

**Nonmaterial/Nonsubstantive Change to a Currently Approved Collection
Federal Trade Commission 2008 Administrative Activities
OMB Control No. 3084-0047**

I. INTRODUCTION

The Federal Trade Commission (“FTC” or “Commission”) hereby submits a non-substantive amendment to OMB Paperwork Reduction Act (PRA) Clearance Control Number 3084-0047, ICR Reference Number 200810-3084-006, issued December 17, 2008. That clearance had five specific Information Collections:

- Applications to the Commission
- Complaint Systems
- Evaluation of Competition Advocacy
- Evaluation of Divestiture Reviews and
- Applicant Tracking Form.

The approved Information Collection (IC) on Complaint Systems, authorized the FTC to engage in PRA-related information collections involving approximately 5,562,810 respondents spending approximately 379,278 annual burden hours to file complaints, surveys, et cetera.

There was a mistake in the 2008 figures the FTC submitted for the IC on Complaint Systems. The figure we submitted to ROCIS in 2008 was inadvertently used as an annual estimate and not the three-year cycle which it actually covered. So it showed up as 379,278 annual burden hours for that IC instead of the 126,576 hours it was on an annual basis. We have revised this IC to now show the annual responses as 1,854,270 and the annual burden hours as 126,576. Adding this up for three years (2008-2011), you get 5,562,810 respondents spending approximately 379,278 burden hours over the three-year period of the clearance.

II. NECESSITY FOR INFORMATION COLLECTION AND HOW THE DATA WILL BE USED

The 2009 Orders are designed to gauge the self-regulatory compliance of three mid-sized companies that were not subject to prior Commission study. They seek (1) background and sales data; (2) data on how advertising and promotional dollars are expended; (3) data on advertising placement; (4) information on website age screening; and (5) descriptions of certain advertising and promotional initiatives. Except for a limited portion of the sales data, the information sought by the orders is not publicly available from other sources. As with Commission’s past three alcohol studies, once the data has been received and analyzed, the staff will work with the three target companies to remedy any problems identified. In addition, the Commission also may be able to wrap this data into any future, larger-scale, study of alcohol industry self-regulation. The disposition of the collected data will be somewhat different from prior studies, however, as it would not appear that the Commission could publish a report showing the manner in which these three companies, on average, expended their advertising budgets or complied with placement standards, without risking a loss of confidentiality.

III. ESTIMATED ANNUAL HOURS AND LABOR COST BURDEN

FTC staff’s estimate of the hours burden is based on the time required to respond to each information request. The three companies are approximately equal in size and will likely expend similar levels of resources to respond to the orders, but fewer resources than were required by the larger companies studied in the past. Based upon its knowledge of the industry, the staff estimates that the time required to identify, obtain, organize, and prepare responses to each of the five information categories will range, on average, between 10 and 150 hours. The total estimated burden per company is based on the following assumptions:

Identify, obtain, and organize background and sales information; prepare response:	20 hours
Identify, obtain, and organize information on advertising and marketing expenditures; prepare response:	35 hours
Identify, obtain, and organize placement information; prepare response:	150 hours
Identify, obtain, and organize information regarding website age screening; prepare response:	10 hours
Identify, obtain, and organize information regarding certain advertising and promotion initiatives; prepare response	45

FTC staff anticipates that the cumulative hours burden to respond to the information requests will be approximately 260 hours per company, for a total of 780 hours. These estimates

include any time spent by separately incorporated subsidiaries and other entities affiliated with the parent company that received the information requests.

It is difficult to calculate precisely labor costs associated with this data production. Labor costs entail varying compensation levels of management and/or support staff among companies of different sizes. Although financial, marketing, legal, and clerical personnel may be involved in the information collection process, FTC staff has assumed that mid-management personnel and outside legal counsel will handle most of the tasks involved in gathering and producing responsive information, and has applied an average rate of \$250/hour for their labor. FTC staff anticipates that the labor costs will be approximately \$65,000 per company, for a total of \$195,000 cumulatively.¹

¹ FTC staff believes that the capital or other non-labor costs associated with the information requests are minimal. Although the information requests may require industry members to maintain the requested information the Commission seeks, they should already have in place the means to compile and maintain it.