

**SUPPORTING STATEMENT FOR FINAL RULE UNDER THE SECURITIES
EXCHANGE ACT OF 1934 AND DODD-FRANK WALL STREET REFORM
AND CONSUMER PROTECTION ACT**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995 (“PRA”).¹

A. JUSTIFICATION

**1. CIRCUMSTANCES MAKING THE COLLECTION OF
INFORMATION NECESSARY**

In Release No. 33-9877 (“Adopting Release”),² the Securities and Exchange Commission (“Commission”) adopted amendments to Item 402³ of Regulation S-K⁴ (“Item 402”) and Form 8-K⁵ under the Securities Exchange Act of 1934 (“Exchange Act”)⁶ to implement Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).⁷ Section 953(b)(1) directs the Commission to amend Item 402 to require each registrant, other than an emerging growth company, as that term is defined in Section 3(a) of the Exchange Act, to disclose in any filing of the registrant described in Item 10(a) of Regulation S-K (or any successor thereto):⁸ (A) the median of the annual total compensation of all employees of the registrant, except the chief executive officer (“CEO”) (or any equivalent position) of the registrant; (B) the annual total compensation of the CEO (or any equivalent position) of the registrant; and (C) the ratio of the median of the total compensation of all employees of the registrant to the annual total compensation of the CEO of the registrant.⁹ Section 953(b)(2) of the Dodd-Frank Act specifies that, for purposes of Section 953(b), “total compensation” of an employee of a registrant shall be determined in accordance with Item 402(c)(2)(x) of Regulation S-K as in effect on the day before the date of enactment

¹ 44 U.S.C. §3501, *et seq.*

² Pay Ratio Disclosure, Release No. 33-9877 (Aug. 5, 2015) [80 FR 50104].

³ 17 CFR 229.402.

⁴ 17 CFR 229.10 *et seq.*

⁵ 17 CFR 249.308.

⁶ 15 U.S.C. 78a *et seq.*

⁷ Public Law No. 111-203, sec. 953(b), 124 Stat. 1376, 1904 (2010), as amended by Public Law No. 112-106, sec. 102(a)(3), 126 Stat. 306, 309 (2012). Section 102(a)(3) of the JOBS Act amended Section 953(b) of the Dodd-Frank Act to provide an exemption for registrants that are emerging growth companies as that term is defined in Section 3(a) of the Exchange Act.

⁸ 17 CFR 229.10(a).

⁹ In the Adopting Release, instead of using the term “CEO,” the Commission uses the term “principal executive officer” (or “PEO”) to be consistent with the language of current Item 402.

of the Dodd-Frank Act.¹⁰

The amendments contain “collection of information” requirements within the meaning of the PRA. The titles for the collection of information are:

- “Regulation S-K” (OMB Control No. 3235-0071);¹¹
- “Form 10-K” (OMB Control No. 3235-0063);¹²
- “Regulation 14A and Schedule 14A” (OMB Control No. 3235-0059);¹³
- “Regulation 14C and Schedule 14C” (OMB Control No. 3235-0057);¹⁴
- “Form 8-K” (OMB Control No. 3235-0060);¹⁵
- “Form S-1” (OMB Control No. 3235-0065);¹⁶
- “Form S-4” (OMB Control No. 3235-0324);¹⁷
- “Form S-11” (OMB Control No. 3235-0067);¹⁸
- “Form 10” (OMB Control No. 3235-0064);¹⁹ and
- “Form N-2” (OMB Control No. 3235-0026).²⁰

¹⁰ The requirements for calculating total compensation under Item 402(c)(2)(x) are the same as those in effect on July 20, 2010, which was the day before the date of enactment of the Dodd-Frank Act.

¹¹ The paperwork burden from Regulation S-K is imposed through the forms that are subject to the disclosures in Regulation S-K and is reflected in the analysis of those forms. To avoid a Paperwork Reduction Act inventory reflecting duplicative burdens, for administrative convenience, the Commission estimates the burden imposed by Regulation S-K to be a total of one hour.

¹² 17 CFR 249.310.

¹³ 17 CFR 240.14a-1 et seq.

¹⁴ 17 CFR 240.14c-1 et seq.

¹⁵ 17 CFR 249.220f.

¹⁶ 17 CFR 239.11.

¹⁷ 17 CFR 239.25.

¹⁸ 17 CFR 239.18.

¹⁹ 17 CFR 249.210.

