

SUPPORTING STATEMENT FOR NEW INFORMATION COLLECTIONS

Part 20 – Position Reports for Physical Commodity Swaps and Swaptions

OMB CONTROL NUMBER 3038-NEW

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) went into effect.¹ Title VII of the Dodd-Frank Act amends the Commodity Exchange Act (“CEA”)² to establish a comprehensive new regulatory framework for swaps and security-based swaps. In Section 737 of the Dodd-Frank Act, Congress amended Section 4a of the CEA to require the Commodity Futures Trading Commission (“Commission” or “CFTC”) to establish, among other requirements, aggregate position limits for physical commodity futures contracts traded on a designated contract market (“DCM”) as well as for swaps that are economically equivalent to these futures contracts. Prior to the Dodd-Frank Act, the Commission had the authority to set position limits on futures contracts and with respect to “significant price discovery contracts traded on an electronic trading facility.”³ Pursuant to new Section 4a(a)(2)(B), Congress mandated that the Commission set these position limits within 180 days for exempt commodity (chiefly energy and metal commodities) futures and swaps that are “economically equivalent” to covered futures and 270 days for agricultural commodity futures and swaps that are “economically equivalent” to covered futures. In order to enforce those limits after promulgation of a rule, the Commission would need the swap position data as proposed.

Prior to enactment of the Dodd-Frank Act, the CFTC’s reporting rules could be found in parts 15 through 19 and 21 of the CFTC’s regulations.⁴ The reporting rules were implemented by the Commission partly pursuant to the authority of sections 4a, 4c(b), 4g, and 4i of the Commodity Exchange Act. These regulations continue to provide the Commission with position data with respect to the futures and options markets. Given that Section 4a now mandates the Commission to establish and enforce position limitations on economically equivalent swaps, the Commission would need to adopt rules and regulations requiring the regular (daily) reporting of such swap positions to enforce the position limits.

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

² 7 U.S.C. 1 *et seq.*

³ Title XIII of the Food, Conservation and Energy Act of 2008, Pub. L. No. 110-246, 122 Stat. 1624 (June 18, 2008).

⁴ 17 C.F.R. parts 15 to 21.

Proposed CFTC regulation part 20 would require clearing organizations and any persons that are a “reportable entity” to file reportable positions with the Commission. Reportable entities are those persons that are either “clearing members” or are “swap dealers” that are otherwise not clearing members. For purposes of CFTC regulation part 20, reportable entities are required to submit data on “reportable positions.” An account becomes a “reportable position” when it contains fifty or more in “paired swaps or swaptions” positions, as defined in proposed regulation 20.2, on a futures equivalent basis in any one futures equivalent month. Once an account becomes reportable, then all positions associated with either the owner or controller of the reportable position would be submitted to the Commission.

2. Indicate how, by whom, and for what purpose the data would be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

As discussed above, Section 4a now mandates the Commission to establish and enforce position limitations on economically equivalent swaps, the Commission would need to adopt rules and regulations requiring the regular (daily) reporting of such swap positions to enforce the position limits. In addition, the part 20 data would contribute to the Commission’s comprehensive reporting system, including physical commodity futures and now economically equivalent swaps. With this additional data, surveillance staff would be better able to carry out their primary function: to identify situations that could pose a threat of manipulation and to initiate appropriate preventive actions.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The Commission is committed to utilizing technology in order to reduce reporting burdens for respondents. Accordingly, the Commission has provided for the electronic transmission of the required submissions.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This question does not apply.

5. If the collection of information involves small business or other small entities (Item 5 of OMB Form 83-I), describe the methods used to minimize burden.

Proposed CFTC regulation part 20 would not involve small businesses or other small entities. The Commission has previously determined that DCOs⁵ and FCMs⁶ are not “small entities” for purposes of the RFA. As noted above, a reportable paired swaps position would include fifty or more paired swaps positions in a futures equivalent month. All of the firms covered by proposed part 20 would either have a reportable position or would be clearing organizations. The Commission had determined that the reporting levels for futures in regulation 15.03 would not affect small entities.⁷ The Commission believes that the reportable account thresholds for swaps are similar to the reporting levels for futures positions and therefore does not believe that the firms covered by part 20 constitute small entities for RFA purposes.

6. Describe the consequence to the Federal Program or policy activities if the collection were conducted less frequently as well as any technical or legal obstacles to reducing burden.

