

**Supporting Statement for a Request for OMB Review under  
The Paperwork Reduction Act**

**1. IDENTIFICATION OF THE INFORMATION COLLECTION**

**1(a) Title and Number of the Information Collection**

**Title: Lead-Based Paint Pre-Renovation Information Dissemination –  
TSCA Sec. 406(b)**

**EPA ICR No.: 1669.05      OMB Control No.: 2070-0158**

**1(b) Short Characterization**

Section 406(b) of Title IV of the Toxic Substances Control Act (TSCA)(15 U.S.C. 2686, see Attachment 1) requires the U.S. Environmental Protection Agency (EPA) to promulgate regulations requiring certain persons who perform renovations of target housing for compensation to provide a lead hazard information pamphlet (developed under section 406(a) of TSCA) to the owner and occupant of such housing no more than 60-days prior to commencing the renovation. Target housing is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than six years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling (section 401(17) of TSCA, 15 U.S.C. 2681). Those who fail to provide the pamphlet, as required, may be subject to both civil and criminal sanctions under section 16 of TSCA.

Pursuant to Title IV of TSCA, EPA promulgated regulations applicable to all renovations of target housing performed for compensation, except as otherwise specified, at 40 CFR part 745, subpart E (see Attachment 2). Under these regulations, renovators must provide the owner and occupant of any residential dwelling unit or multi-family housing with a lead hazard information pamphlet (see Attachment 3). After providing the pamphlet to the owner and occupant and obtaining written acknowledgment, the renovator must keep acknowledgment records on file for three years after completion of work.

The regulations at 40 CFR part 745, subpart E, apply to any person who performs renovations at target housing for compensation. However, a designated representative (e.g., a landlord, rental property manager) may deliver the pamphlet and obtain the acknowledgment. When using a designated representative, the renovator remains responsible for compliance with the regulations (63 FR 29914; June 1, 1998). For purposes of this ICR, EPA assumes that all activities associated with distribution of the lead hazard information pamphlet are undertaken by renovators.

This ICR examines the respondent paperwork requirements and associated time and cost burden of the regulations at 40 CFR part 745, subpart E. Sections 1 through 5 of the ICR describe the paperwork requirements associated with the distribution of the lead hazard information pamphlet prior to commencing renovations of target housing for compensation.

Section 6 estimates the annual time and cost burden to respondents in complying with these paperwork requirements.

Note that this ICR *does not* address time and cost burden to recipients of the lead hazard information pamphlet (i.e., owners and occupants of target housing) because the pamphlet is originally supplied by the Federal government. Under 5 CFR 1320.3(c)(2), “the public disclosure of information originally supplied by the Federal government to the [respondent] for the purpose of disclosure to the public is not included” as a “collection of information.” In addition, because the acknowledgment of receipt obtained by the renovator only involves “that burden necessary to identify the respondent, the date, the respondent’s address, and the nature of the instrument,” completion of the acknowledgment form by the owner and occupant of the target housing is not considered to be “information” under 5 CFR 1320.3(h)(1).

The following paragraphs describe the activities that renovators would take under 40 CFR part 745, subpart E.

### **Exemption from Information Distribution Requirements**

Under 40 CFR 745.82(b), renovators performing renovations of target housing for compensation are not subject to the regulations in 40 CFR part 745, subpart E if the renovation activities are limited to: (i) minor repair and maintenance activities (including minor electrical work and plumbing) that disrupt two square feet or less of painted surface per component; (ii) emergency renovation operations; or (iii) renovations in target housing in which a written determination has been made by an inspector (certified pursuant to either Federal regulations at 40 CFR 745.226 or a State or Tribal certification program authorized pursuant to 40 CFR 745.324) that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight, where the renovator has obtained a copy of the determination.

### **Information Distribution Requirements for Renovations in Dwelling Units**

Under 40 CFR 745.85(a), no more than 60 days before beginning renovation activities in any residential dwelling unit of target housing, a renovator must provide the owner of the dwelling unit with a lead hazard information pamphlet, and must comply with the procedures specified at section 745.85(a)(1)(i) or (ii). In addition, if the owner does not occupy the dwelling unit, the renovator must provide an adult occupant of the unit with the pamphlet, and comply with the procedures specified at section 745.85(a)(2)(i) or (ii).

### **Information Distribution Requirements for Renovations in Common Areas**

Under 40 CFR 745.85(b), no more than 60 days before beginning renovation activities in common areas of multi-family housing, a renovator must provide the owner of the multi-family housing with a lead hazard information pamphlet, and must comply with the procedures specified at section 745.85(b)(1)(i) or (ii).

In addition, the renovator must notify in writing, or ensure written notification of, each affected unit of the multi-family housing and make the pamphlet available upon request prior to

start of the renovation. Such notification must be accomplished by distributing written notice to each affected unit. The notice must describe the general nature and locations of the planned renovation activities; the expected starting and ending dates; and a statement of how the occupant can obtain the pamphlet, at no charge, from the renovator (section 745.85(b)(2)).

The renovator also must prepare, sign, and date a statement describing the steps performed to notify all occupants of the intended renovation activities and to provide the pamphlet (section 745.85(b)(3)). If the scope, locations, or expected starting and ending dates of the planned renovation activities change after the initial notification, the renovator must provide further written notification to the owners and occupants providing revised information on the ongoing or planned activities. This subsequent notification must be provided before the renovator initiates work beyond that which was described in the original notice (section 745.85(b)(4)).

### **Recordkeeping Requirements**

Under 40 CFR 745.86(a), renovators must retain and, if requested, make available to EPA all records necessary to demonstrate compliance with the requirements of 40 CFR part 745, subpart E, for a period of three years following completion of the renovation activities in target housing.

