

SUPPORTING STATEMENT
PROPOSED AMENDMENTS TO RULES 201 and 200(g)

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

A. Justification

1. Necessity of Information Collection

i. Proposed Policies and Procedures Requirement under Proposed Modified Uptick Rule

The information that would be collected under the proposed modified uptick rule's (and the proposed circuit breaker modified uptick rule's) written policies and procedures requirement would help ensure that a trading center does not execute or display any impermissibly priced short sale orders, unless an order is marked "short exempt" in accordance with the rule's requirements. The information collected also would aid the Commission and self-regulatory organizations ("SROs") that regulate trading centers in monitoring compliance with the rule's requirements. It also would aid trading centers and other broker-dealers in complying with the rule's requirements.

ii. Identification of Short Sale Orders and Policies and Procedures Requirements under Proposed Broker-Dealer Provision and Riskless Principal Provisions

The information that would be collected under the proposed modified uptick rule's (and the proposed circuit breaker modified uptick rule's) written policies and procedures requirements in connection with the proposed broker-dealer provision is designed to help prevent incorrect identification of orders for purposes of the proposed modified uptick rule's broker-dealer provision. The information collected under the written policies and procedures requirement of the "riskless principal" exception to the proposed uptick rule (and the proposed circuit breaker uptick rule) and the "riskless principal" provision of the proposed modified uptick rule (and the proposed circuit breaker modified uptick rule) would help assure that broker-dealers comply with the requirements of the proposed provisions. The information collected would also enable the Commission and SROs to examine for compliance with the requirements of these proposed provisions.

iii. Proposed Marking Requirements

The information that would be collected under the proposed "short exempt" marking requirements would help enable the Commission and SROs to monitor whether a person entering a sell order covered by the proposed amendments to Rule 201 is acting in accordance with one of the provisions contained in paragraph (c) or (d) of the proposed modified uptick rule (or paragraph (c)

or (d) of the proposed circuit breaker modified uptick rule), or if the seller is relying on an exception in paragraph cc) of the proposed uptick rule (or paragraph (c) of the proposed uptick rule, or if the seller is relying on an exception in paragraph (c) of the proposed circuit breaker halt rule. In particular, the “short exempt” marking requirement would provide a record that would aid in surveillance for compliance with the provisions of proposed Rule 201. It also would provide an indication to a trading center regarding whether or not it must execute or display a short sale order in accordance with the price test restrictions of the proposed modified uptick rule (or proposed circuit breaker modified uptick rule).

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

The proposed amendments are designed to help restore investor confidence by restricting short selling at successively lower prices and, thereby, help prevent short selling, including potentially abusive or manipulative short selling, from being used as a tool for driving the market down or from being used to accelerate a declining market by exhausting all remaining bids at one price level, while at the same time allowing relatively unrestricted short selling in an advancing market. The information collected would also aid the Commission and self-regulatory organizations in monitoring compliance with the requirements of the proposed amendments.

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

Since the proposed amendments do not specify a particular format, respondents may use automation, or other forms of information technology, to the extent they find it helpful.

4. Efforts to Identify Duplication

We are not aware of duplication of this information.

5. Effects on Small Entities

The collection of information necessary to ensure compliance with the proposed amendments' requirements should not be unduly burdensome on smaller entities. Much of the requisite information is otherwise collected and maintained by industry members in connection with existing Commission or self-regulatory organization rules. Moreover, the information is generally that which a broker-dealer or participant of a registered clearing agency would maintain in the ordinary course of his or her business.

6. Consequences of Less Frequent Collection

In order to ensure compliance with the proposed amendments, trading centers and other market participants subject to any of the requirements discussed in item 1, above, must collect the required information on a daily basis. Less frequent or less individualized collection would impede the ability to verify compliance with the proposed amendments.

7. Inconsistencies with Guidelines in 5 CFR § 1320.5(d)(2)

The information collection is not conducted in a matter that is inconsistent with 5 CFR § 1320.5(d)(2).

8. Consultations Outside the Agency

The Commission has been coordinating extensively with other financial regulators to address the current threats to fair and orderly securities markets. The Commission will solicit prior public comment on the collection and estimated burden.

9. Payment or Gift to Respondents

Not applicable.

10. Assurances of Confidentiality

No assurances of confidentiality are provided in the statute or the Rule.