The Commission would not be able to carry out its oversight responsibilities for the swap markets. The collection requirements are essential to the Commission’s mission as mandated by the Commodity Exchange Act, in particular, the amendments put forth in the Dodd-Frank Act. To properly enforce Commission-set position limits, the Commission would need the swap reporting data on a daily basis. These market activities require surveillance on a daily basis because situations such as attempted manipulations or congestion can develop rapidly and require equally rapid responses by the Commission. Adequate surveillance would be impossible, if transactional and position reports were received on less than a daily basis.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;

See response to question 6.

- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

The Commission generally regulates the trading of commodity derivatives, including futures and swaps, which are used to price a wide range of physical and financial commodity transactions. These transactions are vital to national and international commerce. The exercise of regulatory oversight for the purpose of conducting market surveillance, financial surveillance,

⁵ 66 FR 45604, 45609 (August 29, 2001).

⁶ Policy Statement and Establishment of Definitions of “Small Entities” for Purposes of the Regulatory Flexibility Act, 47 Fed. Reg. 18618, 18619 (Apr. 30, 1982).

⁷ Id. at 18620 (excluding large traders from the definition of small entity).

and monitoring of trading for abusive conduct, by necessity, requires the collection of transactional and position information on a daily basis.

- requiring respondents to submit more than an original and two copies of any document;

Respondents are required to submit only a single copy to the Commission.

- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;

Proposed regulation 20.6 would impose recordkeeping requirements on reporting clearing organizations, reporting entities, and persons with reportable swaps positions. Proposed regulation 20.6(a) would require clearing organizations to keep records of transactions in paired swaps or swaptions. Proposed regulation 20.6(b) would require reporting entities and persons with reportable positions to maintain “books and records... showing all records for transactions concerning all reportable positions.” In addition, reporting entities and persons with reportable positions would be required to keep books and records on “transactions in the cash commodity” and its products and byproducts, and “all commercial activities” that are hedged in 20.2 listed futures contracts, “or options thereon,” or paired swaps and swaptions. These recordkeeping requirements are very similar to those in current regulation 18.05.

The recordkeeping duties imposed by proposed regulation 20.6 are to be in accordance with regulation 1.31. Most pertinently, regulation 1.31(a)(1) requires that these transaction records be kept for five years, the first two of which they “shall be readily accessible.” Such books and records “shall be open to inspection by any representative of the Commission.”

These recordkeeping requirements would allow the Commission to have ready access to records that would enable surveillance staff to reconstruct the transaction history of reported positions. These requirements would ensure that data records submitted to the Commission could be audited. In addition, these records would enable Commission staff to better reconstruct trading activity that may have had a material impact on the commodity derivatives markets.

- In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;

The proposed reporting rules do not involve statistical surveys.

- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

The proposed reporting rules do not involve statistical data classifications.

- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data

security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

The proposed reporting rules do not directly involve any specific pledge of confidentiality regarding the collection of data (see answer to question 10).

- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The swap reporting rules do require the submission of data involving confidential information or proprietary trade secrets. The Commission would protect sensitive information according to the Freedom of Information Act and 17 CFR Part 145, "Commission Records and Information." In addition, the Commission fully complies with section 8(a) of the Commodity Exchange Act, which strictly prohibits the Commission, unless specifically authorized by the Commodity Exchange Act, from making public "data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers."

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice required by 5 C.F.R. 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

The proposed rule was published for a 30-day public comment period in the Federal Register -- 75 FR 67258 (11/02/2010).

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any, and on the data elements to be recorded, disclosed, or reported.

Opportunity for public comment is provided when regulations are proposed or amended. Contact with the reporting entities and market participants is maintained on a continuous and on an ongoing basis to resolve reporting problems and address concerns. The Commission has solicited comments through publication of proposed rules in the Federal Register. Commission staff has met with various entities that could be covered in the swap reporting rulemaking to discuss the scope of the rulemaking. The Commission would also, on an ongoing basis, solicit public comments through the notice required by 5 CFR 1320.8(d).

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years—even if the collection of information activity is the same as in prior periods. There may be

circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No such circumstances are anticipated.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

This question does not apply.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

The Commission does not provide respondents with an assurance of confidentiality, only to the extent permitted by law. The Commission fully complies with section 8(a)(1) of the Commodity Exchange Act, which strictly prohibits the Commission, unless specifically authorized by the Commodity Exchange Act, from making public “data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This question does not apply.