²⁰ 17 CFR 239.14 and 274.11a-1.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of the amendments is to implement Section 953(b) of the Dodd-Frank Act. To satisfy this statutory mandate, the Commission adopted a new paragraph (u) to Item 402 of Regulation S-K and a conforming amendment to Form 8-K. Although some components of the new disclosure requirements are already provided by registrants under existing rules, the amendments require new disclosure of the median of the annual total compensation of all employees and the pay ratio. The disclosure required by new Item 402(u) must be provided in any annual report, proxy or information statement, or registration statement that requires executive compensation disclosure pursuant to Item 402.²¹

To synchronize the pay ratio rule with existing rules for the disclosure of PEO compensation when certain elements of compensation are not yet known, the Commission adopted a conforming amendment to Item 5.02 of Form 8-K that adds a new paragraph (f)(2). Under this amendment, registrants may omit pay ratio disclosure until the salary or bonus of their PEOs total compensation is calculable. Once the pay ratio disclosure is calculable, the registrant is required to disclose the pay ratio in a Form 8-K filing.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The forms that require the new disclosure requirement are filed electronically with the Commission using the Commission's Electronic Data Gathering and Retrieval ("EDGAR") system.

4. DUPLICATION OF INFORMATION

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

5. REDUCING THE BURDEN ON SMALL ENTITIES

Under Commission rules, an issuer, other than an investment company,²² is a "small business" or "small organization" if it has total assets of \$5 million or less as of the end of its most recent fiscal year and is engaged or proposing to engage in an offering

²¹ Consistent with the scope of Section 953(b), the new requirements do not apply to the annual reports and proxy and information statements of emerging growth companies, smaller reporting companies, or foreign private issuers. In addition, consistent with the instructions J and I of Form 10-K, the new requirements will not apply to the annual reports of issuers of asset-backed securities or to wholly-owned subsidiary registrants.

²² An investment company is a "small business" or "small organization" if, together with other investment companies in the same group of related investment companies, it has net assets of \$50 million or less as of the end of its most recent fiscal year. 17 CFR 270.0-10.

of securities which does not exceed \$5 million.²³ The Commission believes that the final rule will affect some small entities that are business development companies that have a class of securities registered under Section 12 of the Exchange Act. The Commission estimates that there are approximately five of those business development companies that may be considered small entities.²⁴

The final rule excludes emerging growth companies, smaller reporting companies, and foreign private issuers. An “emerging growth company” is an issuer that had total annual gross revenues of less than \$1 billion during its most recently completed fiscal year.²⁵ A smaller reporting company is an issuer, other than certain classes of issuers (including investment companies), that had a public float of less than \$75 million as of the end of its most recently completed second fiscal quarter, or in the case of an initial registration statement under the Securities Act or Exchange Act for the shares of its common equity, had a public float of less than \$75 million as of a date within 30 days of the date of filing of the registration statement.²⁶ To the extent that a small entity is a registrant, the Commission believes that there are few, if any, small entities that do not qualify as emerging growth companies or smaller reporting companies because it is unlikely that an entity with total assets of \$5 million or less would have total annual gross revenues of \$1 billion or more, or would have a public float of \$75 million or more. Because emerging growth companies and smaller reporting companies are excluded from the new disclosure requirement, the Commission believes that the final rule applies to few, if any, small entities, other than the five business development companies.

In the Adopting Release, the Commission certified, pursuant to 5 U.S.C. 605(b), that the final rule will not have a significant economic impact on a substantial number of small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The pay ratio rule is designed to allow shareholders to better understand and assess a specific registrant’s compensation practices. Overall, the final rule will provide investors with information Congress intended them to have to assess the compensation and accountability of a company’s PEO while seeking to limit the costs and practical difficulties of providing the disclosure. Failure to require the collection of information would frustrate the statutory intent of Section 953(b) of the Dodd-Frank Act.

²³ See Securities Act Rule 157 [17 CFR 230.157] and Exchange Act Rule 0-10(a) [17 CFR 240.0-10(a)].

²⁴ The Commission estimates that there are 13 business development companies that will be subject to the final rule, five of which may be considered small entities for purposes of the Regulatory Flexibility Act.

²⁵ See Securities Act Section 2(a)(19) [15 U.S.C. 77b(a)(19)].

