

SUPPORTING STATEMENT FOR SECURITIES ACT RULE 163

This submission, pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq., consists of this supporting statement and Securities Act Rule 163.

A. Justification

1 and 2. Necessity of Information Collection/Purpose of and, Consequences of Not Requiring, the Information Collection

Rule 163 was adopted on July 19, 2005 in connection with new communication rules in Release 33-8591 (“Securities Offering Reform”). Rule 163 provides an exemption from Section 5(c) under the Securities Act for certain communications by or on behalf of a well-known seasoned issuer. A primary purpose of the rule is to give eligible well-known seasoned issuers freedom to communicate with investors at any time, including by means of a written offer other than a statutory prospectus.

3. Role of Improved Information Technology and Obstacles to Reducing Burden

Rule 163 communications are filed electronically on EDGAR.

4. Efforts to Identify Duplication

Although the filer of the Rule 163 information may choose to publicly disseminate it, there are no other filing requirements that duplicate this information.

5. Effect on Small Entities

All issuers, including small business issuers, have discretion as to whether or not they want to disseminate written communications under Rule 163. Furthermore, Rule 163 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Less Frequent Collection

Rule 163 requires filing of written communications only when issuers choose to disseminate them. Less frequent collection could compromise investor protection.

7. Inconsistencies with Guidelines in 5 CFR 1320.6

Not applicable.

8. Consultations Outside the Agency

Rule 163 was proposed for public comment. No comments were received on this request during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Not applicable.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

We estimate that it takes approximately .24 burden hours per response to provide the information required under Rule 163 and that the information is filed by 53 respondents for a total annual reporting burden of approximately 13 hours. We estimate that 25% of the .24 hours per response (.06 hours) is prepared by the company for a total annual burden of approximately 3 hours (.06 hours per response x 53 responses). The estimated hours are made solely for the purpose of the Paperwork Reduction Act. The hours are not derived from a comprehensive or even representative survey or study of the hours to comply with Commission rules and forms.

13. Estimate of total annualized cost burden

We estimated that 75% of the .24 hours per response (.18 hours) is prepared by the issuer outside counsel. We estimate that Rule 163 compliance will cost \$400 per hour (\$400 x .18 hours per response x 53 responses) for a total cost of \$3,816. The estimated cost is made solely for the purpose of the Paperwork Reduction Act. The cost is not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

14. Estimate of Cost to Federal Government

Not applicable.

15. Explanation of Changes in Burden

The increase of \$816 in cost burden is due to an adjustment. The increase in cost burden reflects a change in the hourly cost from \$300 to \$400 per hour and an adjustment in how the Commission calculates cost burdens.

16. Information Collections Planned for Statistical Purposes

Not applicable.

17. Explanation as to Why Expiration Date Will Not be Displayed

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.