## **2. NEED FOR AND USE OF THE COLLECTION**

### **2(a) Need and Authority for the Collection**

Section 406(b) of TSCA requires EPA to promulgate regulations requiring certain persons who perform renovations of target housing for compensation to provide a lead hazard information pamphlet to the owner and occupant of such housing prior to commencing the renovation. Regulations promulgated under the authority of section 406(b) ensure that owners and occupants of target housing are provided information concerning potential hazards of lead-based paint exposure before certain renovations are begun on that housing. The Agency believes that the distribution of the pamphlet will help to reduce the exposures that cause serious lead poisonings, especially in children under age six, who are particularly susceptible to the hazards of lead.

### **2(b) Practical Utility and Users of the Data**

Owners and occupants of target housing must be provided with a lead hazard information pamphlet before any renovation commences. Information contained in the lead hazard information pamphlet may be used by owners and occupants of target housing to take appropriate precautions to avoid exposure to lead-contaminated dust and lead-based paint debris that are sometimes generated during renovations.

In addition, the recordkeeping requirements under 40 CFR part 745, subpart E, enable EPA, State and local regulators and the courts to determine initial compliance and monitor

continued compliance with the provisions of section 406(b) of TSCA. The record of compliance could also serve as a crucial piece of information in civil actions to establish liability.

### **3. NON-DUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

#### **3(a) Non-Duplication**

EPA has determined that no other Federal agency collection satisfies the statutory requirements of section 406(b) of TSCA.

#### **3(b) Public Notice Required Prior to ICR Submission to OMB**

In proposing to renew this ICR, EPA provided a 60-day public notice and comment period that ended on August 13, 2007 (72 FR 32642, June 13, 2007). EPA received one comment during the comment period from the Institute of Real Estate Management. A copy of the comment, and EPA's response to the comment, appear in Attachment 4 to the ICR.

#### **3(c) Consultations**

Additionally, under 5 CFR 1320.8(d)(1), OMB requires agencies to consult with potential ICR respondents and data users about specific aspects of ICRs before submitting an ICR to OMB for review and approval. In accordance with this regulation and based on OPPTS Regulatory Coordination Staff guidance, EPA submitted questions to six parties via e-mail. The individuals contacted were:

Eileen Lee  
National Multi Housing Council  
elee@nmhc.org

J. Baker  
Borger Management  
jbaker@borgermanagement.com

Janssen Tanner  
Picerne Real Estate Group  
jtanner@picernez.com

D. Haskell  
ABC First Coast  
dhaskel@abcfirstcoast.com

Mike Henderson  
ABC-Baltimore  
mhenderson@abcbaltimore.org

M. Foley  
 Cleveland Tenants Association  
 mfoley@clevelandtenants.org

EPA received one response to its solicitation for consultations, from Picerne Real Estate Group. Copies of EPA’s consultation e-mail to the above six potential respondents, and of the one response that EPA received, are included below as Attachment 5.

**3(d) Effects of Less Frequent Collection**

Regulations at 40 CFR part 745, subpart E, do not include any reporting requirements, only recordkeeping requirements. Therefore, a collection schedule is not applicable.

**3(e) General Guidelines**

This collection does not exceed any of the Paperwork Reduction Act guidelines at 5 CFR 1320.5.

**3(f) Confidentiality**

Since this ICR involves only recordkeeping and 3rd-party notifications, EPA does not believe that respondents submit any information to the Agency or that, in doing so, they would assert a confidentiality claim for information collected under this ICR. However, to the extent information submitted by respondents is business confidential, procedures are in place to protect the information from improper disclosure consistent with section 14 of TSCA; 40 CFR part 2, subpart B; and 40 CFR 745.84.

**3(g) Sensitive Questions**

No questions of a sensitive nature are included in the information collection requirements associated with the distribution of the lead hazard information pamphlet.

**4. THE RESPONDENTS AND THE INFORMATION REQUESTED**

**4(a) Respondents and NAICS Codes**

The North American Industrial Classification System (NAICS) codes associated with industries most likely affected by the requirements covered in this ICR are described below:

NAICS Code	Industrial Sector
23321	Single Family Housing Construction
23322	Multifamily Housing Construction
23511	Plumbing, Heating, and Air-Conditioning Contractors
23521	Painting and Wall Covering Contractors

<b>NAICS Code</b>	<b>Industrial Sector</b>
23531	Electrical Contractors
23541	Masonry and Stone Contractors
23542	Drywall, Plastering, Acoustical, and Insulation Contractors
23543	Tile, Marble, Terrazzo, and Mosaic Contractors
23551	Carpentry Contractors
23552	Floor Laying and Other Floor Contractors
23561	Roofing, Siding, and Sheet Metal Contractors
23571	Concrete Contractors
23581	Water Well Drilling Contractors
23591	Structural Steel Erection Contractors
23592	Glass and Glazing Contractors
23593	Excavation Contractors
23594	Wrecking and Demolition Contractors
23595	Building Equipment and Other Machinery Installation Contractors
23599	All Other Special Trade Contractors
53111	Lessors of Residential Buildings and Dwellings
53119	Lessors of Other Real Estate Property
53121	Offices of Real Estate Agents and Brokers
531311	Residential Property Managers
53132	Offices of Real Estate Appraisers
53139	Other Activities Related to Real Estate

#### **4(b) Information Requested**

In the following paragraphs, EPA describes the paperwork requirements associated with the distribution of the lead hazard information pamphlet.

#### **Exemption from Information Distribution Requirements**

Under 40 CFR 745.82(b), renovators performing renovations of target housing for compensation are not subject to the regulations in 40 CFR part 745, subpart E if the renovation activities are limited to: (i) minor repair and maintenance activities (including minor electrical work and plumbing) that disrupt two square feet or less of painted surface per component; (ii) emergency renovation operations; or (iii) renovations in target housing in which a written determination has been made by an inspector (certified pursuant to either Federal regulations at 40 CFR 745.226 or a State or Tribal certification program authorized pursuant to 40 CFR

745.324) that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight, where the renovator has obtained a copy of the determination.