11. Sensitive Questions

Not applicable; no information of a sensitive nature is required under the temporary rule.

12. Estimate of Respondent Reporting Burden¹

i. Proposed Policies and Procedures Requirement under Proposed Modified Uptick Rule

The proposed modified uptick rule² would require each trading center to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order of a covered security at a down-bid price.³ In addition, a trading center would need to have policies and procedures reasonably designed to permit the execution or display of a short sale order of a covered security marked “short exempt” without regard to whether the order is at a down-bid price. Thus, trading centers would be required to

¹ For purposes of the Form 83-I and obtaining pre-approval from OMB, because the Commission is waiting to receive comment from the industry regarding the proposed PRA estimates so that it can make a final determination as to which of the proposed rules to adopt, we are averaging the number of annual responses.

² The discussion of the PRA as it applies to the proposed modified uptick rule applies equally to the proposed circuit breaker modified uptick rule.

³ This would include a trading center taking such steps as would be necessary to enable it to enforce its policies and procedures effectively, including the proposed requirement to regularly surveil to ascertain the effectiveness of its policies and procedures and taking prompt remedial steps.

develop written policies and procedures reasonably designed to permit the trading center to be able to determine whether or not the short sale order is priced in accordance with the provisions of proposed Rule 201(b)(1) and to recognize when an order is marked “short exempt” such that the trading center’s policies and procedures do not prevent the execution or display of such orders on a down-bid price in accordance with proposed Rule 201(b)(1)(ii). A trading center’s policies and procedures would not, however, have to include mechanisms to determine on which provision a broker-dealer is relying in marking an order “short exempt” in accordance with paragraph (c) or (d) of the proposed modified uptick rule.

Although the exact nature and extent of the policies and procedures that a trading center would be required to establish likely would vary depending upon the nature of the trading center (*e.g.*, SRO vs. non-SRO, full service broker-dealer vs. market maker), we preliminarily estimate that it initially would take an SRO trading center approximately 220 hours of legal, compliance, information technology and business operations personnel time,⁴ and a non-SRO trading center approximately 160 hours of legal, compliance, information technology and business operations personnel time,⁵ to develop the required policies and procedures.

We estimate that there would be an initial one-time burden of 220 (not including the outsourced 50 hours of legal time) burden hours per SRO trading center or 2,420 hours,⁶ and 160 (not including the outsourced 50 hours of legal time) burden hours per non-SRO trading center⁷ or 59,520 hours, for a total of 61,940 burden hours to establish the required written policies and procedures.

Once a trading center has established the required written policies and procedures, we preliminarily estimate that it would take the average SRO and non-SRO trading center each approximately two hours per month of ongoing internal legal time and three hours of ongoing internal compliance time to ensure that its written policies and procedures are up-to-date and remain in compliance with the proposed amendments to Rule 201, or a total of 60 hours annually

⁴ Based on experience and estimates provided in connection with Regulation NMS, we anticipate that of the 220 hours we preliminarily estimate would be spent to establish the required policies and procedures, 70 hours would be spent by legal personnel, 105 hours would be spent by compliance personnel, 20 hours would be spent by information technology personnel and 25 hours would be spent by business operations personnel of the SRO trading center.

⁵ Based on experience and the estimates provided in connection with Regulation NMS, we anticipate that of the 160 hours we preliminarily estimate would be spent to establish policies and procedures, 37 hours would be spent by legal personnel, 77 hours would be spent by compliance personnel, 23 hours would be spent by information technology personnel and 23 hours would be spent by business operations personnel of the non-SRO trading center.

⁶ The estimated 2,420 burden hours necessary for SRO trading centers to establish policies and procedures are calculated by multiplying 11 times 220 hours (11 x 220 hours = 2,420 hours).