²⁶ See Securities Act Rule 405 [17 CFR 230.405]. In the case of an issuer whose public float was zero, the issuer could qualify as a smaller reporting company if it had annual revenues of less than \$50 million during the most recently completed fiscal year for which audited financial statements are available

7. SPECIAL CIRCUMSTANCES

None

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

In Release No. 33-9452 (“Proposing Release”), the Commission proposed rule amendments to implement Section 953(b)²⁷ and solicited comment on the new “collection of information” requirements and associated paperwork burdens. Additionally, to facilitate public input on rulemaking required by the Dodd-Frank Act, members of the public interested in making their views known were invited to submit comment letters in advance of the official comment period for the proposed rules.²⁸ These comments were received before the Commission published the Proposing Release. Many commenters provided comments at the pre-proposal stage and after the Proposing Release was published. The Commission and staff also participated in an ongoing dialogue with representatives of various market participants and other government agencies through meetings and public conferences.

Although the Commission received letters from only two commenters that addressed the PRA estimates explicitly,²⁹ it received a number of other comment letters and submissions that discussed the costs and burdens to issuers generally that would have an effect on the PRA analysis.³⁰ The Commission considered all comments received prior to publishing the final rule as required by 5 C.F.R. 1320.11(f). These letters are available to the public on the Commission’s website at <http://www.sec.gov/comments/s7-07-13/s70713.shtml>.

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. CONFIDENTIALITY

Not applicable.

²⁷ Pay Ratio Disclosure, Release No. 33-9452 (Sept. 18, 2013) [78 FR 60560].

²⁸ The Commission provided a series of e-mail links, organized by topic, for these letters on its website at <http://www.sec.gov/spotlight/regreformcomments.shtml>, so that the public could provide comments before the Commission proposed a rule. The comments relating to Section 953(b) are located at <http://www.sec.gov/comments/df-title-ix/executive-compensation/executive-compensation.shtml>

²⁹ See letters from Center on Executive Compensation (Dec. 2, 2013) and (Sept. 26, 2014) and from U.S. Chamber of Commerce (May 22, 2014).

³⁰ See, e.g., letters from Avery Dennison Corporation (Nov. 26, 2013); Exxon Mobil Corporation (Dec. 2, 2013); FEI Company (Oct. 16, 2013); and KBR, Inc. (Nov. 26, 2013).

11. SENSITIVE QUESTIONS

No information of a sensitive nature, including social security numbers, will be required under Form 10-K and Form 8-K collections of information. The information collections collect basic Personally Identifiable Information (PII) that may include name and job title. However, the agency has determined that the information collections do not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on January 29, 2016, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12/13. ESTIMATES OF HOUR AND COST BURDENS

For purposes of the PRA for the final rule, the Commission estimates the total annual increase in the paperwork burden for all affected companies to comply with the collection of information requirements in the final rule is approximately 2,367,573 hours of company personnel time and approximately \$315,390,720 for the services of outside professionals. These estimates include the time and the cost of implementing data gathering systems and disclosure controls and procedures, compiling necessary data, preparing and reviewing disclosure, filing documents and retaining records.

In deriving these estimates, the Commission assumed that:

- Registrants subject to the final rule would satisfy the new requirements by either including the information directly in annual reports on Form 10-K or incorporating the information by reference from a proxy statement on Schedule 14A or information statement on Schedule 14C. The Commission's estimates assume that substantially all of the burden relating to the new disclosure requirements would be associated with Form 10-K;
- For registrants that would be permitted to provide their pay ratio disclosure in a filing made in accordance with Item 5.02 of Form 8-K, rather than in Form 10-K, the burden relating to the new disclosure requirements would be associated primarily with Form 10-K rather than Form 8-K because Item 5.02 provides a delayed method of filing information that would otherwise be required in the registrant's annual report or proxy or information statement;³¹ and
- 100% of new registrants would use the transition provisions allowing them to omit the required disclosure from their initial registration statements and, for

³¹ The Commission's PRA estimates for Form 8-K include an estimated one hour burden to account for the inclusion of the new pay ratio disclosure.

follow-on offerings by these registrants, the burden relating to the new disclosure requirements would be associated primarily with Form 10-K rather than Forms S-1, S-11, or N-2 as applicable (because registrants would incorporate the disclosure from Form 10-K).

As discussed more fully in the PRA section of the attached Adopting Release, the Commission received a number of comments regarding the estimated costs of the proposal. The Commission understands from these comments that the burdens and costs of compliance will likely vary among individual companies based on a number of factors, including the size and complexity of their organizations; the nature of their operations and workforce; the location of their operations; and, significantly, the extent that their existing payroll systems collect the information necessary to identify the median of the annual total compensation of their employees.