(i) Data Items:

- Written determination by an inspector (certified pursuant to either Federal regulations at 40 CFR 745.226 or a State or Tribal certification program authorized pursuant to 40 CFR 745.324) that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

(ii) Respondent Activity:

- A renovator performing renovations of target housing for compensation may be exempt from the regulations in 40 CFR part 745, subpart E by obtaining copy of a determination made by a certified inspector that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

**Information Distribution Requirements for Renovation in Dwelling Units**

Under 40 CFR 745.85(a), no more than 60 days before beginning renovation activities in any residential dwelling unit of target housing, a renovator must provide the owner of the dwelling unit with a lead hazard information pamphlet, and must comply with the procedures specified at section 745.85(a)(1)(i) or (ii). In addition, if the owner does not occupy the dwelling unit, the renovator must provide an adult occupant of the unit with the pamphlet, and comply with the procedures specified at section 745.85(a)(2)(i) or (ii).

(i) Data Items:

- Lead hazard information pamphlet; and
- Documentation providing proof that the pamphlet was provided to the owner and occupant of the target housing or that an attempt was made to provide the pamphlet to the owner and occupant of the target housing (e.g., collect signed acknowledgment form, provide self-certification for failed deliveries, document mailing the information).

(ii) Respondent Activities:

A renovator planning to conduct renovations in any residential dwelling unit must:

- Prepare acknowledgment and certification forms;
- Provide the owner of dwelling unit with a lead hazard information pamphlet and obtain proof that the pamphlet was provided to the owner of the target housing by:

- o Obtaining, from the owner, a written acknowledgment that the owner has received the pamphlet (section 745.85(a)(1)(i)); or
- o Obtaining a certificate of mailing at least seven days prior to the renovation (section 745.85(a)(1)(ii)).

In addition, if the owner does not occupy the dwelling unit, the renovator also must:

- Provide an adult occupant of the unit with the pamphlet and obtain proof that the pamphlet was provided to the occupant of the target housing by:
  - o Obtaining, from the adult occupant, a written acknowledgment that the occupant has received the pamphlet (section 745.85(a)(2)(i)); or
  - o Certifying in writing that a pamphlet has been delivered to the dwelling and that the renovator has been unsuccessful in obtaining a written acknowledgment from an adult occupant (section 745.85(a)(2)(i)); or
  - o Obtaining a certificate of mailing at least seven days prior to the renovation (section 745.85(a)(2)(ii)).

### **Information Distribution Requirements for Renovations in Common Areas**

Under 40 CFR 745.85(b), no more than 60 days before beginning renovation activities in common areas of multi-family housing, a renovator must provide the owner of the multi-family housing with a lead hazard information pamphlet, and must comply with the procedures specified at section 745.85(b)(1)(i) or (ii). In addition, the renovator must notify in writing, or ensure written notification of, each affected unit of the multi-family housing and make the pamphlet available upon request prior to start of the renovation. Such notification must be accomplished by distributing written notice to each affected unit (section 745.85(b)(2)). Finally, renovators must prepare, sign, and date a statement describing the steps performed to notify all occupants of the intended renovation activities and to provide the pamphlet (section 745.85(b)(3)).

(i) Data Items:

- Lead hazard information pamphlet;
- Notice describing the general nature and locations of the planned renovation activities; the expected starting and ending dates; and a statement of how the occupant can obtain the pamphlet, at no charge, from the renovator; and
- Statement describing the steps performed to notify all occupants of the intended renovation activities and to provide the pamphlet.

(ii) Respondent Activities:



A renovator planning to conduct renovations in common areas of multi-family housing must:

- Prepare acknowledgment and certification forms;
- Provide the owner of multi-family housing unit with a lead hazard information pamphlet and obtain proof that the pamphlet was provided to the owner of the target housing by:
  - Obtaining, from the owner, a written acknowledgment that the owner has received the pamphlet (section 745.85(b)(1)(i)); or
  - Obtaining a certificate of mailing at least seven days prior to the renovation (section 745.85(b)(1)(ii));
- Notify in writing, or ensure written notification of, each affected unit of the multi-family housing and make the pamphlet available upon request no more than 60-days prior to the start of the renovation;
- Prepare, sign, and date a statement describing the steps performed to notify all occupants of the intended renovation activities and to provide the pamphlet (section 745.85(b)(3)); and
- If the scope, locations, or expected starting and ending dates of the planned renovation activities change after the initial notification, provide further written notification to the owners and occupants providing revised information on the ongoing or planned activities (section 745.85(b)(4)).

### **Recordkeeping Requirements**

Under 40 CFR 745.86(a), renovators must retain and, if requested, make available to EPA all records necessary to demonstrate compliance with the requirements of 40 CFR part 745, subpart E, for a period of three years following completion of the renovation activities in target housing.

(i) Data Items:

Records that must be retained pursuant to section 745.86 include, where applicable:

- Reports certifying that a determination has been made by an inspector that lead-based paint is not present in the area affected by the renovation, as described in section 745.82(b)(3) [section 745.86(b)(1)];
- Signed and dated acknowledgments of receipt as described in sections 745.85(a)(1)(i), (a)(2)(i), and (b)(1)(i) [section 745.86(b)(2)];
- Certifications of attempted delivery as described in section 745.85(a)(1)(i) [section 745.86(b)(3)];

- Certificates of mailing as described in sections 745.85(a)(1)(ii), (a)(2)(ii), and (b)(1)(ii) [section 745.86(b)(4)]; and
- Records of notification activities performed regarding common area renovations, as described in sections 745.85(b)(3) and (4) [section 745.86(b)(5)].