⁷ The estimated 59,520 burden hours necessary for non-SRO trading centers to establish policies and procedures are calculated by multiplying 372 times 160 hours (372 x 160 hours = 59,520 hours).

per respondent.⁸ In addition, we preliminarily estimate that it would take the average SRO and non-SRO trading center each approximately 16 hours per month of ongoing compliance time, 8 hours per month of ongoing information technology time, and 4 hours per month of ongoing legal time associated with ongoing monitoring and surveillance for and enforcement of trading in compliance with the proposed modified uptick rule, or a total of 336 hours annually per respondent.⁹

ii. Identification of Short Sale Orders and Policies and Procedures Requirements under Proposed Broker-Dealer Provision and Riskless Principal Provisions

To rely on the proposed modified uptick rule's Rule 201(c)(1) "broker-dealer" provision, a broker-dealer marking a short sale order in a covered security "short exempt" under proposed Rule 201(c)(1) must identify the order as not being a down-bid price at the time the order is submitted to the trading center and must establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent the incorrect identification of orders as not being submitted to the trading center at a down-bid price. At a minimum, the broker-dealer's policies and procedures would need to be reasonably designed to enable a broker-dealer to monitor, on a real-time basis, the national best bid, and whether the current national best bid is an up- or down-bid from the last differently priced national best bid, so as to determine the price at which the broker-dealer may submit a short sale order to a trading center in compliance with the requirements of proposed Rule 201(c)(1). In addition, a broker-dealer would also need to take such steps as would be necessary to enable it to enforce its policies and procedures effectively.¹⁰

To rely on proposed Rule 201(d)(6)'s "riskless principal" provision under the proposed modified uptick rule or Rule 201(c)(9)'s "riskless principal" exception to the proposed uptick rule,¹¹ a broker-dealer would be required to have written policies and procedures in place to assure that, at a minimum, the customer order was received prior to the offsetting transaction and that it has supervisory systems in place to produce records that enable the broker-dealer to

⁸ This figure was calculated as follows: (2 legal hours x 12 months) + (3 compliance hours x 12 months) = 60 hours annually per respondent. As discussed above, this burden estimate of 60 hours is based on experience and what was estimated for Regulation NMS to ensure that written policies and procedures were up-to-date and remained in compliance.

⁹ This figure was calculated as follows: (16 compliance hours x 12 months) + (8 information technology hours x 12 months) + (4 legal hours x 12 months) = 336 hours annually per respondent. As discussed above, this preliminary burden estimate of 336 hours is based on experience and what was estimated for Regulation NMS regarding similarly required ongoing monitoring and surveillance for and enforcement of trading in compliance with that regulation's policies and procedures requirement.

¹⁰ This would include the proposed requirement that broker-dealer regularly surveil to ascertain the effectiveness of its policies and procedures and taking prompt remedial steps.

¹¹ The discussion of the PRA as it applies to the proposed uptick rule applies equally to the proposed circuit breaker uptick rule.

accurately and readily reconstruct, in a time-sequenced manner, all orders on which a broker-dealer relies pursuant to these provisions.

Although the exact nature and extent of the required policies and procedures that a broker-dealer would be required to establish under the “broker-dealer” or the “riskless principal” provisions likely would vary depending upon the nature of the broker-dealer (*e.g.*, full service broker-dealer vs. market maker), we estimate that it initially would take a broker-dealer approximately 160 hours¹² of legal, compliance, information technology and business operations personnel time,¹³ to develop the required policies and procedures. In addition to this estimate of 160 hours, we expect that broker-dealers may incur one-time external costs for out-sourced legal services.

We estimate that there would be an initial one-time burden of 160 burden hours per broker-dealer or 889,760 hours¹⁴ to establish policies and procedures that would be required to rely on the proposed modified uptick rule’s “broker-dealer” provision in proposed Rule 201(c)(1), the “riskless principal” exception in Rule 201(c)(9) of the proposed uptick rule, or the “riskless principal” provision in 201(d)(6) of the proposed modified uptick rule.

Once a broker-dealer has established written policies and procedures that would be required so that it could rely on proposed 201(c)(1) of the proposed modified uptick rule, 201(c)(9) of the proposed uptick rule, or 201(d)(6) of the proposed modified uptick rule, we preliminarily estimate that it would take the average broker-dealer approximately two hours per month of internal legal time and three hours of internal compliance time to ensure that its written policies and procedures are up-to-date and remain in compliance with proposed 201(c)(1) of the proposed modified uptick rule, 201(c)(9) of the proposed uptick rule, or 201(d)(6) of the proposed modified uptick rule, or a total of 60 hours annually per respondent.¹⁵ In addition, we estimate that it would take the average broker-dealer each approximately 16 hours per month of

¹² We base this estimate of 160 hours on the estimated burden hours we preliminarily believe it would take a non-SRO trading center (which would include broker-dealers) to develop similarly required policies and procedures, since the policies and procedures required under the proposed broker-dealer provisions would be similar to those required for non-SRO trading centers in complying with paragraph (b) of the proposed modified uptick rule.

