

## SUPPORTING STATEMENT FOR NEW AND REVISED INFORMATION COLLECTIONS

OMB CONTROL NUMBER 3038-\_\_\_\_\_

### 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.

Section 723 of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, Pub L. No. 111-203, 124 Stat. 1376 (2010)) amended Section 2 of the Commodity Exchange Act (“CEA” or “Act”) by adding new Section 2(h)(5), which directs that rules adopted by the Commission pursuant to this section shall provide for the reporting of data relating to swaps entered into before the date of enactment of the Dodd-Frank Act, the terms of which have not expired as of the date of enactment of that Act (“pre-enactment swaps”) and data relating to swaps entered into on or after the date of enactment of the Dodd-Frank Act and prior to the compliance date specified in swap data reporting rules implementing Section 2(h)(5)(B) (“transition swaps”).

Section 729 provides for reporting to the Commission of uncleared swaps that are not accepted by any SDR. Under this provision, counterparties to such swaps must maintain books and records pertaining to their swaps in the manner and for the time required by the Commission, and must make these books and records available for inspection by the Commission or other specified regulators if requested to do so. It also requires counterparties to such swaps to provide reports concerning such swaps to the Commission upon its request, in the form and manner specified by the Commission. Such reports must be as comprehensive as the data required to be collected by SDRs.

Section 729 establishes in new CEA Section 4r(a)(2)(A) a transitional rule applicable to pre-enactment swaps. Section 4r(a)(2)(A) provides for the reporting of pre-enactment swaps the terms of which have not expired as of the enactment of the Dodd-Frank Act to an SDR or the Commission, by a date that the Commission determines to be appropriate. Section 4r(a)(2)(B) directed the Commission to promulgate an interim final rule within 90 days of the date of enactment of the Dodd-Frank Act providing for the reporting of such pre-enactment swaps.

The proposed rule refers to the two types of swaps addressed in CEA Section 2(h)(5) as follows. “Pre-enactment swap” means a swap executed before date of enactment of the Dodd-Frank Act (i.e., before July 21, 2010) the terms of which have not expired as of the date of enactment of that Act. “Transition swap” means a swap executed on or after the date of enactment of the Dodd-Frank Act (i.e., July 21, 2010) and before the compliance date specified in the final swap data reporting and recordkeeping requirements regulations in part 45 of this chapter. Collectively, the proposed rule refers to pre-enactment swaps and transition swaps as “historical swaps.”

This supporting statement concerns new collections of information found in proposed regulations that relate to these Dodd-Frank Act requirements. The proposed regulations would be found in 17 CFR Part 46 and would impose recordkeeping and reporting requirements, relating to historical swaps, on the following entities: swap dealers (“SDs”), major swap participants (“MSPs”), and non-SD/MSP counterparties. Under proposed Regulation 46.2, affected entities are required to keep certain records relating to historical swaps; under proposed Regulation 46.3, affected entities are required to make an initial data report regarding historical swaps, as well as certain ongoing reports, if applicable. The collections of information are described more fully in response to Question 12.

The information collection obligations imposed by the proposed regulations are necessary to ensure that complete data concerning swaps is available to the Commission and other regulators, as required by the CEA as amended by the Dodd-Frank Act. The data would be reported to and maintained in swap data repositories, where it would not be disclosed publicly, but would be available to the Commission and other financial regulators for fulfillment of various regulatory mandates.

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.

The data on historical swaps required to be collected by the proposed regulations would be used to fulfill the fundamental systemic risk mitigation, transparency, and market supervision purposes for which the Dodd-Frank Act was enacted. The data would be used to provide regulations with complete information regarding the entire swap market. It would provide the Commission and other financial regulators with necessary insight concerning the number of transactions and the number and type of participants involved in the swap market, as well as its outstanding notional size. Such information provides both a baseline against which to assess the development of the swap market over time and a first step toward a transparent and well-regulated market for swaps. The data required to be collected would also allow the Commission to prepare the semi-annual reports it is required to provide to Congress.

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 required swap data would be reported electronically. The information collection requirements do not include a requirement that a reporting party publish or maintain any related information or data on paper.

In order to reduce the reporting burden, the proposed regulations state that for historical swaps no longer in existence as of April 25, 2011 (the date of publication of the proposed rule), the required data report may be made via any method selected by the affected entity.

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.

