

SUPPORTING STATEMENT FOR SECURITIES ACT RULE 163

A. JUSTIFICATION

1. and 2. Circumstances Making the Collection of Information Necessary and Purpose and Use of the Information Collection

Rule 163 was adopted on July 19, 2005 in connection with new communication rules in Release 33-8591 (“Securities Offering Reform”). Rule 163 provides an exemption from Section 5(c) under the Securities Act for certain communications by, or on behalf of, a well-known seasoned issuer. A primary purpose of the rule is to give eligible well-known seasoned issuers freedom to communicate with investors at any time, including by means of a written offer other than a statutory prospectus.

3. Consideration Given to Information Technology

Rule 163 communications are filed with the Commission electronically using the Commission’s Electronic Data Gathering, Analysis and Retrieval System (EDGAR).

4. Duplication of Information

There are no other filing requirements that duplicate this information collection.

5. Reducing the Burden on Small Entities

All issuers, including small business issuers, have discretion as to whether or not they want to disseminate written communications under Rule 163. Furthermore, Rule 163 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 163 requires filing of written communications only when issuers choose to disseminate them. Less frequent collection could compromise investor protection.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Rule 163 was proposed for public comment. No comments were received on this request during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Not applicable.

11. Sensitive Questions

This collection does not contain any personal identifiable Information (PII). The Privacy Impact Assessment (PIA) is provided as a supplemental document.

12. Estimate of Respondent Reporting Burden

We estimate that it takes approximately 0.24 burden hours per response to provide the information required under Rule 163 and that the information is filed by approximately 53 issuers. We estimate that 25% of the 0.24 hours per response (0.06 hours) is prepared by the issuer for a total annual reporting burden of 3 hours (0.06 hours per response x 53 responses). The estimated hours are made solely for the purpose of the Paperwork Reduction Act. The hours are not derived from a comprehensive or even representative survey or study of the hours to comply with Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimated that 75% of the 0.24 hours per response (0.18 hours) is prepared by the issuer outside counsel. We estimate that Rule 163 compliance will cost \$400 per hour (\$400 x 0.18 hours per response x 53 responses) for a total cost of \$3,816. The estimated cost is made solely for the purpose of the Paperwork Reduction Act. The cost is not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

14. Costs to Federal Government

Not applicable.

15. Reason for Change in Burden

No change in the burden.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit Expiration Date

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

B. STATISTICAL METHODS

Not applicable.