¹³ Based on experience and the estimates provided in connection with Regulation NMS, we anticipate that of the 160 hours we estimate would be spent to establish policies and procedures; 37 hours would be spent by legal personnel, 77 hours would be spent by compliance personnel, 23 hours would be spent by information technology personnel and 23 hours would be spent by business operations personnel of the broker-dealer.

¹⁴ As discussed above, we base this estimate of 160 hours on the estimated burden hours we preliminarily believe it would take a non-SRO trading center (which would include broker-dealers) to develop similarly required policies and procedures since the policies and procedures required under the proposed broker-dealer provisions would be similar to those required for non-SRO trading centers in complying with paragraph (b) of the proposed modified uptick rule.

The estimated 889,760 burden hours necessary for a broker-dealer to establish policies and procedures are calculated by multiplying 5,561 times 160 hours (5,561 x 160 hours = 889,760 hours).

ongoing compliance time, 8 hours per month of ongoing information technology time, and 4 hours per month of ongoing legal time associated with ongoing monitoring and surveillance for and enforcement of trading in compliance with the proposed modified uptick rule, or a total of 336 hours annually per respondent.¹⁶

iii. Proposed Marking Requirements

Proposed Rule 200(g) would impose a “short exempt” marking requirement. In addition, proposed Rule 200(g)(2) would require a broker-dealer to mark all sell orders of a covered security “short exempt” only if the provisions contained in paragraphs (c) or (d) of the proposed modified uptick rule (or paragraphs (c) or (d) of the proposed circuit breaker modified uptick rule) are met, or if the seller is relying on one of the exceptions contained in paragraph (c) of the proposed uptick Rule (or paragraph (c) of the proposed circuit breaker uptick rule), or if the seller is relying on one of the exceptions contained in paragraph (c) of the proposed circuit breaker halt rule. While not all broker-dealers likely would enter sell orders in securities covered by the proposed amendments to Rules 200(g) and 201 in a manner that would subject them to this collection of information, we estimate, for purposes of the PRA, that all of the approximately 5,561 registered broker-dealers would do so.¹⁷ For purposes of the PRA, the Commission staff has estimated that a total of approximately 12.9 billion “short exempt” orders would be entered annually.¹⁸

¹⁵ This figure was calculated as follows: (2 legal hours x 12 months) + (3 compliance hours x 12 months). As discussed above, this burden estimate of 60 hours is based on experience and what was estimated for a Regulation NMS respondent to ensure that its written policies and procedures were up-to-date and remained in compliance.

¹⁶ This figure was calculated as follows: (16 compliance hours x 12 months) + (8 information technology hours x 12 months) + (4 legal hours x 12 months) = 236 hours annually per respondent. As discussed above, this preliminary burden estimate of 336 hours is based on experience and what was estimated for Regulation NMS for similarly required ongoing monitoring and surveillance for and enforcement of trading in compliance with that regulation’s policies and procedures requirement.

¹⁷ We also note that, because the proposed circuit breaker halt rule, if adopted, would not be in place at all times or for all securities and because there would be fewer exceptions that would be available and they would apply only when the restrictions of the proposed circuit breaker halt rule are triggered, the frequency and, therefore, the estimate burden of marking “short exempt” would be expected to be lower under the proposed circuit breaker halt rule.

¹⁸ There are approximately 45.4 billion short sale orders entered annually. OEA calculates that there were about 263 million short sale trades during August 2008 for Amex, FINRA, Nasdaq, NYSEArca, and NYSE market centers. We gross up 263 million by 14.4 which is the ratio of orders to trades. The ratio is derived from Rule 605 reports from the three largest market centers during August 2008. This yields 3.8 billion short sale orders during August 2008 or an annualized figure of 45.4 billion. OEA believes that August 2008 data is representative of a normal month of trading. We estimate that approximately 28.5% of short sale orders are short exempt using Nasdaq short sale data from January to April 2005. We multiply 45.4 billion times 0.285 to obtain our estimate of 12.9 billion short exempt orders.