The required information is not already collected by the Commission for any other purpose, collected by any other agency, or available for public disclosure through any other source. Prior to enactment of the Dodd-Frank Act, the Commission did not have authority to require swap data recordkeeping and reporting. There are no existing regulations that could be modified to serve a similar purpose.

Even though the required information is not already required to be collected by any other agency or regulation, in some instances, affected entities may have voluntarily reported the required information to a trade repository, prior to the time when reports are required under the proposed regulations. The proposed rule provides that if such a repository registers with the Commission as an SDR, the affected entities need not provide duplicative information to the SDR, but would have to report only required information that had not already been reported.

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

The proposed rule sets forth recordkeeping and reporting requirements with respect to historical swaps. The entities affected by the proposed regulations include swap dealers (“SDs”), major swap participants (“MSPs”), and counterparties to swaps who are neither SDs nor MSPs (non-SD/MSP counterparties). The Commission has previously established certain definitions of “small entities” to be used in evaluating the impact of Commission regulations on such entities in accordance with the Regulatory Flexibility Act. In its previous determinations, the Commission has concluded that designated contract markets and derivatives clearing organizations are not small entities for the purposes of the RFA. As SDs and MSPs are new entities to be regulated by the Commission pursuant to the Dodd-Frank Act, the Commission has not previously determined whether they are small entities for the purpose of the RFA. The Commission also determines that SDs and MSPs covered by these rules, for reasons similar to those applicable to DCMs and DCOs, are not small entities.

The Commission has attempted to lessen the recordkeeping and reporting burden faced by non-SD/MSP counterparties. The Commission believes that the records the proposed rule would require to be kept are already kept by swap counterparties in their normal course of business. Furthermore, the proposed rule would require non-SD/MSP counterparties to make data reports only with respect to swaps in which neither counterparty is an SD or MSP. The considerable majority of swaps involve at least one SD or MSP. Additionally, for swaps that were no longer in existence as of April 25, 2011 (the publication date of the proposed rule), the proposed rule permits counterparties to make the required data reports via any method selected

by the counterparty. For these reasons, the Commission believes that the burden on non-SD/MSP counterparties would be lessened.

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.

Failure to maintain the records or to report the swap data required by the proposed regulations would adversely affect the Commission's ability to ensure that complete data concerning all swaps is maintained in swap data repositories and available to the Commission and other regulators, as required by the Dodd-Frank Act. The information collection cannot be conducted less frequently without compromising the accuracy and timeliness of the data.

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;

The proposed regulations require reporting to the Commission only in the exceptional case of a swap in an asset class for which no swap data repository currently accepts swap data. Such reporting would be required only when requested by the Commission.

With respect to data reporting to SDRs, the proposed regulations require affected entities to make a single initial data report to an SDR, on the compliance date specified in the Commission's final swap data rules in Part 45. For swaps that are in existence as of that date, the proposed regulations would also require affected entities to make ongoing data reports. The frequency of the ongoing reports would depend on various factors such as the reporting approach used by the SDR ("snapshot" reporting or "lifecycle" reporting approach). Ongoing reports may be required to be made as frequently as daily ("snapshot" approach) or as infrequently as whenever a reportable change occurs in the terms of the swap ("lifecycle" approach). Information collection at this rate is necessary to fulfill the requirements of the CEA as amended by the Dodd-Frank Act, and to provide regulators with accurate and timely information.

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

This question does not apply. The proposed regulations call for reporting swap data electronically.

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

This question does not apply. The proposed regulations call for reporting swap data electronically.

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

Proposed Regulation 46.2 requires affected entities to keep records on historical swaps through the life of the swap, and for a period of at least five years from the final termination of the swap. This retention period is required because swap transactions can continue to exist over substantial periods of time, during which their key economic terms can change. Accordingly, swaps must be monitored by the Commission and other financial regulators throughout their existence, pursuant to the Dodd-Frank Act. Furthermore, a retention period of five years following the termination of the swap is required to provide regulators with a complete picture of the recent swap market.

- 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;

This question does not apply. The proposed regulation does not require nor involve any statistical surveys.

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

This question does not apply. The proposed regulation does not require nor involve the use of any statistical data classification.

- 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

This question does not apply. The proposed regulation does not require a pledge of confidentiality.

