

**SUPPORTING STATEMENT FOR PROPOSED RULES UNDER THE
SECURITIES ACT OF 1933,
SECURITIES EXCHANGE ACT OF 1934,
DODD-FRANK WALL STREET REFORM AND
CONSUMER PROTECTION ACT**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq.

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

In Release No. 33-9186,¹ the Securities and Exchange Commission (the “Commission”) proposed amendments to certain rules and form requirements pursuant to Section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“the Act”). These amendments would replace rule and form requirements under the Securities Act of 1933 and the Securities Exchange Act of 1934 for securities offering or issuer disclosure rules that rely on, or make special accommodations for, security ratings (for example, Forms S-3 and F-3 eligibility criteria) with alternative requirements

The proposed amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles for the collections of information contained by the proposed amendments are:

“Form S-1” (OMB Control No. 3235-0065) ;

“Form S-3” (OMB Control No. 3235-0073);

“Form F-1” (OMB Control No. 3235-0258);

“Form F-3” (OMB Control No. 3235-0256);

“Form F-9” (OMB Control No. 3235-0377)²; and

“Form F-10” (OMB Control No. 3235-0380).

¹ Security Ratings, Release No. 33-9186 (February 9, 2011) [76 FR 8946].

² The Commission has proposed to rescind Form F-9, which would eliminate this as a title for the collection of information if the proposal is adopted.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of the proposed collections of information is to implement the provisions of Section 939A of the Act to replace rule and form requirements under the Securities Act of 1933 and the Securities Exchange Act of 1934 for securities offering or issuer disclosure rules that rely on, or make special accommodations for, security ratings (for example, Forms S-3 and F-3 eligibility criteria) with alternative requirements.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements of the amendments will be set forth in Form S-1, Form S-3, Form F-1, Form F-3 and Form F-10.³ These forms and schedules are filed electronically with the Commission using the Commission's Electronic Data Gathering, Analysis and Retrieval system.

4. DUPLICATION OF INFORMATION

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

5. REDUCING THE BURDEN ON SMALL ENTITIES

We anticipate that the amendments will increase the burdens and costs for companies that would be subject to the proposed amendments. We are not aware of any issuers that currently rely on the rules that we propose to change or any issuers that would be eligible to register under the affected rules that is a small entity, however. In this regard, we note that credit rating agencies rarely, if ever, rate the securities of small entities. We further note most security ratings are obtained and used by the issuer. For these reasons, the amendments should not have a significant economic impact on small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The regulations and forms set forth the disclosure requirements for registration statements and proxy and information statements filed by companies to help investors make informed investment and voting decisions. Less frequent collection would deprive investors of access to information that is important to their voting and investment decisions.

7. SPECIAL CIRCUMSTANCES

Not applicable.

³ The Commission has proposed to rescind Form F-9, which would eliminate the collection of information for that form if the proposal is adopted.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The Commission has issued a proposing release soliciting comment on the new “collection of information” requirements and associated paperwork burdens. A copy of the proposing release is attached. In response to the solicitation for comment in the proposing release, registrants, investors, and other market participants provide comments. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, roundtables and meetings. The Commission will consider all comments received prior to publishing the final rule as required by 1320.11(f). The public can review comments at <http://www.sec.gov/comments/s7-18-08/s71808.shtml>.

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. CONFIDENTIALITY

Not applicable.

11. SENSITIVE QUESTIONS

Not applicable.

12. AND 13. ESTIMATES OF HOUR AND COST BURDENS

The Commission expects that under the proposed rules, the number of companies in a 12-month period eligible to register on Form S-3 or Form F-3 for primary offerings of non-convertible securities for cash will decrease by approximately 14 issuers for Form S-3 and one issuer for Form F-3. We expect that the issuers filing on Form S-1 and F-1 will increase by the same amounts.

In addition, because these proposed amendments relate to eligibility requirements, rather than disclosure requirements, the Commission does not expect that the proposed revisions will impose any new material recordkeeping or information collection requirements. Issuers may be required to ascertain the aggregate principal amount of non-convertible securities issued in registered primary offerings for cash, but the Commission believes that this information should be readily available and easily calculable.

We are also proposing to rescind Form F-9, which is the form used by qualified Canadian issuers to register investment grade securities. Because of recent Canadian regulatory developments, we no longer believe that keeping Form F-9 as a distinct form would serve a useful purpose. In addition, Canadian issuers have infrequently used Form F-

9. As a result of the proposal to eliminate Form F-9, we believe there would be an additional five filers on Form F-10.⁴ We do not believe that the burden of preparing Form F-10 will change because the information required by Form F-10 is the same as that required by Form F-9.

