

**SUPPORTING STATEMENT for the Paperwork Reduction Act Information Collection  
Submission for CAT Implementation Plan and Quarterly Progress Reports**

**New Request—Final Rule  
3235-0774**

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

**A. JUSTIFICATION**

**1. Necessity of Information Collection**

The national market system plan governing the consolidated audit trail (“the CAT NMS Plan”) was originally filed with the Commission in 2015 to comply with the requirements of Rule 613.<sup>1</sup> The Commission adopted Rule 613 to improve the completeness, accuracy, accessibility, and timeliness of existing audit trail systems.<sup>2</sup> Rule 613 directed each national securities exchange and national securities association (collectively, the “Participants”) to create the CAT NMS Plan,<sup>3</sup> and this plan was approved by the Commission on November 15, 2016.<sup>4</sup> The consolidated audit trail (the “CAT”) was intended to create a system that provides regulators with more timely access to a sufficiently comprehensive set of trading data, enabling regulators to more efficiently and effectively reconstruct market events, monitor market behavior, and identify and investigate misconduct.<sup>5</sup>

To address multiple delays to the implementation of the CAT, on September 9, 2019, the Commission proposed to amend the CAT NMS Plan to increase the operational transparency and financial accountability of the Participants.<sup>6</sup> Pursuant to the statutory authority provided by the

---

<sup>1</sup> See 17 CFR 242.613; See also Securities Exchange Act Release No. 67457 (July 18, 2012), 77 FR 45722, 45722 (August 1, 2012) (“Rule 613 Adopting Release”).

<sup>2</sup> See id.

<sup>3</sup> Id.

<sup>4</sup> See Securities Exchange Act Release No. 78318 (November 15, 2016), 81 FR 84696 (November 23, 2016) (“CAT NMS Plan Approval Order” or “CAT NMS Plan”).

<sup>5</sup> See Rule 613 Adopting Release, supra note 2, at 45723, 45730-33.

<sup>6</sup> See Securities Exchange Act Release No. 86901 (September 9, 2019), 84 FR 48458 (September 13, 2019) (File No. S7-13-19) (“Proposing Release”).

Exchange Act,<sup>7</sup> including Sections 11A(a)(3)(B),<sup>8</sup> 17(a),<sup>9</sup> 19(b),<sup>10</sup> and 23(a)<sup>11</sup> thereof, and pursuant to Rule 608(a)(2) and (b)(2),<sup>12</sup> the Commission adopted these amendments, with certain modifications, on May 15, 2020.<sup>13</sup>

The amendments, as adopted, require two new collections of information:

- a. Implementation Plan. The amendments require the Participants, within 30 calendar days following the effective date of the amendments, to prepare, file with the Commission, and make publicly available on a website a complete CAT implementation plan (“Implementation Plan”) that includes a detailed timeline for achieving various implementation milestones.
- b. Quarterly Progress Reports. The amendments require the Participants, within 30 calendar days after the end of each calendar quarter, to prepare, file with the Commission, and make publicly available on a website a complete report (the “Quarterly Progress Report”) that provides a detailed and up-to-date description of the progress made by the Participants toward each of the milestones identified in the Implementation Plan.

The Implementation Plan and each Quarterly Progress Report must be approved by at least a Supermajority Vote<sup>14</sup> of the Operating Committee<sup>15</sup> before such documents are filed with the Commission or made publicly available on a website. However, if the Implementation Plan or

---

<sup>7</sup> See 15 U.S.C. 78a.

<sup>8</sup> See 15 U.S.C. 78k-1(a)(3)(B).

<sup>9</sup> See 15 U.S.C. 78q(a).

<sup>10</sup> See 15 U.S.C. 78s(b).

<sup>11</sup> See 15 U.S.C. 78w(a).

<sup>12</sup> See 17 CFR 242.608(a)(2), (b)(2).

<sup>13</sup> See Securities Exchange Act Release No. 88890, May 15, 2020, 85 FR 31322 (May 22, 2020) (File No. S7-13-19) (“Adopting Release”).