- 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 Commission's proposed regulations for swap data repositories require SDRs to maintain safeguards against the misappropriation or misuse of swap data. The Commission is prohibited (with limited exceptions) from disclosing swap data pursuant to Section 8 of the CEA where it 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 Commission is affirmatively seeking comment from the public and from other federal agencies on the information collection requirements of the proposed regulations. A copy of the proposed regulation as it will appear in the *Federal Register* is attached hereto.

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.

A public roundtable was held on September 14, 2010 at the CFTC headquarters in Washington, DC. At the roundtable, representatives from affected sectors of the swap markets engaged in public dialogue with members of Commission staff who are responsible for drafting the proposed Regulations. The roundtable discussion addressed issues relating to the reporting of data to SDRs, e.g., who would report the data, how frequently the data would be reported, and what data should be reported. The public transcript of the roundtable discussion is available on the Commission's Internet web site at [www.cftc.gov](http://www.cftc.gov).

Throughout the drafting process, CFTC staff also met and consulted with swap industry participants as well as other U.S. federal regulators and agencies. The purpose of these meetings was to obtain information on current practices within the swap market and to obtain input on the practices to be set forth in the proposed regulations. The meetings focused on issues similar to the questions discussed at the roundtable.

The Commission is affirmatively seeking comment from the public and from other federal agencies on the information collection requirements of the proposed regulation.

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.

If the proposed regulations are adopted, the Commission will protect proprietary information according to the Freedom of Information Act and the regulations that the

Commission has promulgated to protect the confidentiality of collected information contained in 17 CFR 145, "Commission Records and Information." In addition, section 8(a) of the CEA provides for the confidentiality of data and information except under the limited circumstances delineated therein. The Commission also is required to protect certain information pursuant to the Privacy Act of 1974.

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. The proposed regulations do not request or require the provision of sensitive information, as that term is used in question 11.

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 out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

New collections of information are imposed by proposed Regulation 46.2 and proposed Regulation 46.3. As detailed below, there is an estimated one-time burden for each of these regulations, for a total estimated one-time burden of \$25,840,800.

#### Proposed Regulation 46.2: Recordkeeping Burdens

Under proposed Regulation 46.2, all counterparties to historical swaps would be required to keep records relating to such swaps. For swaps that are in existence as of or after the

enactment of the Dodd-Frank Act, but are expired as of the publication of the proposed rule, the proposed Regulation 46.2 requires that parties simply maintain the swap records already in their possession, in the form in which they are already maintained. This does not represent a new burden to affected entities; rather, this burden was previously imposed and accounted for in the interim final rule for reporting pre-enactment swap transactions, published on October 14, 2010, and the interim final rule for reporting certain post-enactment swap transactions, published on December 17, 2010.

For historical swaps that are in existence as of or after the publication of the proposed rule, the proposed Regulation 46.2 would require counterparties to keep records of a minimum set of primary economic data relating to such swaps. The Commission believes that counterparties already would possess this set of primary economic data as part of their normal business practices. The proposed regulation provides that counterparties must record certain additional information (e.g., information relating to confirmation) only if the counterparty is in possession of that information on or after the publication date of the proposed rule. After the compliance date specified in the Commission's final swap data rules in Part 45, proposed Regulation 46.2 provides that counterparties must record information required by recordkeeping provisions of those final swap rules only if such information is available to the counterparty on or after the compliance date specified in those final rules.

For historical swaps that are in existence as of or after the publication date of the proposed rule, the rule would require the counterparties to keep the required records beginning on the publication date of the proposed rule and through the life of the swap, and for a period of at least five years from the final termination of the swap. In calculating the burden of this recordkeeping requirement, the Commission will not include the burdens occurring after the compliance date specified in the Commission's final swap data rules in Part 45; the burden occurring after the compliance date is and will be subsumed by the recordkeeping burdens calculated for those final rules.<sup>1</sup> Therefore, for this proposed rule, the Commission will only calculate a recordkeeping burden for the time period beginning with the publication date of this proposed rule, and ending on the compliance date specified in the final rules. The Commission estimates this period of time to be approximately one year. The Commission estimates that 30,300 SDs, MSPs, and non-SD/MSP counterparties will be affected by these recordkeeping burdens during this time.<sup>2</sup> With respect to SDs and MSPs (an estimated 300 entities or persons), which will have higher levels of swap recording activity than non-SD/MSP counterparties, the Commission estimates that the average one-time burden per entity is 40 hours, excluding customary and usual business practices. With respect to non-SD/MSP reporting counterparties

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<sup>1</sup> The recordkeeping burden for those final rules is calculated based on the number of annual counterparties to swaps and therefore implicitly include counterparties to pre-enactment and transition swaps that are unexpired after the compliance date.