For purposes of the Paperwork Reduction Act, we estimate that there will be no annual incremental increase in the paperwork burden for issuers to comply with our proposed collection of information requirements. We do estimate, however, that the number of respondents on Forms S-1, F-1 and F-10 will increase as a result of the proposals. As a result, the aggregate burden hour and professional cost numbers will increase for those forms due to the additional number of respondents. We also expect that the number of respondents will decrease for Forms S-3 and F-3, which will reduce the aggregate burden hour and professional costs for those forms.⁵ These estimates represent the average burden for all companies, both large and small. For each estimate, we calculate that a portion of the burden will be carried by the company internally, and the other portion will be carried by outside professionals retained by the company. The portion of the burden carried by the company internally is reflected in hours, while the portion of the burden carried by outside professionals retained by the company is reflected as a cost. We estimate these costs to be \$400 per hour. A summary of the proposed changes is included in the table below.

Table 1: Calculation of Incremental PRA Burden Estimates

| | Current Annual Responses (A) | Proposed Annual Responses (B) | Current Burden Hours (C) | Increase/(Decrease) in Burden Hours (D) | Proposed Burden Hours (E) =C+D | Current Professional Costs (F) | Increase/(Decrease) in Professional Costs (G) | Proposed Professional Costs =F+G |
|-----------|------------------------------|-------------------------------|--------------------------|---|--------------------------------|--------------------------------|---|----------------------------------|
| Form S-1 | 768 | 782 | 186,414 | 3,401 | 189,815 | \$223,697,200 | \$4,077,817 | \$227,775,017 |
| Form S-3 | 2,065 | 2,051 | 236,959 | (1,607) | 235,352 | \$284,350,500 | (\$1,927,800) | \$282,422,700 |
| Form F-1 | 42 | 43 | 18,975 | 452 | 19,427 | \$22,757,400 | \$541,843 | \$23,299,243 |
| Form F-3 | 106 | 105 | 4,426 | (42) | 4,384 | \$5,310,600 | (\$50,100) | \$5,260,500 |
| Form F-10 | 75 | 80 | 469 | 31 | 500 | \$562,500 | \$37,500 | \$600,000 |
| Total | | | | 2,232 | | | \$2,679,257 | |

⁴ Based on a review of Commission filings, since January 1, 2007, only 21 issuers have filed on Form F-9. As a result, we estimate that over a 12-month period, approximately five additional Form F-10s would be filed.

⁵ We propose to rescind Form F-9, which would eliminate the PRA burden for that form if the proposal is adopted, but we expect that the number of respondents on Form F-10 would increase as a result.

14. COSTS TO FEDERAL GOVERNMENT

We estimate that the cost of preparing the amendments will be approximately \$50,000.

15. REASON FOR CHANGE IN BURDEN

We estimate that there will be no annual incremental increase in the paperwork burden for issuers to comply with our proposed collection of information requirements. We do estimate, however, that the number of respondents on Forms S-1, F-1 and F-10 will increase as a result of the proposals. As a result, the aggregate burden hour and professional cost numbers will increase for those forms due to the additional number of respondents. We also expect that the number of respondents will decrease for Forms S-3 and F-3, which will reduce the aggregate burden hour and professional costs for those forms.

Table 2 below illustrates the changes in cost and hour burdens from the burden estimates currently approved by OMB. Columns (A) and (B) represent the most recent burden estimates submitted to OMB. Columns (C) and (D) represent the new burden estimates under the proposed amendments. Columns (E) and (F) represent the program change, which encompasses the change in the burden estimates attributable to the proposed amendments.

Table 2:⁶

| | Current Burden | | Change in Burden | | Program Change | |
|-----------|------------------|------------------------|---------------------------|---------------------------------|--|--|
| | Burden Hours (A) | Professional Costs (B) | Proposed Burden Hours (C) | Proposed Professional Costs (D) | Increase/ (Decrease) in Burden Hours (E) | Increase/ (Decrease) in Professional Costs (F) |
| Form S-1 | 186,414 | \$223,697,200 | 189,812 | \$227,775,014 | 3,398 | \$4,077,814 |
| Form S-3 | 236,959 | \$284,350,500 | 235,352 | \$282,422,700 | (1,607) | (\$1,927,800) |
| Form F-1 | 18,975 | \$22,757,400 | 19,427 | \$23,299,243 | 452 | \$541,843 |
| Form F-3 | 4,426 | \$5,310,600 | 4,384 | \$5,260,500 | (42) | (\$50,100) |
| Form F-10 | 469 | \$562,500 | 500 | \$600,000 | 31 | \$37,500 |
| Total | | | | | 2,232 | \$2,679,257 |

⁶ Figures in Table 2 have been rounded to the nearest whole number.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

Not applicable.

17. DISPLAY OF OMB APPROVAL DATE

Not applicable.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

Not applicable.

B. STATISTICAL METHODS

Not applicable.