12. Provide estimates of the hour burden of the collection of information. The Statement should:

- Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than ten) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
- If the request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

- Provide estimates of annualized cost to respondents for the hours burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

Proposed part 20 would result in the collection of information on “paired swaps and swaptions” positions as defined in proposed regulation 20.1. Specifically, proposed part 20 provides for three new kinds of reports:

1. Under proposed regulation 20.3, swap “clearing organizations” would provide daily reports of relevant position and clearing data.
2. Under proposed regulation 20.4, “reporting entities” would produce position reports on a daily basis on their own and individual counterparty accounts. Within this class of “reporting entities,” there are two categories of “reporting entities:” (a) “clearing members” and (b) “swap dealers” that are not clearing members. The former category, “clearing members,” would include many firms that are currently registered as FCMs with the Commission. The Commission estimates that a total of 180 swap dealers transact in physical commodity swaps and thereby may be reporting entities under proposed part 20 (clearing members and non-clearing members combined).⁸
3. Finally, under proposed regulation 20.5, all “reporting entities” would submit identifying information to the Commission on new reportable accounts through a 102S filing on an appropriate basis, i.e. whenever the reportable entity has a new reportable account.

In addition to creating these reporting requirements, proposed regulation 20.6 would impose recordkeeping requirements for (1) clearing organizations, (2) reporting entities, and (3) persons with “reportable positions” in the covered futures contract listed in proposed regulation 20.2 or “paired swaps or swaptions.” Proposed regulation 20.6(a) would require clearing organizations to maintain “all records of transactions in paired swaps or swaptions” on clearing organizations. Proposed regulation 20.6(b) would require reporting entities and “persons with reportable positions” to maintain for all commodities in which it holds a reportable position “all records for transactions... in the cash commodity...[and] its products and byproducts” and in “commercial activities” underlying a hedge in a covered futures contract or in paired swaps or

⁸ While staff believes that there may likely be approximately 200 swap dealers in total, staff believes that of these 200 only 180 will have reportable accounts, i.e. will be active in physical commodity swaps and would therefore be subject to the reporting requirements of part 20.

swaptions. These provisions extend those recordkeeping requirements currently applicable to those traders holding reportable positions in futures contracts, as currently found in regulation 18.05, to those traders holding reportable positions in swaps.

The Commission estimates that implementing proposed part 20 would create a total annual reporting and recordkeeping hour burden of 79,503 hours across 705 firms: 5 clearing organizations; 100 clearing member reportable entities (80 of which would be swap dealers and 20 would be non-swap dealer clearing members); 100 swap dealer non-clearing member reportable entities; and 500 firms that would hold reportable accounts in swaps. Based on a weighted average wage rate of \$74.36,⁹ this would amount to an annualized labor cost of \$5.9 million.

Reporting burdens:

1. Proposed regulation 20.3 clearing organization reports would account for 938 of these annual reporting and recordkeeping hours. These hours would be spread across 5 respondents.
2. Proposed regulation 20.4 reporting entity reports would have two separate burden estimates based on the kind of reporting entity providing the report:
 - a. Clearing member (80 clearing member/swap dealers plus 20 clearing member/non-swap dealers) reporting entity reports would create an annual reporting and recordkeeping burden of 25,000 hours spread across 100 respondents.
 - b. Swap dealer non-clearing member reporting entity reports would create an annual reporting and recordkeeping burden of 37,500 hours spread across 100 respondents.
3. Proposed regulation 20.5 reporting entity 102S submissions would create an annual reporting and recordkeeping burden of 1,800 hours spread across 200 firms.
4. 40S submissions by persons with reportable positions under proposed regulation 20.5(b) in paired swaps would create an annual reporting and record keeping burden of 165 hours and would affect 500 firms.

Recordkeeping burdens:

⁹ The Commission staff's estimates concerning the wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$74.36 per hour is derived from figures from a weighted average of salaries and bonuses across different professions from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2009, modified to account for an 1800-hour work-year and multiplied by 1.3 to account for overhead and other benefits. The wage rate is a weighted national average of salary and bonuses for professionals with the following titles (and their relative weight); "programmer (senior)" (60% weight), "compliance advisor (intermediate)" (20%), "systems analyst" (10%), and "assistant/associate general counsel" (10%).

5. Proposed regulation 20.6(a) recordkeeping duties for clearing organizations would account for 100 of these annual reporting and recordkeeping hours. These hours would be spread across 5 firms.
6. Proposed regulation 20.6(b) reporting entity recordkeeping duties would have two separate burden estimates based on the kind of reporting entity providing the report:
 - a. Clearing member (80 clearing member/swap dealers plus 20 clearing member/non-swap dealers) reporting entity recordkeeping would create an annual reporting and recordkeeping burden of 2,000 hours spread across 100 respondents.
 - b. Swap dealer non-clearing member reporting entity recordkeeping would create an annual reporting and recordkeeping burden of 2000 hours spread across 100 respondents.
7. Proposed regulation 20.6(b) recordkeeping duties for persons with reportable positions in swaps (these firms were previously were not reportable) would create an annual reporting and recordkeeping burden of 10,000 hours spread across 500 firms.

