

The new Form T-1 follows the format of the revised Form LM-2. The Form T-1, however, is similar to Form LM-4 in that it is much shorter and requires less information than the Form LM-2. The Form T-1 includes: 20 questions that identify the trust, provide basic information (in a yes/no format), and the total amount of assets, liabilities, receipts and disbursements of the trust; a schedule that separately identifies any individual or entity from which the trust receives \$10,000 or more during the reporting period; a schedule that separately identifies any entity or individual that received disbursements that aggregate to \$10,000 or more from the trust during the reporting period and the purpose of disbursement; and a schedule of disbursements to officers and employees of the trust.

#### 7. Recordkeeping and Reporting Burden Hour Estimates for the Current, Revised, and New Forms

The Department received several comments on the recordkeeping and reporting burdens associated with the current Form LM-2, and the proposed Form LM-2 and Form T-1, and the Department's initial PRA analysis. Many union members and a number of nonprofit organizations commented on the usefulness of the information provided on the proposed forms and expressed the view that the benefits of the additional information outweighed the marginal increase in recordkeeping and reporting costs. Other commenters expressed strong contrary views. Many of these comments already have been addressed in the preamble.

Although the Department received only a few comments that were specific to the Department's compliance with the requirements of the PRA, it did receive many comments on the NPRM PRA analysis and burden hour estimates. The AFL-CIO and the Mercatus Center, the latter an economic policy group based at George Mason University in Virginia, submitted detailed comments and data. A third commenter, the Center for Progressive Regulation (CPR), self-described in its comments as a newly formed, Washington, D.C.-based, organization of academics specializing in legal, economic and scientific issues surrounding federal regulation, expressed views critical of the Department's initial burden analysis. The latter organization, however, did not include in its submission any alternative data for the Department to consider. Some unions also submitted comments critical of the Department's analysis and provided some alternatives for the Department to consider.

The Department has carefully considered these various comments as well as the rest of the record and has relied on many of the commenters' observations in refining its burden analysis. In many instances, as identified below, the Department has used the data supplied by the commenters to better estimate how much time filers take to complete the current Form LM-2 and could take to complete the revised Form LM-2. By taking this information into account, the Department has increased the baseline burden assumptions for the current Form LM-2 that underlie most of the Department's estimates. At the same time, the Department could not use all of the data submitted by the commenters in refining burden estimates. Some of the data, for example, was no longer relevant to the analysis because a proposed requirement was revised or eliminated altogether in the final rule necessitating the revision or elimination of the burden associated with the proposed requirement. In other instances, the information, while illustrative of problems that had been identified by a particular union or unions, could not be used to arrive at an average burden hour estimate for unions generally or within one of the defined tiers. For example, ALPA explained that it uses a particularly sophisticated accounting program in maintaining its financial information and would incur significant burden in converting their program to comply with the proposed rule, but this information could not be used to accurately estimate how many other unions have similarly sophisticated accounting programs and could incur similar burdens. Other information was not used because it was based on a misunderstanding of the NPRM. For example, some commenters stated that local unions would incur significant costs associated with converting to an accrual accounting method when the NPRM proposed no such requirement.

In most cases, the Department has reported data regarding its burden hour estimates to the nearest hundredth, as it did in the NPRM. Contrary to the perception of a few commenters, the Department's practice is not intended to suggest greater precision than the underlying data would reflect. Instead, the figures used by the Department are derived from the Department's computations based on assumptions, rounded to the nearest hundredth by an Excel spreadsheet.

#### a. General Comments

The AFL-CIO argued that the proposed information gathering is not

necessary for the proper functioning of the Department. The AFL-CIO contends that the Department's paperwork analysis in the NPRM was fundamentally flawed and dramatically underestimated the paperwork burdens and costs to unions in complying with the proposed reporting requirements. The AFL-CIO also argued that the proposed rule is not the least burdensome approach that the Department could have taken to achieve the goal of the LMRDA and the rulemaking to make union financial reports and underlying data more useful and accessible to their members. And, as a final observation, the AFL-CIO stated that the proposed rule might shift the cost of developing and implementing electronic filing upon the reporting unions.

The AFL-CIO's contention that the changes in the reporting requirements are not necessary for the proper functioning of the Department lacks merit. The Secretary is charged under section 208 of the LMRDA, 29 U.S.C. 438, with the authority and responsibility for determining "the form and publication of reports required to be filed under this title." Unions, in turn, are required to file annual reports containing certain listed minimum information "in such detail as may be necessary accurately to disclose its financial condition and operations for its preceding fiscal year." 29 U.S.C. 431(b). These reports are statutorily required, not primarily for the proper functioning of the Department, but for disclosing to the members of the organization how their dues money has been used in the past year. As stated in its proposal and supported by many of the public comments received on the proposal, the Department believes that the minimal information reported on the current Form LM-2 forms is inadequate to ensure that unions are reporting and using funds in ways their members would approve. As discussed in the preamble, comments by union members explained their difficulties in obtaining information about their union's finances and expressed frustration in their inability to find out where their dues money was going. The more detailed reporting requirements in the final rule will increase members' awareness of how their dues money is being spent by their unions. This is consistent with the intent of the LMRDA and highlights the purpose served by the rule's information collection provisions.

The suggestion that the Department's initial burden analysis was fundamentally flawed is unpersuasive. The AFL-CIO has failed to identify any analytical shortcomings in the