<sup>2</sup> As noted, the applicable recordkeeping burden applies during a period estimated by the Commission to be one year. The Commission has previously estimated that there are annually 30,000 non-SD/MSP entities who are counterparties to a swap (see, e.g., the Commission's Paperwork Reduction Act statement for the Swap Data Recordkeeping and Reporting Requirements Proposed Rulemaking). The Commission has also previously estimated that there are 250 SDs and 50 MSPs. Therefore, a total of 30,300 entities would be subject to the recordkeeping burdens of the proposed rule.

(an estimated 30,000 entities or persons), who will have lower levels of swap recording activity, the Commission estimates that the average one-time burden per entity is 10 hours, excluding customary and usual business practices. Therefore, the total aggregate one-time burden is 312,000 hours.<sup>3</sup> With an estimated wage rate of \$72.75 per hour,<sup>4</sup> the estimated annualized cost to respondents is \$22,698,000.

### Proposed Regulation 46.3: Reporting Burdens

The reporting obligations set forth in proposed Regulation 46.3 involve both an initial data report and ongoing reporting of required swap continuation data relating to historical swaps. For historical swaps that are in existence as of or after the enactment of the Dodd-Frank Act, but expired prior to publication of the proposed rule, the rule would require only an initial data report.

The proposed regulation provides that reporting counterparties for historical swaps must make an initial data report relating to those swaps. The frequency of the report would be once per swap, and the report would occur on the compliance date specified in the Commission's final swap data recordkeeping and reporting regulations in Part 45. The report would not be required to be made for historical swaps that are expired as of the enactment of the Dodd-Frank Act. The Commission estimates that there are 1,800 affected entities who will be reporting counterparties for pre-enactment and transition swaps.<sup>5</sup> The Commission estimates that the average one-time reporting burden for each affected entity is 24 hours. Therefore, the total aggregate one-time

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<sup>3</sup> The Commission requested public comment on this estimate.

<sup>4</sup> In arriving at a wage rate for the hourly costs imposed, Commission staff used the Management & Professional Earnings in the Securities Industry Report, published in 2010 by the Securities Industry and Financial Markets Associations (2010 Report). The wage rate used is a composite (blended) wage rate by averaging the mean annual salaries of an Assistant/Associate General Counsel, an Assistant Compliance Director, and a Programmer (Senior) as published in the 2010 report and dividing that figure by 2000 annual working hours to arrive at the hourly rate of \$72.75.

<sup>5</sup> The Commission has previously estimated that there are annually 1,500 non-SD/MSP counterparties who are a "reporting counterparty" (see, e.g., the Commission's Paperwork Reduction Act statement for the Swap Data Recordkeeping and Reporting Requirements Proposed Rulemaking). In addition, the Commission has previously estimated that there are 250 SDs and 50 MSPs. The Commission believes that the number of entities who are reporting counterparties to pre-enactment or transition swaps (that are in existence as of or after the enactment of the Dodd-Frank Act) is similar to the number of annual reporting counterparties. The Commission requests comment on this estimate.

burden is 43,200 hours.<sup>6</sup> With an estimated wage rate of \$72.75 per hour,<sup>7</sup> the estimated annualized cost to respondents is \$3,142,800.

The proposed regulation also provides for an ongoing reporting obligation that must be fulfilled by reporting counterparties to historical swaps that are in existence as of the compliance date specified in the Commission's final swap data reporting rules in part 45. The burden for this ongoing reporting is and will be subsumed by the reporting burden calculated for the Commission's final swap data recordkeeping and reporting regulations in Part 45.<sup>8</sup> Therefore, for this proposed rulemaking, the Commission will not calculate a burden estimate for ongoing reporting.

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

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<sup>6</sup> The Commission requested public comment on this estimate.

<sup>7</sup> In arriving at a wage rate for the hourly costs imposed, Commission staff used the Management & Professional Earnings in the Securities Industry Report, published in 2010 by the Securities Industry and Financial Markets Associations (2010 Report). The wage rate used is a composite (blended) wage rate by averaging the mean annual salaries of an Assistant/Associate General Counsel, an Assistant Compliance Director, and a Programmer (Senior) as published in the 2010 report and dividing that figure by 2000 annual working hours to arrive at the hourly rate of \$72.75.