The Commission estimates that the total annualized labor costs associated with complying with the proposed rule 20 would be approximately \$6.7 million. The wage rate used to determine this figure was \$74.36 per hour. The Commission's estimates concerning the wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$74.36 per hour is derived from figures from a weighted average of salaries and bonuses across different professions from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2009, modified to account for an 1800-hour work-year and multiplied by 1.3 to account for overhead and other benefits. The wage rate is a weighted national average of salary and bonuses for professionals with the following titles (and their relative weight) "programmer (senior)" (60% weight), "compliance advisor (intermediate)" (20%), "systems analyst" (10%), and "assistant/associate general counsel" (10%).

In Attachment A the Commission has provided the key assumptions and calculations used to derive labor burden estimates.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).
 - The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to

estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

The Commission estimates that the total annualized capital, operational, and maintenance costs associated with complying with the proposed rule 20 would be approximately \$32.7 million.¹⁰ Of this \$32.7 million, \$19.65 million is from annualized capital and start-up costs and \$13.05 million is from operating and maintenance costs. These cost estimates are based on Commission staff's estimated costs to acquire needed equipment and contracted expertise to develop the reports and recordkeeping capabilities required in the proposed part 20. The specific figures are based on estimates provided to Commission staff in trade interviews with potentially affected parties.¹¹

Reporting burdens:

1. Proposed regulation 20.3 clearing organization reports would result in annualized capital/start-up costs of approximately \$50,000 and operating, and maintenance costs of \$50,000.

2. Proposed regulation 20.4 reporting entity reports would have two separate burden estimates based on the kind of reporting entity providing the report:

¹⁰ All of the capital cost figures are based on a 5 year, straight line depreciation.

¹¹ Staff tasked with assisting the Commission in developing the proposed regulations made this recommendation after meeting with or speaking to several outside parties, representing clearing members, swap dealers, swap data service providers, and our sister financial regulators. See http://www.cftc.gov/LawRegulation/DoddFrankAct/ExternalMeetings/otc_meetings.html.

- a. Clearing member, involving approximately 100 firms, 80 clearing member/swap dealers plus 20 clearing member/non-swap dealers, reporting entity reports would result in \$4 million per year in annualized capital/start-up costs and \$6 million in operating, and maintenance costs.
 - b. Swap dealer non-clearing member reporting entity reports involving approximately 200 firms would result in \$6 million per year in annualized capital/start-up costs and \$8 million in operating, and maintenance costs.
3. Proposed regulation 20.5 reporting entity 102S submissions would create operating and maintenance costs of approximately \$1 million spread across 200 reporting entities.
4. 40S submissions by persons with reportable positions under proposed regulation 20.5(b) in paired swaps would result in an annualized \$1.5 million in capital and start-up costs and \$500,000 in operating and maintenance costs spread across 500 firms.

Recordkeeping burdens:

5. Proposed regulation 20.6(a) recordkeeping duties for clearing organizations would result in approximately \$50,000 in operating, and maintenance costs.
6. Proposed regulation 20.6(b) reporting entity recordkeeping duties would have two separate cost estimates based on the kind of reporting entity providing the report:
 - a. Clearing member recordkeeping would create operating, and maintenance costs of approximately \$2 million.
 - b. Swap dealer non-clearing member reporting entity recordkeeping would create operating and maintenance costs of approximately \$2 million.
7. Proposed regulation 20.6(b) recordkeeping duties for persons with reportable positions in swaps (these firms were previously were not reportable) would create annualized capital/start-up costs of \$1.5 million and operating and maintenance costs of approximately \$10 million.

In Attachment B the Commission has provided the key assumptions and calculations used to derive these figures.

14. Provide estimates of the annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The Commission estimates that the equivalent of approximately 20 new staff members will be needed to process and monitor the reports provided for in the proposed part 20. The staff needed would include industry economists, statisticians, and information technology staff, including computer programmers. These estimates are based on estimated labor costs associated with processing analogous reports that would be received pursuant to proposed part 20. At an average CT-12 pay grade for Commission employees in Washington, D.C. for 2010, or \$89,844, multiplied by 1.3 to account for overhead and other benefits, each employee would cost the Commission approximately \$116,797 or \$2.24 million per year in labor costs. These costs would be expected to decrease as automated systems are put into place after some 12-18 months after the effective date of the part 20 reports.

