

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR REGULATION G

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Regulation G, under the Securities Exchange Act of 1934 (the “Exchange Act”) requires registrants when publicly disclosing material information that includes non-GAAP financial measures to provide a reconciliation to comparable GAAP figures. Regulation G implemented the requirements of Section 401 of the Sarbanes-Oxley Act. Specifically, Regulation G is intended to provide investors with balanced financial disclosure when non-GAAP financial measures are presented.

2. Purpose and Use of the Information Collection

Every issuer that is subject to Section 13(a) or 15(d) under the Exchange Act must file periodic and current reports with the Commission containing information about its business and financial condition. Regulation G is intended to implement the requirements of the Sarbanes-Oxley Act of 2002. Specifically, Section 401 of the Sarbanes Oxley Act of 2002 required the Commission to issue rules providing that pro forma financial information included in any periodic or other report filed with the Commission pursuant to the securities laws, or in any public disclosure or press or other release, shall be presented in a manner that: (1) does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the pro forma financial information, in light of the circumstances under which it is presented not misleading; and (2) reconciles it with the financial condition and results of operations of the issuer under generally accepted accounting principles.

3. Consideration Given to Information Technology

Regulation G information is not required to be filed with the Commission but may be disclosed in electronic format, such as on an Internet website.

4. Duplication of Information

Regulation G information does not duplicate, overlap, or conflict with other federal rules.

5. Reducing the Burden on Small Entities

Most small businesses do not present non-GAAP financial information.

6. Consequences of Not Conducting Collection

Rules providing for less frequent disclosure than Regulation G requires would not be consistent with the intent of the Sarbanes-Oxley Act.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

The Commission solicited public comment on Regulation G. 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

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

We estimate that approximately 14,000 public companies are required to comply with Regulation G approximately six times a year for a total of 84,000 filings annually. We estimate that it takes approximately 0.5 burden hours per response for a total of 42,000 burden hours annually. We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file 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 believe that the actual burdens will likely vary among individual issuers based on the nature of their operations. For administrative convenience, the presentation of the total related to the paperwork burden hours has been rounded to the nearest whole number. The burden estimate for the hours is made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that an outside firm would charge approximately \$26 an hour for the services of a junior accountant (\$26.00 hour per response x 0.5 burden hour per response x 84,000 responses) for a total cost burden of \$1,092,000. 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 total related to the cost burden has 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 federal government is approximately \$25,000.00.

15. Reason for Change in Burden

No applicable.

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.