<sup>14</sup> Section 1.1 of the CAT NMS Plan defines a “Supermajority Vote” as an “affirmative vote of at least two-thirds of all of the members of the Operating Committee or any Subcommittee, as applicable, authorized to cast a vote with respect to a matter presented for a vote (whether or not such a member is present at any meeting at which a vote is taken) by the Operating Committee or any Subcommittee, as applicable . . . ; provided that if two-thirds of all such members authorized to cast a vote is not a whole number then that number shall be rounded up to the nearest whole number.”

<sup>15</sup> The Operating Committee is the governing body established by the CAT NMS Plan. Each Participant has one voting member (and an alternate voting member) representing it on the Operating Committee, although one individual may serve as the voting of the Operating Committee for multiple affiliated Participants. See CAT NMS Plan, supra note 4, at Section 4.2(a).

any Quarterly Progress Report is approved only by a Supermajority Vote of the Operating Committee, and not by a unanimous vote of the Operating Committee, each Participant whose Operating Committee member did not vote to approve the Implementation Plan or Quarterly Progress Report must separately file with the Commission, and make publicly available on a website, a statement identifying itself and explaining why the member did not vote to approve the Implementation Plan or Quarterly Progress Report. Prior to the Operating Committee's vote, the Implementation Plan and Quarterly Progress Reports must also be submitted by the Operating Committee to the Chief Executive Officer ("CEO"), President, or an equivalently situated senior officer ("senior management") of each Participant.

The Commission believes that these collections of information are necessary to ensure that the CAT implementation proceeds transparently, without further delay, and in accordance with Rule 613 and the CAT NMS Plan. Without these collections of information, the Commission believes that market participants may find it difficult to monitor the status of CAT implementation, which may affect how market participants stage their resources and otherwise plan for CAT implementation and eventual data reporting to the CAT. The Commission also believes that the above-described measures will lend credibility to the timelines presented by the Participants, as well as promote senior management attention and promote accountability with respect to CAT implementation.

## **2. Purpose and Use of the Information Collection**

The Commission believes that the Implementation Plan and Quarterly Progress Reports required by the amendments will provide up-to-date, critical information to the Commission, other regulators, and market participants regarding the intended goals and deadlines of the Participants. Access to this information will help the Commission and market participants to monitor the progress of CAT implementation. Requiring the Participants to publish the Implementation Plan and Quarterly Progress Reports may also prevent further delays by keeping the Participants accountable to the public and to the Commission, thus incentivizing the Participants to proceed expeditiously towards implementation of the CAT. In addition, the Commission believes that requiring that the Operating Committee approve the Implementation Plan and each Quarterly Progress Report by at least a Supermajority Vote will lend credibility to the timelines and information presented by the Participants in these documents. Finally, the Commission believes that requiring the Operating Committee to submit the Implementation Plan and Quarterly Progress Reports to the CEO, President, or an equivalently situated senior officer prior to the Operating Committee's vote will promote senior management attention and promote accountability with respect to CAT implementation.

## **3. Consideration Given to Improved Information Technology**

The amendments use information technology to lessen the burden on the Participants. The Implementation Plan and Quarterly Progress Reports are to be publicly posted on websites and may be submitted electronically to the Commission. The Commission further notes that it does not prohibit the Participants from using any kind of information technology to facilitate the collection and/or preparation of the information required by the amendments.

#### **4. Duplication**

The amendments do not require the collection of duplicate information that is otherwise available in a similar form.

The Participants have voluntarily published some documents containing information regarding certain CAT implementation milestones. Some of this information is similar to that which might be provided in the Implementation Plan and in the Quarterly Progress Reports. However, the information would not necessarily be presented in the same form in the Implementation Plan and Quarterly Progress Reports. Also, additional detail may be provided in the Implementation Plan and Quarterly Progress Reports that is not currently made available to the public in the documents published by the Participants.