In addition, the Commission believes that the total annualized capital, operational, and maintenance costs associated with complying with the proposed rule 20 would be approximately \$100,000. These estimated expenses are also derived from analogous existing reporting capital and associated processes.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

This question does not apply.

16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

This question does not apply.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This question does not apply.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement. The Commission is able to certify compliance with the provisions of 5 CFR 1320.9.

Attachment A

13. Annual Reporting and Recordkeeping Hour Burden

Part 20 – Position Reports for Physical Commodity Swaps and Swaptions

OMB Collection File 3038-NEW

Number of Respondents: 705 reporting firms plus 500 recordkeeping firms
 Estimated Average Hours Per Response: 1.58
 % of Responses Collected Electronically: 93.3%
 Estimated Labor Costs: \$5.9 million
 Frequency of Reporting: Daily for respondents and on special call by the Commission for 40S and 102S filings

Type of respondent	Applicable CFTC Proposed Regulation Section (17 CFR)	Total Number of Respondents (13(a))	Total Annual Responses (13(b))	Percentage of Responses Collected Electronically (13(b) (1))	Total Annual Hours Requested (13(c))	Current OMB Inventory (13(d))	Difference (13(e))	Explanation of difference Program Change - Program Change (13(f)(1))	Total Annualized Labor Costs
Clearing organization reports	20.3	5	1250	100.0%	937.5	0	937.5	937.5	\$69,715

Clearing member reporting entity reports	20.4	100	25000	100.0%	25000	0	25000	25000	\$1,859,076
Swap dealer non-clearing member reporting entity reports	20.4	100	25000	100.0%	37500	0	37500	37500	\$2,788,614
Clearing organization recordkeeping	20.6(a)	5	5	100.0%	100	0	100	100	\$7,436
Clearing member reporting entity recordkeeping	20.6(b)	100	100	100.0%	2000	0	2000	2000	\$148,726
Swap dealer non-clearing member reporting entity recordkeeping	20.6(b)	100	100	100.0%	2000	0	2000	2000	\$148,726

"Persons with reportable positions" recordkeeping	20.6(b)	500	500	100.0%	1000	0	10000	10000	\$743,630
102S Filings	20.5	200	3600	25.0%	1800	0	1800	1800	\$133,853
40S Filings	20.5	500	500	25.0%	165	0	165	165	\$12,270

Attachment B

14. Annual Reporting and Recordkeeping Cost Burden

Part 20 – Position Reports for Physical Commodity Swaps and Swaptions

OMB Collection File 3038-NEW

Number of Respondents: 705 reporting firms plus 500 recordkeeping firms

Estimated Annual Annualized Capital, Operating, and Maintenance Costs: \$32.7 million

Frequency of Reporting: Daily for respondents and on special call by the Commission for 40S and 102S filings

Type of respondent	Applicable CFTC Proposed Regulation Section (17 CFR)	Total Number of Respondents	Total Annualized Capital/Start-up Costs (14(a))	Total Annual Costs (Operating & Maintenance) (14(b))	Total Annualized Cost Requested (14(c))	Current OMB Inventory (14(d))	Difference (14(e))	Average Annual Capital + O&M Costs
Clearing organization reports	20.3	5	\$50,000	\$50,000	\$100,000	\$0	\$100,000	\$20,000.00
Clearing member reporting entity reports	20.4	100	\$4,000,000	\$2,000,000	\$6,000,000	\$0	\$6,000,000	\$60,000.00
Swap dealer non-clearing	20.4	100	\$6,000,000	\$2,000,000	\$8,000,000	\$0	\$8,000,000	\$80,000.00

member reporting entity reports								
Clearing organization recordkeeping	20.6(a)	5	\$0	\$100,000	\$100,000	\$0	\$100,000	\$20,000.00
Clearing member reporting entity recordkeeping	20.6(b)	100	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$20,000.00
Swap dealer non-clearing member reporting entity recordkeeping	20.6(b)	100	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$20,000.00
"Persons with reportable positions" recordkeeping	20.6(b)	500	\$1,500,000	\$10,000,000	\$13,500,000	\$0	\$13,500,000	\$13,500.00
102S Filings	20.5	200	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$5,000.00
40S Filings	20.5	500	\$1,500,000	\$500,000	\$2,000,000	\$0	\$2,000,000	\$4,000.00