Because the final rule provides additional flexibility in identifying the median and the annual total compensation of employees, the actual burden could be lower if the methodology used is able to reduce the effort needed to collect the data or if the registrant is able to use information that it collects for other purposes. The Commission believes that the actual burdens will likely vary significantly among individual companies based on these factors. The Commission's estimates reflect average burdens, and, therefore, some companies may experience costs in excess of its estimates and some companies may experience costs that are lower than its estimates.

In the Commission's analysis of the economic costs and benefits of the rule, it estimated that the total initial compliance costs would be \$1,314,694,544 or approximately \$368,159 per registrant. This estimate did not break down the costs between internal burden hours and external costs, which is how the burdens and costs are described for PRA purposes. As discussed in the Adopting Release, the Commission believes that substantially all of the burden relating to the new disclosure requirements will be associated with Form 10-K. For Exchange Act reports on Form 10-K, the Commission estimates that 75% of the burden of preparation is carried by the company internally and that 25% of the burden of preparation is carried by outside professionals. Using this formula, the Commission estimates that the average registrant will spend 1,105 internal burden hours preparing and reviewing the disclosure for its initial year of compliance.³²

In the Proposing Release, the Commission estimated that the internal burden hours would be greatest during the first year of compliance with the rule and would

³² The Commission did not receive any estimates of the cost per hour related to preparation of disclosures by the company internally, but it expects that such costs will be less than the cost of hiring outside professionals. For ease of analysis, the Commission assumes that internal hourly costs will be approximately half the cost of hiring outside professionals ($\$400 / 2 = \200). Assuming 75% of burden hours are carried internally and 25% are carried externally, the average compliance cost of \$368,159 per registrant corresponds to $\$368,159 / ((.75)\$200 + (.25)\$400) = 1,473$ hours, of which 1,105 hours ($1,473(.75)$) are internal and 368 hours ($1,473(.25)$) are external.

diminish in subsequent years. Because of the limited number of ongoing cost estimates received from commenters, and the wide dispersion of the ones that were received, for the purposes of the final rule's PRA, the Commission assumes that ongoing compliance burdens and costs will be approximately 40% (the median of the estimates provided by commenters) of the initial compliance burdens and costs. Thus, the Commission utilizes an estimated burden of 1,105 hours in the initial year and 442³³ hours in the two years thereafter, for a three-year average burden of 663 hours.³⁴

Commenters provided a wide range of estimated external cost burdens. Based on these comments, as discussed above, the Commission estimates that total compliance burdens for the initial year of compliance will be \$1,314,694,544 or \$368,159 per registrant. Assuming that 25% of the burden of preparing the disclosure is carried by outside professionals, the Commission estimates that the average registrant will incur \$147,200 in outside professional costs in the first year to comply with the disclosure requirement.³⁵

As with the estimated internal burden hours, the Commission assumes that the compliance costs after the initial year will be reduced because a substantial portion of the costs will be related to establishing systems and processes to collect the payroll data in the initial year of compliance. Applying the same assumption used above that the ongoing compliance costs will be approximately 40% of the estimate for the initial compliance year, the Commission estimates that ongoing compliance costs will be approximately \$58,880 per year on average for each affected company,³⁶ so that the three-year average cost of compliance is \$88,320.³⁷

In addition to estimating the overall total annual increase in cost and hour burdens for affected companies, the Commission has also estimated the cost and hour burdens for each collection of information.

Only Forms 10-K that are filed by registrants that are not smaller reporting companies or emerging growth companies will be required to include the pay ratio disclosure. For purposes of the PRA estimates, the Commission assumes that 100% of asset-backed securities issuers will omit Item 402 disclosure from Form 10-K pursuant to Instruction J of Form 10-K and 100% of wholly-owned subsidiary registrants will omit Item 402 disclosure from Form 10-K pursuant to Instruction I of Form 10-K, and, accordingly, these registrants will also not be subject to the new disclosure requirements. Based on a review of EDGAR filings in calendar year 2014, the Commission estimates that of the approximately 7,619 annual reports filed in that year, approximately 3,571

³³ $1,105 \times 40\% = 442$ burden hours.

³⁴ $(1,105 + 442 + 442) / 3 = 663$ burden hours.

³⁵ $368 \times \$400 = \$147,200$.

³⁶ $\$147,200 \times 40\% = \$58,880$.