This would be an average of approximately 2,319,727 annual responses by each respondent.¹⁹ Each response of marking sell orders “short exempt” would take approximately 000139 hours (.5 seconds) to complete.²⁰ We base this estimate on the fact that, in accordance with the current marking requirements of Rule 200(g) of Regulation SHO, broker-dealers are already required to mark a sell order either “long” or “short”; the fact that most broker-dealers already have the necessary mechanisms and procedures in place and are already familiar with processes and procedures to comply with the marking requirements of Rule 200(g) of Regulation SHO; and the fact that broker-dealers would be able to continue to use the same mechanisms, processes and procedures to comply with proposed Rules 200(g) and 200(g)(2).

Thus, the total approximate estimated annual hour burden per year would be 1,793,100 burden hours (12,900,000,000 orders marked “short exempt” @ 0.000139 hours/order marked “short exempt”). Our estimate for the paperwork compliance for the proposed amendments order marking requirement for each broker-dealer would be approximately 322 burden hours (2,319,727 responses @ 0.000139 hours/responses) or (a total of 1,793,100 burden hours / 5,561 respondents).

*** A Note regarding the Form 83-I:** As mentioned above, for purposes of the Form 83-I and obtaining pre-approval from OMB, because the Commission is waiting to receive comment from the industry regarding the proposed PRA estimates so that it can make a final determination as to which of the proposed rules to adopt, we are averaging the number of annual responses. In addition, because the estimates include both an initial one-time annual burden as well as ongoing annual burden hours, we are amortizing the initial one-time annual burden over a three-year period. Thus, Table 1 below explains how we arrived at several of the estimates for purposes of the Form 83-I:

Table 1

(Line 2 - Number of Responses Per Respondent) = 3	<p>We arrived at 3 responses per month based on the fact that there are basically three collections of information discussed above (and averaging it for purposes of the Form 83-I): (i) the “trading center policies and procedures requirement” under the proposed modified uptick rule and alternative circuit breaker modified uptick rule – which requires one response per month (per respondent); (ii) the “broker-dealer /riskless principal provisions’ policies and procedures requirements” under the proposed modified uptick rule and proposed uptick rule, and alternative circuit breaker modified uptick rule and circuit breaker uptick rule – which requires one response per month (per respondent); and (iii) the “marking requirement” – which requires one response per month (per respondent)[*] – for a total of 3 responses per month (per respondent).</p> <p>[*] While Item No. 12 of this Supporting Statement estimates 193,311 actual</p>
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¹⁹ This figure was calculated as follows: 12.9 billion “short exempt” orders divided by 5,561 broker-dealers.

²⁰ This estimate is based on the same time estimate for marking sell orders “long” or “short” under current Rule 200(g) under Regulation SHO. See 2004 Regulation SHO Adopting Release, 69 FR at 48023; see also 2003 Regulation SHO Proposing Release, 68 FR at 63000 n. 232.

	responses/month per respondent or 2,319,727 actual responses/year per respondent, to be consistent with the other two collections for purposes of the Form 83-I, we are calculating the “marking requirement” estimate on a monthly basis.
(Line 3 – Annual Frequency) = 36 times per year	We arrived at 36 times per year per respondent by multiplying the 3 responses per month by 12 months.
(Line 4 – Annual Number of Responses) = 200,196	We arrived at 200,196 responses per year by multiplying the number of respondents (5,561) by the annual frequency (36 times per year per respondent), for a total of 200,196 responses.
(Line 5a i – Time Per Response) = 35.95 hours	We arrived at 35.95 hours per response as follows: With respect to the “trading center policies and procedures requirement” we added the one-time initial burden of 380 hours/year per each respondent (amortizing it over 3 years = 126.67 hours/year per respondent), plus the ongoing burden of 396 hours (which is the 60 + 336 hours) per year for each respondent, for a combined total of 522.67 hours/year per respondent, divided by 12 months = 43.55 hours/month for each response per respondent. We then added, with respect to the “broker-dealer /riskless principal provisions’ policies and procedures requirements,” the one-time initial burden of 160 hours/year per respondent (amortizing it over three years = 53.33 hours/year per respondent), plus the ongoing burden of 396 hours (which is the 60 + 336 hours) per year for each respondent, for a combined total of 449.33 hours/year per respondent, divided by 12 months = 37.44 hours/month for each response per respondent. Then, with respect to the “marking requirement,” we divided the burden of 322 hours/year per respondent by 12 months = 26.87 hours/month for each respondent. We then averaged 43.55 hours, 37.44 hours, and 26.87 (dividing 107.87 hours by 3) to arrive at 35.95 hours.
(Line 5b i – Annual Time Burden) = 7,197,046.20 hours	We arrived at 7,197,046.20 hours as follows: 200,196 responses multiplied by 35.95 hours/response = 7,197,046.20.