#### **5. Effects on Small Entities**

The Commission does not believe that the requirements under the amendments would affect small entities.<sup>16</sup> The amendments only impose requirements on national securities exchanges and FINRA. With respect to the national securities exchanges, the Commission's definition of a small entity is an exchange that has been exempt from the reporting requirements of Rule 601 of Regulation NMS and that is not affiliated with any person (other than a natural person) that is not a small business or small organization.<sup>17</sup> None of the national securities exchanges subject to the amendments fall within this definition, and FINRA similarly does not qualify as a "small entity."<sup>18</sup>

#### **6. Consequences of Not Conducting Collection**

The information required by the amendments should enhance operational transparency and increase the financial accountability of the Participants, which may incentivize the timely implementation of the CAT.

The Participants' progress towards implementing the CAT has suffered multiple setbacks and delays. If the Commission does not collect the information required by the proposed amendment, the Commission believes that the CAT may not be implemented in a timely manner, thus further delaying the ability of the Commission, other regulators, and market participants to realize the regulatory benefits of the CAT. In addition, market participants may continue to find it difficult to monitor the status of CAT implementation, which may affect how market participants stage their resources and otherwise plan for CAT implementation and eventual data reporting to the CAT.

---

<sup>16</sup> See Adopting Release, *supra* note 13, at Part V.

<sup>17</sup> See 17 CFR 240.0-10(e).

<sup>18</sup> See 13 CFR 121.201.

## **7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

The Participants are required by law to retain the records and information that would be collected pursuant to the proposed amendment for a period of not less than 5 years, the first 2 years in an easily accessible place.<sup>19</sup> The amendments do not affect this existing requirement.

There are no other special circumstances, and this collection is otherwise consistent with the guidelines in 5 CFR 1320.5(d)(2).

## **8. Consultations Outside the Agency**

The Commission requested comment on the information collection requirements of the amendments in the Proposing Release, a copy of which is attached.<sup>20</sup> In addition, the Commission and staff participated in ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges. Any comments received on this rulemaking were posted on the Commission's public website and made available through <http://www.sec.gov/rules/proposed.shtml>. The Commission considered all comments received prior to publishing the final rule, and explained in the Adopting Release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).<sup>21</sup>

No commenters provided feedback on the estimated cost and hour burdens set forth in the Proposing Release, so the Commission did not change its estimates. However, some of the burdens have changed to reflect the fact that a Participant has been added to the CAT NMS Plan.<sup>22</sup>

## **9. Payment or Gift**

No payment or gift is provided to respondents.

## **10. Confidentiality**

Neither the Implementation Plan nor the Quarterly Progress Reports will be confidential. Rather, each will be publicly posted by the Participants on a public website.

## **11. Sensitive Questions**

No information of a sensitive nature, including Personally Identifiable Information (PII), is required under this collection of information. It is possible that the Implementation Plan, Quarterly Progress Reports, and any associated explanatory statements may contain a limited amount of personally identifying information that may include name, job title, work address,

---

<sup>19</sup> See 17 CFR 240.17a-1(b).

<sup>20</sup> See note 6 supra.

<sup>21</sup> See note 13 supra.

<sup>22</sup> See Adopting Release, supra note 13, at 31336-39; see also infra Section 15.

work telephone number, and work e-mail address should the Participants choose to identify who submitted the report and/or reviewed the statements. The Commission has determined that the information collection does 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 Commission has conducted a Privacy Impact Assessment (PIA) of the GSS system, in connection with this collection of information. The GSS PIA, published on June 3, 2019, is available at <https://www.sec.gov/privacy>.

## 12. Burden of Information Collection

As noted above, the amendments establish two new collections of information: (1) Implementation Plan and (2) Quarterly Progress Reports. The Commission anticipates that the Participants will incur the following third-party disclosure burdens.

Summary of Approximate Hourly Burdens									
Name of Information Collection	Number of Entities Impacted	Small Business Entities Affected	Type of Burden	Ongoing or Initial Burden	Annual Responses per Entity	Burden per Entity per Response	Annual Burden Per Entity	Annual Total Responses	Annual Industry Burden
Implementation Plan	24	0	3 <sup>rd</sup> -Party Disclosure	Initial One-Time	1	75	25 <sup>23</sup>	24	600
Quarterly Progress Reports	24	0	3 <sup>rd</sup> -Party Disclosure	Ongoing	4	75	300	96	7,200
<b>TOTAL ANNUAL INDUSTRY BURDEN</b>									<b>7,800</b>

These burdens are described in more detail below.