(ii) Respondent Activities:

Renovators must maintain records to demonstrate compliance with the requirements of 40 CFR part 745, subpart E, for a period of three years following completion of the renovation activities in target housing.

## **5. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

### **5(a) Agency Activities**

There are no Agency activities associated with the distribution of lead hazard information pamphlets to owners and occupants of target housing prior to commencing renovations for compensation.

### **5(b) Collection Methodology and Management**

There are no Agency activities associated with the distribution of the lead hazard information pamphlet to owners and occupants of target housing prior to commencing renovations for compensation. However, under the provisions of 40 CFR 745.87, EPA may conduct inspections and issue subpoenas pursuant to the provisions of TSCA section 11 (15 U.S.C. 2610) to ensure compliance with 40 CFR part 745, subpart E.

### **5(c) Small Entity Flexibility**

In promulgating the regulations at 40 CFR part 745, subpart E, EPA attempted to minimize the reporting and recordkeeping burden for both large and small regulated entities. While small businesses constitute the majority of affected entities, hour and cost burden imposed by the regulations is not considered to be of sufficient magnitude to have significant economic impacts on such establishments.

### **5(d) Collection Schedule**

Regulations at 40 CFR part 745, subpart E, do not include any reporting requirements, only recordkeeping requirements. Therefore, a collection schedule is not applicable.

## **6. ESTIMATING BURDEN AND COST OF THE COLLECTION**

### **6(a) Estimating Respondent Burden and Costs**

The overall cost analysis for this rule was presented in a Regulatory Impact Analysis (RIA), which is available in the docket for the rule. The current burden and costs estimates related to the information collection components of the rule are based on the estimates presented in the RIA and updated using the most recent data available. For the ICR burden analysis, individual respondent times (burden hours) for a given activity were estimated from the total number of annual burden hours in that activity (based on total events or total persons affected as reported in the regulatory analysis) divided by the estimated total number of respondents that would potentially be affected by the rule.

This ICR presents the estimated annual burden and associated annual costs for the following information collection components of the final rule:

- Start-up - Renovator and Owner/Managers of Rental Housing doing their own renovation, must read and learn the new requirements. However, since renovators and rental property owner/managers have already encountered this burden, start-up costs in this ICR are only calculated for new entrants to the market to read and learn the requirements.
- Prepare Information - Renovators and Owner/Managers of Rental Housing doing their own renovation must obtain the required pamphlet, prepare the required acknowledgment/certification form, and prepare the required notification to tenants of renovation activities in the common areas of multi-unit target housing. Renovators and Owner/Managers are also required to prepare, sign, and date a statement describing the steps performed to notify occupants of the intended common area renovation activities.
- Provide Information - Renovators and Owner/Managers of Rental Housing doing their own renovation must provide the owner/occupant with a copy of the pamphlet, and document receipt by having the owner/occupant sign the acknowledgment. In the case of the notification, Renovators and Owner/Managers of Rental Housing doing their own renovation must provide notification to tenants of renovation activities in common areas of multi-unit target housing.
- Maintain Records - Renovators and Owner/Managers of Rental Housing doing their own renovation must retain the documentation of distribution, e.g., certification by owner/occupant.

The estimated number of renovators, as well as the number of new entrants to the occupation in future years, is based on the number of Construction Contractors and Managers and the total of a selected list of Specialty Trade Contractors listed in Bureau of Labor Statistics (BLS) data for May 2005.<sup>1</sup> In 2005, there were a total of 2,465,000 employees in these categories. The number of new entrants was calculated by using the BLS data on occupational projections. BLS provides a projected percentage increase in employment from 2000-2010 for

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1 <sup>1</sup> U.S. Bureau of Labor Statistics, 2005. Occupational Employment Statistics, National Cross-Industry series <http://www.bls.gov/oes/home.htm>. The Specialty Trade Contractors included were carpenters, carpet installers, drywall workers and lathers, glaziers, insulation workers, painters and paperhangers, plasterers, and plumbers.

each labor category. EPA divided the percentage for each labor category (to approximate an annual percentage) and applied the annual percentage to the number of employees in 2005. This resulted in an estimated 31,500 new entrants for the renovation category.

The number of rental property managers and, as well, the annual number of new entrants are also taken from BLS data for the occupational category, Property and Real Estate Managers.<sup>2</sup> BLS estimates that in 2005 there were 154,000 people employed in this occupation. The number of new entrants was estimated in the same way as was done for renovators and resulted in 1,900 new entrants.

The total number of respondents, i.e. renovators and rental property managers, including new entrants, estimated for this ICR is 2,652,500. This is the total of current renovators (2,465,000), new entrants to renovation (31,500), current property managers (154,000), and new entrants to property management (1,900).

The annual number of renovation events is calculated in the manner used in previous 406(b) analyses, based in part on the 2005 U.S. Census Bureau data on expenditures on residential improvements and repairs. This data is available on-line as Table S1 from <http://www.census.gov/const/www/c50index.html>. In Table 1 and in related calculations, the data used for “improvements” is the sum of Census Bureau data line items for “alterations” and “major replacements.”