³⁷ $(\$147,200 + 58,880 + 58,880) / 3 = \$88,320$.

annual reports are filed by registrants that would be subject to the new disclosure requirements.³⁸ The Commission estimates that the new disclosure requirements will add an average of 663 burden hours³⁹ to the total burden hours required to produce each Form 10-K that is subject to the new requirements and approximately \$88,320 for outside professionals.⁴⁰

The Commission estimates that the preparation of annual reports currently results in a total annual compliance burden of 12,228,620 hours and an annual cost of outside professionals of \$1,631,470,000. Under the final rule, the Commission estimates that the total incremental cost of outside professionals for annual reports will be approximately \$315,389,390 per year and the total incremental internal burden will be approximately 2,367,563 hours per year.

The amendment to Item 402 requires a registrant that is filing its PEO total compensation on a delayed basis on Form 8-K due to the unavailability of certain components of compensation (in accordance with Instruction 1 to Items 402(c)(2)(iii) and (iv) of Regulation S-K and Item 5.02(f) of Form 8-K) to provide the pay ratio disclosure in that form at the same time. The conforming amendment to Item 5.02 of Form 8-K also requires a registrant to include updated pay ratio disclosure in the Form 8-K that it files to disclose its PEO total compensation information. The Commission estimates that the burden for adding the pay ratio disclosure to that Form 8-K filing will be one hour per registrant. The Commission also estimates that the Form 8-K amendment will not result in additional Form 8-K filings because registrants who omit disclosure in reliance on Instruction 1 to Items 402(c)(2)(iii) and (iv) are already required to file a Form 8-K. The amendments will, however, add pay ratio disclosure requirements to that Form 8-K filing.

Based on a review of EDGAR filings for calendar years 2012 and 2013, the Commission estimates that on average approximately 11 Forms 8-K are filed pursuant to Item 5.02(f) annually and approximately 10 of these relate to disclosure of PEO compensation. As a result, the Commission estimates that 10 of the Forms 8-K filed in a given year will require one additional hour for preparing the disclosure required by the

³⁸ Based on a review of EDGAR filings in 2014, approximately 678 annual reports were filed by emerging growth companies, 2,958 by smaller reporting companies, and 412 by asset-backed securities issuers.

³⁹ The Commission estimates that 10 of the Forms 8-K filed in a given year would require one additional hour for preparing the disclosure required by the amendments. Thus, substantially all the internal burden of the pay ratio disclosure is allocated to Form 10-K: $663 \times 3,571 - (1 \times 10) = 2,367,563$ or approximately 663 [$2,367,563 / 3,571 = 663$] per response. Burden hours are rounded to the next hour.

⁴⁰ The Commission estimates that the requirement to provide updated pay ratio disclosure on Form 8-K will result in one additional burden hour for that form. The Commission attributes the external costs of the required pay ratio disclosure proportionately between Form 10-K and Form 8-K based on the estimated internal burden hours for each form. $(1 / (663 + 1)) \times \$88,320 = \133 per Form 8-K response. The remaining costs have been attributed to Form 10-K: $\$88,320 \times 3,571 - \$133 \times 10 = \$315,389,390$ in aggregate or $\$88,320$ [$\$315,389,390 / 3,571 = \$88,320$] per response. Costs are rounded up to the next dollar.

amendments, in addition to the total burden hours required to produce each Form 8-K.

The Commission estimates that the preparation of current reports on Form 8-K currently results in a total annual compliance burden of 507,665 hours and an annual cost of outside professionals of \$67,688,700. As result of the rule, the Commission estimates that the incremental company burden will be approximately 10 hours per year and approximately \$1,330 in the incremental cost of outside professionals for current reports on Form 8-K.

There is no change to the estimated burden of the collection of information under Forms 10, S-1, S-4, S-11,⁴¹ or N-2⁴² or under Schedules 14A and 14C⁴³ because the Commission assumes that the burden relating to the new disclosure requirements will be associated primarily with Form 10-K. Also, while the adopted amendments would make revisions to Regulation S-K, the collection of information requirements for that regulation are reflected in the burden hours estimated for the forms and schedules discussed above. The rules in Regulation S-K do not impose any separate burden. Consistent with historical practice, the Commission is retaining an estimate of one burden hour to Regulation S-K for administrative convenience.