### a. Implementation Plan

The respondents to this collection of information would be the Participants.<sup>24</sup> Within 30 calendar days following the effective date of the proposed amendment, the Participants must prepare, file with the Commission, and make publicly available on a website a complete Implementation Plan that includes a detailed timeline and various implementation milestones.

**The Commission estimates that the Implementation Plan would result in an initial, one-time third-party disclosure burden of approximately 75 hours per respondent,<sup>25</sup> or an**

<sup>23</sup> As the Commission anticipates it will request a three-year approval for the collection of information, it has divided the initial, one-time burden by three in order to amortize the burden over three years.

<sup>24</sup> There are 24 Participants. See Adopting Release, supra note 13, at 31336.

<sup>25</sup> 50 hours + 10 hours + 5 hours + 10 hours = 75 hours per respondent.

**annualized burden of 25 hours per year per respondent,<sup>26</sup> and 600 hours per year for the industry.<sup>27</sup>** This burden is discussed in more detail below.

The Commission estimates that each Participant would incur, on average, an initial, one-time burden of approximately 50 hours to confer with other Participants, to draft an Implementation Plan, and to vote as to whether to approve the Implementation Plan. The Commission further estimates that it will take each Participant approximately 10 hours, on average, to ensure that the Operating Committee submits the Implementation Plan to the CEO, President, or equivalently situated senior officer of each Participant, to review the information contained in the Implementation Plan and for senior management consultations as needed, and to vote on approving the Implementation Plan. To account for the possibility that the Implementation Plan may be approved only by a Supermajority Vote, and not by a unanimous vote, the Commission estimates that each Participant will incur, on average, an initial, one-time burden of approximately 5 hours in connection with the proposed rule's requirement that each Participant whose Operating Committee member does not vote to approve the Implementation Plan must file an explanatory statement. Finally, the Commission estimates that each Participant will incur, on average, an initial, one-time burden of 10 hours to ensure that the Implementation Plan, and any explanatory statement (if applicable), is filed with the Commission and made publicly available on a website.

b. Quarterly Progress Reports

The respondents to this quarterly collection of information would be the Participants. Within 30 calendar days after the end of each calendar quarter, the Participants must prepare, file with the Commission, and make publicly available on a website a complete report that provides a detailed and up-to-date description of the progress made by the Participants toward each of the implementation milestones identified in the Implementation Plan.

**The Commission estimates that the Quarterly Progress Report would result in an ongoing third-party disclosure burden of approximately 300 per respondent per year,<sup>28</sup> or approximately 7,200 hours per year for the industry.<sup>29</sup>** This burden is discussed in more detail immediately below.

The Commission estimates that each Participant would incur, for each Quarterly Progress Report, an average ongoing burden of approximately 60 hours to confer with other Participants, to draft a Quarterly Progress Report, to ensure that the Operating Committee submits each Quarterly Progress Report to the CEO, President, or an equivalently situated senior officer of each Participant, and to vote as to whether to approve each Quarterly Progress Report. To account for the possibility that a Quarterly Progress Report may be approved only by a Supermajority Vote, and not by a

---

<sup>26</sup> 75 hours / 3 years = 25 hours per year per respondent.

<sup>27</sup> 25 hours per year per respondent \* 24 Participants = 600 hours per year for the industry.

<sup>28</sup> 60 hours + 5 hours + 10 hours = 75 hours per Quarterly Progress Report. 75 hours per Quarterly Progress Report \* 4 reports a year = 300 hours per respondent per year.