The annual number of renovations in owner-occupied housing is estimated to be 19,426,241 events. This number is estimated from data on the annual expenditures on certain renovation activities<sup>3</sup>, divided by unit costs for renovation activities (obtained from the National Association of Home Builders publication Profile of the Remodeler 1992 and inflated to 2005 dollar values). The annual number of renovations in rental housing, which is estimated to be 6,379,994 events, is estimated using the same sources cited above for owner-occupied housing. Table 1 provides details on both of these calculations. Both these numbers are then adjusted to exclude those events that do not occur in target housing

According to data in the HUD 2005 American Housing Survey, an estimated 62.27 percent of owner occupied housing units qualify as target housing, and also 70.94 percent of rental housing units. Those are the percentages of housing that was constructed prior to 1980 minus those units with zero bedrooms<sup>4</sup>. Those percentages were used in combination with the information in Table 1 to estimate the number of renovation events per year in target housing. The estimated number of events in owner-occupied target housing is thus 12,096,720 (19,426,241 times 62.27 percent). Similarly, the estimated number of events in rental target housing is 4,525,968 (6,379,994 times 70.94 percent).

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2 <sup>2</sup> U.S. Bureau of Labor Statistics, 2005. Occupational Employment Statistics, National Cross-Industry series <http://www.bls.gov/oes/home.htm>.

3 <sup>3</sup> U.S. Census Bureau, *Residential Improvements and Repair Statistics, 2005*, Construction Report series, <http://www.census.gov/const/www/c50index.html>

4 <sup>4</sup>See U.S. HUD, *American Housing Survey for the United States: 2005*, issued August 2006, Tables 1A-1 and 1A-3.

Obviously, not all renovation contractors or owner/managers of rental housing will be initiating a renovation activity that is covered by this rule each year, nor will all of the target housing or rental properties that are subject to the rule have renovation activities initiated each year. EPA believes that it is reasonable to assume that 100% of the units involved in renovation activities in target housing will be required to take an action in accordance with the final rule, and that the action taken for each event involves the personal delivery by renovators and owners/managers of a notification or pamphlet directly to the tenant/occupant, the obtaining of a certification/receipt, and recordkeeping. As such, it is not necessary to include separate burden or cost estimates for the alternate delivery methods, which are already captured by the burden estimate provided by the assumed 100% compliance with personal delivery.

The required activity differs for renovation activities in rental housing with respect to activities involving the individual unit and activities involving the common areas. Renovation events occurring in individual rental units require renovators to prepare acknowledgment forms for, distribute pamphlets to, and obtain acknowledgments from, both the owner and the tenant of the unit. On the other hand, when renovation events take place in common areas these activities (prepare certification form, distribute pamphlet, obtain acknowledgment) apply only to owners of the unit. For occupants affected by common area renovations, renovators are required to ensure written notification of the intended renovation activity and, if requested, make the pamphlet available to any tenants making such a request. The renovator must also document this disclosure activity by preparing a written statement describing the steps performed to notify all occupants of the intended renovation activities. In this ICR costs for providing pamphlets to tenants affected by common area renovations are not included because property owners will likely post copies of the pamphlet in common areas, thereby making them available to any interested tenants.

For individual units, the RIA indicates that the majority of renovation activities involving the individual unit actually occur between tenants and while the unit is vacant. As such, EPA estimates that only approximately one fourth of the rental property renovations will occur in the individual unit while it is occupied. Thus it is expected that the notification provisions of the TSCA section 406(b) rule will apply to 1,131,492 events annually out of a total of 4,525,968 renovations in rental target housing.

<b>Table 1. Estimated Number of Renovation Events in all US housing (not restricted to pre-1979 housing).</b>								
<b>Activity</b>	<b>Expenditures (\$millions, 2005) [a]</b>			<b>Unit Cost [b]</b>		<b>Estimated Number of Events [c]</b>		
	<b>Maintenance and Repair</b>	<b>Improvements</b>	<b>TOTAL</b>	<b>Maintenance and Repair</b>	<b>Improvements</b>	<b>Maintenance and Repair</b>	<b>Improvements</b>	<b>TOTAL</b>
<b>Owner Occupied</b>								
Heating and Central AC	[d]	\$8,290	\$8,290	[d]	\$2,979	[d]	2,782,813	2,782,813
Plumbing	[d]	\$3,492	\$3,492	[d]	\$7,306	[d]	477,963	477,963
Painting	\$11,104	[d]	\$11,104	\$3,361	[d]	3,303,779	[d]	3,303,779
Siding	\$804	\$3,976	\$4,780	\$3,581	\$8,000	224,518	497,000	721,518
Interior Restructuring	[d]	\$9,328	\$9,328	[d]	\$11,241	[d]	829,819	829,819
Other	\$13,132	\$24,315	\$37,447	\$2,500	\$4,014	5,252,800	6,057,549	11,310,349
<b>Total</b>	<b>\$25,040</b>	<b>\$49,401</b>	<b>\$74,441</b>	-	-	<b>8,781,097</b>	<b>10,645,144</b>	<b>19,426,241</b>
<b>Rental Properties</b>								
Heating and Central AC	[d]	\$2,079	\$2,079	[d]	\$2,979	[d]	697,885	697,885
Painting	\$4,279	[d]	\$4,279	\$3,361	[d]	1,273,133	[d]	1,273,133
Siding	\$448	[e]	\$448	\$3,581	[e]	125,105	[e]	125,105
Other	\$5,582	\$8,233	\$13,815	\$2,500	\$4,014	2,232,800	2,051,071	4,283,871
<b>Total</b>	<b>\$10,309</b>	<b>\$10,309</b>	<b>\$20,621</b>	-	-	<b>3,631,038</b>	<b>2,748,956</b>	<b>6,379,994</b>

[a] Expenditure data for 2005 is from the Census Bureau's *Residential Improvements and Repair Statistics, Table S1, Historic Expenditures to Properties by Type of Job, 1994-2005*. This data is available on-line at <http://www.census.gov/const/www/c50index.htm>. In most cases, Census data for "alterations" and "major replacements" have been combined to generate the numbers shown here as "improvements." The numbers that appear in this table reflect expenditures that have been estimated for all U.S. housing. To derive the number of events expected to occur in target housing requires further calculation.