13. Estimate of Total Annualized Cost Burden

i. Proposed Policies and Procedures Requirement under Proposed Modified Uptick Rule

In addition to the above estimate (of 220 hours for SRO respondents and 160 hours for non-SRO respondents), we expect that SRO and non-SRO respondents may incur one-time external costs for outsourced legal services. While we recognize that the amount of legal outsourcing utilized to help establish written policies and procedures may vary widely from entity to entity, we preliminarily estimate that on average, each trading center would outsource 50 hours of legal time in order to establish policies and procedures in accordance with the proposed amendments.²¹

²¹ As discussed above, we base our burden estimate of 50 hours of outsourced legal time on the burden estimate used for Regulation NMS because the policies and procedures developed in connection with that Regulation’s order protection rule are in many ways similar to what a trading center would need to do to comply with the proposed modified uptick rule.

Thus, we estimate a cost of approximately \$7,660,000 for both SRO and non-SRO trading centers resulting from outsourced legal work.²²

ii. Identification of Short Sale Orders and Policies and Procedures Requirements under Proposed Broker-Dealer Provision and Riskless Principal Provisions

In addition to the above estimate of 160 hours, we expect that broker-dealers may incur one-time external costs for out-sourced legal services. While we recognize that the amount of legal outsourcing utilized to help establish written policies and procedures may vary widely from entity to entity, we preliminarily estimate that on average, each broker-dealer would outsource 50 hours²³ of legal time in order to establish policies and procedures in accordance with the “broker-dealer” provision in proposed Rule 201(c)(1) of the proposed modified uptick rule, the “riskless principal” exception in 201(c)(9) of the proposed uptick rule, and the “riskless principal” provision in 201(d)(6) of the proposed modified uptick rule.

Thus, we estimate a cost of approximately \$111,220,000 for broker-dealers resulting from outsourced legal work.²⁴

*** A Note regarding Form 83-I:** As mentioned above, for purposes of the Form 83-I and obtaining pre-approval from OMB, because the Commission is waiting to receive comment from the industry regarding the proposed PRA estimates so that it can make a final determination as to which of the proposed rules to adopt, we are averaging the annual cost estimates. In addition, we are amortizing the initial one-time external cost estimates over a three-year period. Thus, Table 2 below explains how we arrived at the estimates for purposes of the Form 83-I:

Table 2

Line 5a v – Cost Per Response) = \$197.94	We arrived at the \$197.94 (Line 5a v) as the cost per response estimate as follows: \$7,660,000 plus \$111,220,000 = \$118,880,000 (which are the amounts indicated above in this No. 13 of the Supporting Statement), amortized over a
Line 5b v – Annual Cost Burden) = \$39,626,666.67	

²² This figure was calculated as follows: (50 legal hours x \$400 x 11 SRO trading centers) + (50 legal hours x \$400 x 372 non-SRO trading centers) = \$7,660,000. Based on industry sources, OEA estimates that the average hourly rate for outsourced legal services in the securities industry is \$400.

²³ As discussed above, we base our burden estimate of 50 hours of outsourced legal time on the burden estimate used for Regulation NMS because the policies and procedures developed in connection with that Regulation’s order protection rule are in many ways similar to what a broker-dealer would need to do to comply with the policies and procedures required under the proposed broker-dealer provision of the proposed modified uptick rule.

²⁴ This figure was calculated as follows: (50 legal hours x \$400 x 5,561 broker-dealers) = \$111,220,000. Based on industry sources, OEA estimates that the average hourly rate for outsourced legal services in the securities industry is \$400.

three-year period = \$39,626,666.67 (Line 5b v), divided by 200,196 responses = \$197.94 per response.

14. Estimate of Cost to the Federal Government

Not applicable.

15. Explanation of Changes in Burden

Not applicable.

16. Information Collections Planned for Statistical Purposes

Not applicable; there is no intention to publish the information for statistical purposes.

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

The collection of information does not employ statistical methods, nor would the implementation of such methods reduce burden or improve accuracy of results.