<sup>29</sup> 300 hours per respondent per year \* 24 Participants = 7,200 hours per year for the industry.

unanimous vote, the Commission estimates that each Participant will incur, on average, an ongoing burden of approximately 5 hours in connection with the proposed rule’s requirement that each Participant whose Operating Committee member does not vote to approve a Quarterly Progress Report must file an explanatory statement. In addition, the Commission estimates that each Participant would incur, on average, an ongoing burden of approximately 10 hours to ensure that each Quarterly Progress Report, and any explanatory statement (if applicable), is filed with the Commission and made publicly available on a website.

c. Total Industry Burdens

The total estimated industry burden for both collections of information is **7,800 hours per year.**<sup>30</sup>

**13. Costs to Respondents**

The Commission believes that respondents will incur costs in connection with the Implementation Plan and the Quarterly Progress Reports. The Commission anticipates that the Participants would incur the following third-party disclosure burdens.

Summary of Approximate Cost Burdens									
Name of Information Collection	Number of Entities Impacted	Small Business Entities Affected	Type of Cost	Ongoing or Initial Cost	Annual Responses per Entity	Cost per Entity per Response	Annual Cost Per Entity	Annual Total Responses	Annual Industry Cost
Implementation Plan	24	0	3 <sup>rd</sup> -Party Disclosure	Initial One-Time	1	\$8,333.33	\$2,777.78 <sup>31</sup>	24	\$66,666.65
Quarterly Progress Reports	24	0	3 <sup>rd</sup> -Party Disclosure	Ongoing	4	\$8,333.33	\$33,333.33	96	\$800,000
<b>TOTAL ANNUAL INDUSTRY COST</b>									<b>\$866,666.65</b>

These burdens are described in more detail below.

a. Implementation Plan

The respondents to this collection of information would be the Participants. Within 30 calendar days following the effective date of the proposed amendment, the Participants must prepare, file with the Commission, and make publicly available on a website a complete Implementation Plan that includes a detailed timeline and various implementation milestones.

<sup>30</sup> 600 hours + 7,200 hours = 7,800 hours.

<sup>31</sup> As the Commission anticipates it will request a three-year approval for the collection of information, it has divided the initial, one-time cost by three in order to amortize the cost over three years.



The Commission estimates that each Participant would incur an initial, one-time, third-party disclosure cost of approximately \$8,333.33,<sup>32</sup> on average, in external public relations, legal, and consulting costs related to the development of the Implementation Plan. **This estimate would result in an annualized cost of approximately \$2,777.78 per year per respondent<sup>33</sup> and \$66,666.65 per year for the industry.<sup>34</sup>**

b. Quarterly Progress Reports

The respondents to this quarterly collection of information would be the Participants. Within 30 calendar days after the end of each calendar quarter, the Participants must prepare, file with the Commission, and make publicly available on a website a complete report that provides a detailed and up-to-date description of the progress made by the Participants toward each of the implementation milestones identified in the Implementation Plan.

The Commission estimates that each Participant would incur, for each Quarterly Progress Report, an ongoing third-party disclosure cost of approximately \$8,333.33, on average, in external public relations, legal, and consulting costs related to the development of the Quarterly Progress Report. **This estimate would result in a cost of approximately \$33,333.33 per year per respondent<sup>35</sup> and approximately \$800,000 per year for the industry.<sup>36</sup>**

c. Total Industry Costs

The total estimated industry cost for both collections of information is **\$866,666.65 per year.<sup>37</sup>**

#### 14. Cost to Federal Government

The federal government would not incur a cost in connection with the collection of this information.

---

<sup>32</sup> See id.

<sup>33</sup>  $\$8,333.33 / 3 \text{ years} = \$2,777.78 \text{ per year per respondent.}$

<sup>34</sup>  $\$2,777.78 \text{ per year per respondent} * 24 \text{ Participants} = \$66,666.65 \text{ per year for the industry.}$

<sup>35</sup>  $\$8,333.33 * 4 \text{ Quarterly Progress Reports} = \$33,333.33 \text{ per year per respondent.}$

<sup>36</sup>  $\$33,333.33 \text{ per year per respondent} * 24 \text{ Participants} = \$800,000 \text{ per year for the industry.}$

<sup>37</sup>  $\$66,666.65 + \$800,000 = \$866,666.65.$

## 15. Changes in Burden

The Commission has revised its burden estimates for the collections of information, as summarized in this chart:

Name of Information Collection	Annual Industry Burden Hours/Cost	Annual Industry Burden Hours/Cost Previously Reviewed	Change in Burden Hours/Cost	Reason for Change
Implementation Plan	600 Hours \$66,666.65 Cost	588.8 Hours \$66,666.65 Cost	11.2 Hours \$0 Cost	Additional Respondent, and the allocation of the hour burden per entity/response has been modified slightly.
Quarterly Progress Reports	7,200 Hours \$800,000 Cost	7,065.6 Hours \$799,999.80 Cost	134.4 Hours \$0.20 Cost	Additional Respondent, and the allocation of the hour burden per entity/response has been modified slightly.