[b] Unit costs were provided by the National Association of Home Builders (NAHB) for a previous version of this ICR. Unit costs were updated to 2005 dollars (to be consistent with the expenditure data) using the consumer price index for housing. The original costs from NAHB were in 1992 dollars. The inflation adjustment was a factor of 1.2141.

[c] The estimated number of event was calculated by dividing the expenditures by unit costs.

[d] Any activities in these categories (and any other categories not shown in the table) are not shown here because they were determined to be unlikely to trigger the provisions of the Sec. 406(b) rule (and thus to be out of scope for this ICR renewal analysis).

[e] Census Bureau data on expenditures for siding improvements to rental housing are included in the "Other" category.

<b>Table 2 – Summary of Renovation Events (per year)</b>			
	<b>All housing units</b>	<b>Target housing units</b>	<b>Occupied target housing</b>
Owner-occupied	19,426,241	12,096,720	12,096,720
Rental units	6,379,994	4,525,968	1,131,492
<b>Totals (rental plus owner occupied)</b>		<b>16,622,688</b>	<b>13,228,212</b>

Estimates for time requirements incurred by respondents in complying with the various activities are based on conversations with renovation contractors, building trades groups, and rental property owners and managers. The costs of time for renovation contractors (which is \$28.55/hour) and rental property managers (which is \$24.60/hour) are based on the average hourly earnings for July 2006, for the residential remodeling category and the Real Estate category, respectively.<sup>5</sup> Estimated hourly rates reflect a 64 percent mark-up on the raw rate reported by BLS to reflect overhead and benefits. The 64 percent mark-up was used in the previous ICR for this collection.

The Agency's estimated burden hours and costs for the information collection activities contained in this rule are summarized below and presented in the attached tables.

Start-Up Burden - The start-up or first year burden involves the time and cost required to read and learn the disclosure rule's requirements and set up procedures for meeting those requirements. Since start-up costs are greatest in the first year following promulgation, the individual start-up burden was estimated for renovators and rental property managers performing renovation activities in the 1998 ICR. In the 1998 ICR, EPA had taken the total burden associated with the first year of implementing this final rule and annualized it over the next three years. These burdens and costs have been removed from the current ICR. EPA believes this revised ICR need not include start-up costs since they have already been encountered by renovators and rental property managers. The only start-up costs considered are those for new entrants to these occupations. EPA estimates that there will be 31,500 new entrants for renovators and 1,900 new entrants for property managers.

Preparation and the Provision of the Information - The burden under this activity section involves the time and cost for preparing and providing the information needed to perform the disclosure activities in conjunction with the renovation of target housing as specified by the rule. In essence, this includes the following activities:

- Preparing written acknowledgment/certification for all Owners/Occupants
- Preparing written acknowledgment/certification for all Owners of rental units (1-unit and common area)
- Preparing written acknowledgment/certification for 1-unit occupant

<sup>5</sup> Data extracted from BLS Current Employment Statistics Data, <http://www.bls.gov/ces/home.htm>. The real estate earnings data are from CES series CEU55531, and the construction earnings data are from the series for residential remodelers, CEU236118.

- Preparing and delivering the pamphlet to individual Owner/Occupants, owners of all rental units, and 1-unit rental occupants
- Obtaining acknowledgment/certification of the delivered pamphlet from all Owner/Occupants, owners of all rental units, and 1-unit rental occupants
- Preparing and posting the Notification for common area activities
- Preparing a statement describing the steps performed to notify all occupants of common areas of the intended renovation

In this transaction, the renovator/manager must prepare the appropriate document, make sufficient copies, distribute the information, and obtain the acknowledgments or prepare a certification of the delivery failure. Since per event burden is likely to vary greatly, dependent upon such highly variable factors as the method of delivery chosen, the frequency of this activity for the individual manager/renovator, the number of events, experience and individual efficiencies, EPA has attempted to simplify the estimate by making some general assumptions. These assumptions are likely to result in an overall overestimate, which the Agency believes will help ensure that all the variations in these activities are covered.

For the purposes of calculating the burden and costs, EPA has assumed 100% of the renovation activities in owner occupied housing (12,096,720), and 25% of rental property renovation activities (1,131,492 - assumed earlier as the estimated number of renovation events taking place in the individual unit) will involve the preparation of a written acknowledgment. In addition, a written acknowledgment will be prepared for 100% of owners of rental units (4,525,968). Similarly, for the sake of simplicity EPA has assumed that 100% of the renovation activities in rental housing will involve the notification of the owner, even though in some cases the renovations will be conducted by the rental owner's staff. In addition, EPA has used burden numbers that are chosen to avoid underestimates but which may therefore result in some overestimation. For example, since the burden calculations for the written acknowledgment and notification are estimated to be about 2 minutes to prepare the document for the first event, and less than 1 minute to copy that document for subsequent distribution, the average burden is likely to be something between 1 and 2 minutes per event. Nonetheless, EPA has used an estimate of 2 minutes per event, to ensure that any error will be on the high side. All of these assumptions are consistent with those used in the original RIA for this rule and with the previous ICR and ICR renewal analyses.

The renovator/manager is also required to distribute the pamphlet and obtain acknowledgments from all owner occupants (12,096,720), all owners of rental units (4,525,968), and individual unit rental occupants (1,131,492). As explained in the final rule preamble, EPA has provided ample flexibility to the renovator/manager for their distribution of the pamphlet or notification. Since the renovator/manager will already visit the site on more than one occasion to complete the contract transaction, evaluate the site for estimate purposes, deliver material and the like, EPA believes that personal delivery, i.e., distribution of the pamphlet or notification, is likely to be combined with one of these other activities. Since the manager/renovator must obtain the acknowledgment from the recipient when the information is provided, or certify that the information was made available and acknowledgment was refused, this activity will also occur at this time. EPA estimates that this transaction may take less than 1 minute, and no more than 4



minutes; EPA estimated the burden to be 2 minutes per-event in order to calculate the total burden for the ICR

There will be some instances when the manager/renovator will need to provide a self-certification for failed deliveries. These circumstances may result in a burden that exceeds the estimates described above. However, EPA believes that the over-estimation that is built into other portions of this analysis is sufficient to cover any added burden associated with failed deliveries, so that no additional burden need be estimated to cover these circumstances. Consequently, the calculations in this EPA analysis assume that all recipients will provide the acknowledgment.

