

The burden associated with Commission Rule 4.22(c) is expected to be reduced by 4,050 hours:

Estimated number of respondents: 100.

Annual responses by each respondent: 2.

Estimated average hours per response: 9.

Annual reporting burden: 1,800.

This annual reporting burden of 1,800 hours represents a decrease of 4,050 hours as a result of the proposed amendments to Rules 4.5, 4.13 and 4.22.

The burden associated with Commission Rule 4.23 is expected to be reduced by 11,700 hours:

Estimated number of respondents: 100.

Annual responses by each respondent: 1.

Estimated average hours per response: 52.

Annual reporting burden: 5,200

This annual reporting burden of 5,200 hours represents a decrease of 11,700 hours as a result of the proposed amendments to Rules 4.5, 4.13 and 4.22.

The burden associated with Commission Rule 4.31 is expected to be reduced by 577.22 hours:

Estimated number of respondents: 310.

Annual responses by each respondent: 1.33.

Estimated average hours per response: 1.4.

Annual reporting burden: 577.22.

This annual reporting burden of 577.22 hours represents a decrease of 577.22 hours as a result of the proposed amendments to Rule 4.14.

The burden associated with Commission Rule 4.33 is expected to be reduced by 29,880 hours:

Estimated number of respondents: 310.

Annual responses by each respondent: 1.

Estimated average hours per response: 18.

Annual reporting burden: 5,580.

This annual reporting burden of 5,580 hours represents a decrease of 5,580 hours as a result of the proposed amendments to Rule 4.14.

As stated, these changes will result in an overall reduction of 31,025.97 hours in burden for this collection.

Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Information and Regulatory Affairs, OMB, Room 10235 New Executive Office Building, Washington, DC 20503; Attention: Desk Officer for the Commodity Futures Trading Commission.

The Commission considers comments by the public on this proposed collection of information in—

- Evaluating whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- Evaluating the accuracy of the Commission's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhancing the quality, usefulness, and clarity of the information to be collected; and
- Minimizing the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Commission on the proposed regulations.

Copies of the information collection submission to OMB are available from the CFTC Clearance Officer, 1155 21st Street NW., Washington, DC 20581, (202) 418-5160.

C. Cost-Benefit Analysis

Section 15(a) of the Act requires the Commission to consider the costs and benefits of its action before issuing a new regulation under the Act. By its terms, Section 15(a) does not require the Commission to quantify the costs and benefits of a new regulation or to determine whether the benefits of the proposed regulation outweigh its costs. Rather, Section 15(a) simply requires the Commission to "consider the costs and benefits" of its action.

Section 15(a) further specifies that costs and benefits shall be evaluated in light of five broad areas of market and public concern: Protection of market participants and the public; efficiency, competitiveness, and financial integrity of futures markets; price discovery; sound risk management practices; and other public interest considerations. Accordingly, the Commission could in its discretion give greater weight to any one of the five enumerated areas and could in its discretion determine that,

notwithstanding its costs, a particular rule was necessary or appropriate to protect the public interest or to effectuate any of the provisions or to accomplish any of the purposes of the Act.

The proposed amendments are intended to facilitate increased flexibility and consistency, and to rationalize application of Commission regulations to entities subject to other regulatory frameworks. The Commission is considering the costs and benefits of these rules in light of the specific provisions of Section 15(a) of the Act:

1. Protection of Market Participants and the Public

While certain of the proposed amendments are expected to lessen the burden imposed upon CPOs and CTAs, any exclusion or exemption of persons from regulatory requirements would be based on such factors as financial sophistication of pool participants and advisory clients or a low level of exposure to commodity interest markets. Accordingly, the proposed amendments should have no effect on the Commission's ability to protect market participants and the public.

2. Efficiency and Competition

The proposed amendments are expected to benefit efficiency and competition by removing barriers to participation in the commodity interest markets, resulting in greater liquidity and market efficiency.

3. Financial Integrity of Futures Markets and Price Discovery

The proposed amendments should have no effect, from the standpoint of imposing costs or creating benefits, on the financial integrity or price discovery function of the commodity futures and options markets.

4. Sound Risk Management Practices

The proposed amendments should increase the available range of risk management alternatives for Rule 4.5 eligible persons, as well as for CTAs and CPOs.

5. Other Public Interest Considerations

The proposed amendments will also take into account certain effects of legislative changes (e.g., in the case of exemption for registered investment advisers) and the passage of time (e.g., revising the contribution limit for the small commodity pool exemption and permitting electronic delivery of pool Account Statements).

After considering these factors, the Commission has determined to propose the amendments discussed above. The