Tables 1 and 2 below illustrate the total annual compliance burden of the collection of information in hours and in cost under the final rule for annual reports on

⁴¹ Because the Commission assumes that all new registrants will take advantage of the transition period afforded to them under the final rule, so that all of the registration statements on Forms 10, S-1, and S-11 that will be required to include the pay ratio disclosure will incorporate by reference the registrant's disclosure contained in its annual report, it also assumes that all of the burden relating to the new disclosure requirements will be associated with Form 10-K. Similarly, the Commission assumes that registrants filing on Form S-4 for whom executive compensation information under Item 402 is required pursuant to Items 18 or 19 of Form S-4 will incorporate by reference the pay ratio disclosure contained in the registrant's annual report. Thus, the Commission assumes that all of the burden relating to the new disclosure requirements will be associated with Form 10-K.

⁴² Only Forms N-2 filed by business development companies ("BDCs") are subject to the new disclosure requirements. Furthermore, the final rule applies only to BDCs internally managed such that they compensate their own employees. Rather, such employees are generally compensated by the BDC's investment adviser. Because the Commission assumes that all of the Forms N-2 that will be filed by internally managed BDCs will incorporate by reference the registrant's disclosure contained in its annual report, it also assumes that all of the burden relating to the new disclosure requirements would be associated with Form 10-K.

⁴³ Only proxy statements on Schedule 14A and information statements on Schedule 14C that are required to include Item 402 information, and that are not filed by smaller reporting companies or emerging growth companies, are required to include the new pay ratio disclosure. For purposes of the Commission's PRA estimates, consistent with past amendments to Item 402, it has assumed that all of the burden relating to the new disclosure requirements will be associated with Form 10-K, even if registrants include the new disclosure required in Form 10-K by incorporating that disclosure by reference from a proxy statement on Schedule 14A or an information statement on Schedule 14C. The Commission took a similar approach in connection with the rules for Summary Compensation Table disclosure required by the 2006 amendments to Item 402. See Executive Compensation and Related Person Disclosure, Release No. 33-8732A (Aug. 29, 2006) [71 FR 53158 (Sept. 9, 2006)].

Form 10-K and current reports on Form 8-K under the Exchange Act.⁴⁴ The burden estimates were calculated by multiplying the estimated number of annual responses by the estimated average number of hours it will take a company to prepare and review the new disclosure.

Table 1: Incremental Paperwork Burden under the Final Rule

	Number of Annual Responses (A)	Hour Burden Per Response (B)	Total Incremental Company Burden Hours (C) = (A) * (B)	Incremental Professional Costs (D)	Total Incremental Professional Costs (E) = (A) * (D)
Form 10-K	3,571	663	2,367,563	\$88,320	\$315,389,390
Form 8-K	10	1	10	\$133	\$1,330
Total	--	----	2,367,573		\$315,390,720

14. COSTS TO FEDERAL GOVERNMENT

We estimate that the cost of preparing the final regulation is approximately \$150,000.

15. REASON FOR CHANGE IN BURDEN

Table 2 below shows the changes to the total annual compliance burden of the collections of information in hours and cost. The total estimated burdens were calculated by adding the incremental burdens to the existing burdens.

⁴⁴ Figures in both tables have been rounded to the nearest whole number – the 663 figure is rounded up from 662.9972 and \$88,320 figure is rounded up from \$88,319.6276.

Table 2: Calculation of Total PRA Burden Estimates

	Current Annual Responses (A) ⁴⁵	Current Burden Hours (B)	Increase in Burden Hours (C) ⁴⁶	Burden Hours (D) = (B) + (C)	Current Professional Costs (E)	Increase in Professional Costs (F)	Professional Costs (G) = (E) + (F)
Form 10-K	8,137	12,228,620	2,367,563	14,596,183	\$1,631,470,000	\$315,389,390	\$1,946,859,390
Form 8-K	118,387	507,665	10	507,675	\$67,688,700	\$1,330	\$67,690,030
Total	126,524	12,736,285	2,367,573	15,103,858	\$1,699,158,700	\$315,390,720	\$2,014,549,420

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 this form for design and scheduling reasons. 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 EDGAR 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.

⁴⁵ For these forms, the number of current annual responses reflected in the table equals the three-year average of the number of forms filed with us and currently reported by us to OMB.

⁴⁶ The increase in burden hours reflected in the table is based on the aggregate incremental burden hours per form multiplied by the annual responses that will be required to include additional disclosure under the new rules as adopted. As explained earlier, for purposes of determining the total increase in burden hours, the Commission reduced the current number of annual responses to reflect that the disclosure requirements will not apply to all forms filed.