As noted above, renovation activities taking place in the common area also require the preparation of a statement describing the steps performed to notify each occupant of the intended renovation. For this requirement, EPA is assuming a time estimate of 5 minutes per event. (See Table 3.)

The time estimates are based on conversations with renovation contractors, building trades groups, and rental property owners and managers. In determining the corresponding annual cost, EPA used the hourly rate for renovation construction (\$28.55/hr). (See Table 3.)

<b>Table 3 - Total Annual Burden and Cost Estimates for Renovation Contractors &amp; Owners/Rental Property Managers</b>						
<b>Activity</b>	<b>Total # People/ Events</b>	<b>Hourly Cost</b>	<b>Per Event</b>		<b>Annual Total</b>	
			<b>Burden</b>	<b>Cost</b>	<b>Burden</b>	<b>Cost</b>
Start-up for Annual New Entrant - Renovator	31,500	\$28.55	1.00	\$28.55	31,500	\$899,325
Start-up for Annual New Entrant - Rental Manager	1,900	\$24.60	1.00	\$24.60	1,900	\$46,740
Preparing acknowledgment form for owner/occupants	12,096,720	\$28.55	0.033	\$0.94	399,192	\$11,396,925
Preparing acknowledgment form for 1-unit rental occupant	1,131,492	\$28.55	0.033	\$0.94	37,339	\$1,066,035
Preparing acknowledgment for all owners of rental units	4,525,968	\$28.55	0.033	\$0.94	149,357	\$4,264,141
Distribution of pamphlet and obtaining acknowledgment from owner/ occupants	12,096,720	\$28.55	0.033	\$0.94	399,192	\$11,396,925
Distribution of pamphlet and obtaining acknowledgment from 1-unit rental occupants	1,513,762	\$28.55	0.033	\$0.94	49,954	\$1,426,191
Distribution of pamphlet and obtaining acknowledgment from all owners of rental units	4,525,968	\$28.55	0.033	\$0.94	149,357	\$4,264,141
Notification for common area activities	4,525,968	\$28.55	0.033	\$0.94	149,357	\$4,264,141
Preparing, signing, and dating a statement describing the steps performed to notify all common area occupants of the intended renovation	4,525,968	\$28.55	0.083	\$2.37	375,655	\$10,724,960
Filing and retaining acknowledgments	16,622,688	\$28.55	0.083	\$2.37	1,379,683	\$39,389,953

<b>Totals</b>	<b>3,122,486</b>	<b>\$89,139,477</b>
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Recordkeeping Burden - The Recordkeeping Burden involves the time and cost for meeting the disclosure rule's recordkeeping requirements. The individual recordkeeping burden for renovation contractors and property managers performing renovation work is based on the estimated total annual number of renovations performed, i.e., 16,622,688 (12,096,720 + 4,525,968), and the total amount of time spent in the recordkeeping activity (approximately 5 minutes per event). In determining the corresponding annual cost, EPA used the hourly rate for a renovation construction (\$28.55/hr). (See "Filing and retaining acknowledgments" in Table 3.)

Costs for Materials - The costs associated with the pamphlet, the acknowledgment forms, the certification forms, and notification signs are all considered to be materials costs and these costs are not included in the estimated burden and corresponding cost estimate. The "materials" costs consist of the cost for purchasing or duplicating the Lead Hazard Pamphlets, and the materials associated with the preparation of the acknowledgment form and notifications, as well as any certification forms. Certification forms are expected to be used infrequently, but there is no numerical information available on that frequency. The materials cost for certification forms is expected to be negligible in comparison to the cost of acknowledgment forms and therefore has not been separately estimated.

The Lead Hazard Pamphlets are 16 pages, printed front and back, folded sheet format (i.e., 4 sheets of standard sized paper per document). EPA believes that most renovators will purchase the pamphlet in bulk, although some may choose to save money by making their own duplicates of the pamphlet. As a conservative estimate, EPA is assuming copying costs of \$0.34 for 100% of renovators and rental managers. EPA assumes that all owner-occupied renovation events and rental renovation events taking place in the individual unit will require a copy of the pamphlet. As a result, the total cost of pamphlets incurred by renovators and property managers is \$5,651,714, which was calculated using the copying cost per pamphlet, and the total number of pamphlets required (16,622,688).

It is assumed that for every renovation event there is one copy of the written acknowledgment. Renovators are assumed to generate two document sets (one for the renovator and one for the owner), for a total of two copies, at approximately \$0.10 each page. EPA therefore estimates that the total cost for the written acknowledgment form is \$3,324,538, based on the cost per page and the total annual number of acknowledgments required (2 x \$0.10 x 16,622,688). The additional cost for the notification is estimated to be \$452,597, based on the cost per page and the total annual number of renovations in the common areas of target multi-unit housing (\$0.10 x 4,525,968). The total materials cost attributed to the information collection activity contained in this final rule is estimated to be \$9,428,849 (\$5,651,714 + \$3,324,538 + \$452,597).

#### **6(b) Estimating Agency Burden and Cost**

Not applicable. This is a third party notification rule.