The burdens estimated in the Proposing Release were calculated by reference to 23 Participants; since the issue of that release, however, an additional Participant has been added to the CAT NMS Plan. The addition of a Participant has increased some burdens and decreased others.

### a. Implementation Plan

#### i. Burdens

The Commission initially estimated that each Participant would incur an initial, one-time burden of 52.2 hours to confer with other Participants, to draft an Implementation Plan, and to vote as to whether to approve the Implementation Plan.<sup>38</sup> The Commission reached this estimate by first calculating that the burden for all Participants would be 1,200.6 hours.<sup>39</sup> While the Commission's estimate of this aggregate burden has not changed, the burden estimate for each individual Participant has decreased to 50 hours for each Participant. Only one Implementation Plan must be prepared under the amendments, so all Participants split the aggregate burden; therefore, adding another Participant divides the aggregate burden even further and results in a smaller burden for each Participant.<sup>40</sup>

The Commission also estimated that each Participant would incur an initial, one-time burden of 4.6 hours in connection with the requirement that each Participant whose Operating

<sup>38</sup> See Proposing Release, *supra* note 6, at 48475-76.

<sup>39</sup> See *id.* 1,200.6 aggregate burden hours / 23 Participants = 52.2 burden hours per Participant.

<sup>40</sup> 1,200.6 aggregate burden hours / 24 Participants = 50 burden hours per Participant.

Committee member does not vote to approve the Implementation Plan must file an explanatory statement.<sup>41</sup> The previous burden estimate was calculated by assuming that a maximum of 7 Participants would file the explanatory statement and averaging the aggregate burden incurred by those 7 Participants across all 23 Participants.<sup>42</sup> With the addition of another Participant, the Commission now estimates that a maximum of 8 Participants would file the explanatory statement.<sup>43</sup> The aggregate burden has therefore increased, and, when averaged across all 24 Participants, the Commission now estimates that each Participant would incur, on average, a burden of approximately 5 hours in connection with this requirement.<sup>44</sup>

No other estimated burdens have changed; however, because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that each Participant will incur an initial, one-time third-party disclosure burden of approximately 75 hours per respondent, or an annualized burden of 25 hours per year per respondent, and 600 hours per year for the industry.<sup>45</sup>

ii. Costs

With respect to costs to respondents, the Commission initially estimated that each Participant would incur an initial, one-time cost of \$8,695.65 in connection with the development of the Implementation Plan.<sup>46</sup> The Commission reached this estimate by first calculating that the aggregate costs, for all Participants, would be approximately \$200,000.<sup>47</sup> While the Commission's estimate of the aggregate costs has not changed, the burden estimate for each individual Participant has decreased. Only one Implementation Plan must be prepared under the amendments, so all Participants split the aggregate burden; therefore, adding another Participant divides the aggregate burden even further and results in a smaller burden of \$8,333.33 for each Participant.<sup>48</sup>

b. Quarterly Progress Reports

i. Burdens

---

<sup>41</sup> See Proposing Release, *supra* note 6, at 48475-76.

<sup>42</sup> See *id.* 7 Participants \* 15 burden hours = 105 aggregate burden hours; 105 aggregate burden hours / 23 Participants = 4.6 burden hours per Participant.

<sup>43</sup> See Adopting Release, *supra* note 13, at 31338.

<sup>44</sup> 8 Participants \* 15 burden hours = 120 aggregate burden hours; 120 aggregate burden hours / 24 Participants = 5 burden hours per Participant.

