

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR FORM T-1

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

A corporation proposing to serve as trustee under an indenture to be qualified under the Trust Indenture Act of 1939 (“Act”) must state its eligibility and qualification on a Form T-1 filed with the Securities and Exchange Commission (“Commission”). The information called for relates to a potential trustee’s eligibility to serve. The form requires the potential trustee to show that it has the authority to exercise trust powers and to include a copy of a call sheet filed with the banking authorities disclosing summary financial information. Other information discloses possible conflicts of interest, which would disqualify the trustee from serving. An independent trustee is necessary to protect the debt holders and to enforce the terms of the indenture. This information relates to affiliations with the issuer and its underwriters, the amount of voting securities of the trustee, outstanding trusteeships under other indentures of the same issuer, interlocking directorates and similar relationships with the issuer or its underwriters, voting securities of the trustee owned by the issuer or its officials, voting securities of the trustee owned by underwriters of the issuer, securities of the issuer owned or held by the trustee, securities of underwriters owned or held by the trustee ownership or holdings by the trustee of voting securities of affiliates of the issuer and ownership by the trustee of any person owning 50% or more of the voting securities of the issuer.

2. Purpose and Use of the Information Collection

Form T-1 is reviewed by the staff in deciding whether to qualify an indenture relating to debt securities offered to the public in an offering registered with the Commission under the Securities Act of 1933 or, if the offering is not registered, upon application for qualification under the Form T-3 pursuant to the Act. The information in the Form T-1 provides a basis for deciding that the corporate trustee is qualified. If the information contained in Form T-1 was not collected, the basis for that decision would be unavailable.

3. Consideration Given to Information Technology

The information required by Form T-1 (Exhibit 25) is filed electronically with the Commission on the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) as a part of a company’s registration statement.

4. Duplication of Information

Form T-1 contains information regarding an applicant's current relationships with a particular issuer and other specific entities. The form is filed only once. There is no possibility of duplication and similar information does not exist.

5. Reducing the Burden on Small Entities

Not applicable.

6. Consequences of Not Conducting Collection

The information provided by Form T-1 is used to determine if the trustee is qualified under the Trust Indenture Act of 1939. Without the information collected in Form T-1, the basis for that decision would be unavailable.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Form T-1 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

All documents filed with the Commission are public documents.

11. Sensitive Questions

No information of a sensitive nature would be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name, business address, and residential address (for sole proprietor only), telephone/cellular/facsimile number, email address, and Tax ID Number (TIN). The information collection is covered under the System of Records Notices (SORN), which may be found at the following link: <http://www.sec.gov/about/privacy/sorn/secsorn5.pdf>. The Privacy Impact Assessment (PIA) is provided as a supplemental document.

12. Estimate of Respondent Reporting Burden

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that Form T-1 takes approximately 15 hours per response to comply with the collection of information requirements and is filed by 2 respondents. We derived our burden hour estimates by estimating the average number of hours it would take a trustee to compile the necessary information and data to prepare any necessary documents and retain records. In connection with rule amendments to the form, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We further estimate that 25% of the collection of information burden is carried by the trustee internally and that 75% of the burden of preparation is carried by outside professionals retained by the trustee to assist in the preparation of the form. Based on our estimates, we calculated the total reporting burden to be 8 hours (25% x 15 hours per response x 2 responses). For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that 75% of the 15 hours per response (11 outside hours) is prepared by the filer’s outside professionals. We estimate that it will cost \$400 per hour (\$400 x 11 hours per response x 2 responses) for a total cost of \$8,800. The cost estimate is made solely for the purpose of the Paperwork Reduction Act. We estimate an hourly cost of \$400 for outside legal and accounting services used in connection with public company reporting. This estimate is based on our consultations with registrants and professional firms who regularly assist registrants in preparing and filing disclosure documents with the Commission. Our estimates reflect average burdens, and, therefore, some companies may experience costs in excess of our estimates and some companies may experience costs that are lower than our estimates. For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

The estimated cost to the government is approximately \$1,800 a year to administer Form T-1. This estimate is solely for the purpose of the Paperwork Reduction Act and is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

15. Reason for Change in Burden

The decrease of (44) annual reporting burden hours and the decrease of (\$48,400) in cost burden are due to an adjustment in the number of Forms T-1 filed with the Commission.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB 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.