#### **6(c) Bottom Line Burden Hours and Costs/Master Table**

The total annual burden for this ICR is therefore 3,122,486 hours. The total annual cost is estimated to be \$98,568,326 including \$89,139,477 for implementation activities and \$9,428,849 for estimated materials costs. See Table 4.

	<b>Burden Hours</b>	<b>Cost</b>
Total Implementation Activities	3,122,486	\$89,139,477
Material Costs	-	\$9,428,849
<b>TOTAL</b>	<b>3,122,486</b>	<b>\$98,568,326</b>

#### **6(d) Reasons for Changes in Burden**

This request reflects a net decrease in the total estimated respondent burden of 339,056 hours (from 3,461,542 hours to 3,122,486 hours) from that currently in the OMB inventory. The primary reason for the decrease is a decline in the estimated number of annual renovation events in rental units. Rental unit renovations, in this analysis, are responsible for a disproportionate share of the burden due to the multiple activities they generate. Table 3 includes lines for notification of both owners and occupants of rental units as well as notification for common area activities. The differences in the estimated number of renovation events are detailed in Table 5. The numbers show an increase in owner-occupied events but a decrease in rental unit events. These shifts seem to be associated with a shift in renovation expenditures and activities away from rental property and toward owner-occupied property. The result is an approximate ten percent decline in the burden hour estimate. This change reflects an adjustment rather than a program change.

<b>Renovation Event</b>	<b>Previously Approved ICR</b>	<b>Current ICR</b>	<b>Difference</b>
Owner-Occupied	11,584,202	12,096,720	512,518
One-Unit Dwellings	1,513,762	1,131,492	(382,270)
Common Areas	6,055,048	4,525,968	(1,529,080)
<b>TOTAL</b>	<b>19,153,012</b>	<b>17,754,180</b>	<b>(1,398,832)</b>

In addition, EPA estimates there will be 33,245,376 responses under this renewal ICR. This, in part, reflects EPA's estimate that an additional 170,500 respondents will be subject to the rule requirements over the 2,482,000 in the previous ICR (EPA No. 1669.04). However, in the previous ICR, EPA considered the completion of all of the notification and recordkeeping requirements that a respondent would be required to engage in to be a single response. In this renewal ICR, EPA has counted each time a respondent engages in a single required notification, pamphlet distribution, or recordkeeping activity as an individual response. Coupled with EPA's assumption that each respondent will need to comply with the rule requirements several times,

the number of estimated responses to this ICR has increased significantly. This change, however, also reflects an adjustment rather than a program change.

Lastly, the total estimated cost burden incurred by renovators and property managers related to the notifying occupants, distributing Lead Hazard Pamphlets, and obtaining acknowledgments is \$9,428,849, which reflects an increase of \$5,490,220 from the previously estimated \$3,938,629. The previous ICR (EPA No. 1669.04) did not provide estimates for the materials costs associated with acknowledgments and notifications, nor did the net materials cost estimates cited in previous ICR properly count the full number of pamphlets that would be distributed. The estimates cited in the previous ICR only accounted for pamphlets distributed to owner-occupants and all other owners of rental units. This change is an adjustment.

### **6(e) Burden Statement**

The annual public burden for this collection of information, which is approved under OMB Control No. 2070-0158, is estimated to be 0.09 hours per response (i.e., 3,122,486 burden hours for an estimated 33,245,376 responses). (The Supporting Statement identifies 16,622,688 events, each of which involves a third-party disclosure activity of some kind plus a separate recordkeeping activity, therefore two responses per event or 33,245,376 responses total.) According to the Paperwork Reduction Act, “burden” means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For this collection it includes such activities as annual familiarization with requirements for new entrants, the preparation of acknowledgment or notification documents, the provision of the notification document, and record retention of any acknowledgments. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA’s regulations in title 40 of the CFR, after appearing in the Federal Register, are listed in 40 CFR part 9 and included on the related collection instrument or form, if applicable.

The Agency has established a public docket for this ICR under Docket ID No. EPA-HQ-OPPT-2007-0271, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), or in person viewing at the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Pollution Prevention and Toxics Docket is (202) 566-0280. You may submit comments regarding the Agency's need for this information, the accuracy of the provided burden estimates and any suggested methods for minimizing respondent burden, including the use of automated collection techniques.

Submit your comments, referencing Docket ID No. EPA-HQ-OPPT-2007-0271 and OMB Control No. 2070-0158, to (1) EPA online using [www.regulations.gov](http://www.regulations.gov) (our preferred method), or by mail to: Document Control Office (DCO), Office of Pollution Prevention and Toxics (OPPT), Environmental Protection Agency, Mail Code: 7407T, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460, and (2) OMB by mail to: Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Attention: Desk Officer for EPA, 725 17th Street, NW, Washington, DC 20503.

## ATTACHMENTS TO THE SUPPORTING STATEMENT

Attachments to the supporting statement are available in the public docket established for this ICR under docket identification number EPA-HQ-OPPT-2007-0271. These attachments are available for online viewing at [www.regulations.gov](http://www.regulations.gov) or otherwise accessed as described in section 6(f) of the supporting statement.

- Attachment 1:** 15 U.S.C. 2686 - Section 406 of the Toxic Substances Control Act. Also available at online at the US House of Representatives' [US Code website](#)
- Attachment 2:** 40 CFR part 745, Subpart E - Residential Property Renovation. Also available online at the National Archives and Records Administration's [Electronic CFR Website](#)
- Attachment 3:** Lead Hazard Information Pamphlet (“Protect Your Family from Lead in Your Home”). Also available online at the [EPA Website](#)
- Attachment 4:** Public Comment from the Institute of Real Estate Management / EPA’s Response to Public Comment
- Attachment 5:** Record of Consultations with Potential ICR Respondents
- Attachment 6:** Display Related to OMB Control #2070-0158 -Listings of Related Regulations in 40 CFR 9.1