<sup>45</sup> Cf. Proposing Release, *supra* note 6, at 48475-76, wherein the Commission estimated an initial, one-time third-party disclosure burden of approximately 76.8 burden hours per respondent, or an annualized burden of 25.6 hours per year per respondent, and 588.8 hours per year for the industry.

<sup>46</sup> See *id.*

<sup>47</sup> See *id.* \$200,000 aggregate costs / 23 Participants = \$8,695.65 per Participant.

<sup>48</sup> \$200,000 / 24 Participants = \$8,333.33 per Participant.

The Commission initially estimated that each Participant would incur a quarterly burden of 62.2 hours to confer with other Participants, to draft an Implementation Plan, to ensure that the Quarterly Progress Report is submitted to senior management of each Participant, and to vote as to whether to approve each Quarterly Progress Report.<sup>49</sup> The Commission reached this estimate by relying on similar estimates made for the Implementation Plan.<sup>50</sup> Because those estimates decreased by 2.2 hours due to the addition of a Participant,<sup>51</sup> this burden has decreased by the same amount and for the same reason. Accordingly, the burden estimate for each individual Participant has decreased to 60 hours.

The Commission also estimated that each Participant would incur a quarterly burden of 4.6 hours in connection with the requirement that each Participant whose Operating Committee member does not vote to approve a Quarterly Progress Report must file an explanatory statement.<sup>52</sup> The previous burden estimate was calculated by assuming that a maximum of 7 Participants would file the explanatory statement and averaging the aggregate burden incurred by those 7 Participants across all 23 Participants.<sup>53</sup> With the addition of another Participant, the Commission now estimates that a maximum of 8 Participants would file the explanatory statement.<sup>54</sup> The aggregate burden has therefore increased, and, when averaged across all 24 Participants, the Commission now estimates that each Participant would incur, on average, a burden of approximately 5 hours each quarter in connection with this requirement.<sup>55</sup>

No other estimated burdens have changed; however, because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that each Participant will incur a quarterly third-party disclosure burden of approximately 300 hours per respondent, or approximately 7,200 hours per year for the industry.<sup>56</sup>

ii. Costs

With respect to costs to respondents, the Commission initially estimated that each Participant would incur a quarterly cost of \$8,695.65 in connection with the development of the

---

<sup>49</sup> See Proposing Release, supra note 6, at 48476-77.

<sup>50</sup> See id.

<sup>51</sup> See Section 15.a.i. supra.

<sup>52</sup> See Proposing Release, supra note 6, at 48476-77.

<sup>53</sup> See id. 7 Participants \* 15 burden hours = 105 aggregate burden hours; 105 aggregate burden hours / 23 Participants = 4.6 burden hours per Participant.

<sup>54</sup> See Adopting Release, supra note 13, at 31338.

<sup>55</sup> 8 Participants \* 15 burden hours = 120 aggregate burden hours; 120 aggregate burden hours / 24 Participants = 5 burden hours per Participant.

<sup>56</sup> Cf. Proposing Release, supra note 6, at 48476-77, wherein the Commission estimated an initial, one-time third-party disclosure burden of approximately 307.2 burden hours per respondent, or approximately 7,200 hours per year for the industry.

Implementation Plan.<sup>57</sup> The Commission reached this estimate by relying on similar estimates made for the Implementation Plan.<sup>58</sup> Because those estimates decreased to \$8,333.33 due to the addition of a Participant, the cost estimates for the Quarterly Progress Reports have decreased to \$8,333.33 as well.

This decrease, and the addition of another Participant, have slightly altered the aggregate costs associated with the Quarterly Progress Reports. The Commission now estimates the aggregate costs to be \$800,000 – a slight increase of twenty cents.<sup>59</sup>

**16. Information Collection Planned for Statistical Purposes**

Not applicable. The information collection is not used for statistical purposes.

**17. OMB Expiration Date Display Approval**

The Commission is not seeking approval to not display the OMB approval expiration date.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

This collection complies with the requirements in 5 CFR 1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.

---

<sup>57</sup> See id.

<sup>58</sup> See id.

<sup>59</sup> See id.