<sup>8</sup> The reporting burden for those final rules is calculated based on the number of annual "reporting counterparties" to swaps and therefore implicitly include reporting counterparties to pre-enactment and transition swaps that are unexpired after the compliance date.

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 proposed Regulations 46.2 and 46.3 will require affected entities to undertake capital and start up costs, as well as annual operation and maintenance costs, relating to setting up systems for recordkeeping and reporting of data. These costs do not represent new costs to the affected entities. Both proposed Part 45 and proposed Part 46 regulations require recordkeeping and reporting by affected entities. In its Supporting Statement relating to proposed Part 45 regulations, the Commission previously laid out costs to affected entities for setting up recordkeeping and reporting systems. The Commission anticipates that the entities will use the same recordkeeping and reporting systems to comply with both Part 45 and Part 46. Therefore, no new costs are imposed by proposed Part 46.

In the Commission's OMB Supporting Statement relating to Part 45, the Commission estimated that the total annual cost burden to affected entities under that Part 45 would be approximately \$253 million annually. This cost was based on an estimation of 30,300 annual swap counterparties. The cost was calculated based on the capital and start up cost as well as the annual operation and maintenance cost of setting up recordkeeping and reporting systems to comply with the data recordkeeping and reporting requirements of Part 45. The Commission anticipates that the same systems will be used by affected entities to comply with both proposed Part 45 and proposed Part 46. Therefore, the instant proposed Part 46 does not impose any additional (i.e., not previously accounted for) costs on affected entities.

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 will have the following costs relating to the information collections required by proposed Part 46: (1) costs relating to the need of Commission staff to review and analyze the collected documents and information; (2) costs relating to the technology that must be set up and maintained by the Commission to receive and process the information collected. These costs were already accounted for in the Commission's response to Question 14 in the OMB Supporting Statement relating to proposed Part 45. Therefore, the instant proposed Part 46 does not represent any additional costs to the Federal Government.

In its response to Question 14 in the Commission's Part 45 Supporting Statement, the Commission laid out annual costs to the Federal Government in the amount of between \$5.8 million and \$8.8 million. In that Part 45 Supporting Statement, the Commission stated that it will require 15 new employees to review and analyze the data collected under proposed Part 45, as well as new technology to receive and process that data. The Commission anticipates that a subset of those 15 employees will be required to review and analyze the data collected by the instant proposed Part 46. The Commission also anticipates that the same technology required to receive and process the data for proposed Part 45 will be used to receive and process the data for proposed Part 46.

Therefore, the costs relating to the instant proposed Part 46 do not represent an additional cost to the Federal Government, but rather a subset of the costs already accounted for by the Commission in its Supporting Statement relating to Part 45. An excerpt of the Commission's response to Question 14 in the Part 45 Supporting Statement is reproduced below for informational purposes:

"With respect to Commission staff analyzing and reviewing the collected data/information, existing staff may be used to some extent to perform this function. However, Commission staff estimates that at least 15 new employees will need to be hired and be dedicated full-time to analysis of the information/data being collected. The estimated annual cost to the Commission per new hire is \$120,000.<sup>9</sup> Therefore, the total annual aggregate cost to the Commission is \$1,800,000.

"With respect to the technology necessary for the Commission to receive and process the information collected, Commission staff estimates the cost of this technology to be between \$4 million and \$7 million annually.<sup>10</sup>

"Therefore, the total cost (new staff plus technology) is between \$5.8 million and \$8.8 million annually."

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.

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<sup>9</sup> This figure is a composite of the salaries for economists (Grade 11-13) and attorneys (Grade 11-14) in the Commission's Division of Market Oversight. In obtaining the composite, Commission staff used the CFTC 2010 Washington Pay Chart (with adjusted locality pay).

<sup>10</sup> This number was obtained in consultation with CFTC's IT staff.

As required in Dodd-Frank Act Section 727, the Commission will aggregate the data provided to SDRs and provide a written report to the public on a semiannual basis. There is no end date for these reports issued by the Commission. As required by the Dodd-Frank Act, the reports will contain information relating to trading and clearing in the major swap categories as well as market participants and developments in new products. In preparing the reports, the Commission is required to consult with the Office of the Comptroller of the Currency, the Bank for International Settlements, and other regulatory bodies as necessary.

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.

This question does not apply.