(G)	(H)	(I)=(A)-(C)-(G)	(J)=(B)-(D)-(H)
555,953	\$63,745,987	555,683	\$63,709,987	270	\$36,000	270	\$36,000	0	0

Explanation of Changes in Burden in Regulation 14A

Requested Burdens		Current Burden		Change in Burden		Program Change		Adjustment	
Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost	Burden Hours	Cost
(A)	(B)	(C)	(D)	(E)=(A)-(C)	(F)=(B)-(D)	(G)	(H)	(I)=(A)-(C)-(G)	(J)=(B)-(D)-(H)
35,683	\$42,820,000	35,575	\$32,017,500	108	\$10,802,500	108	\$130,000	0	\$10,672,500

**Explanation of Changes in Burden in Regulation 13D
(due to changes in Schedule 13G)**

16. INFORMATION COLLECTIONS PLANNED FOR STATISTICAL PURPOSES

Not applicable.

17. EXPLANATION AS TO WHY EXPIRATION DATE WILL NOT BE DISPLAYED

Not applicable.

18. EXCEPTIONS TO CERTIFICATION

Not applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.