

## **Supporting Statement for a Request for OMB Review Under the Paperwork Reduction Act**

### **1. Identification of the Information Collection**

#### **1(a) Title of the Information Collection**

**TITLE: ICR Amendment for Rulemaking entitled “Lead; Elimination of the Opt-out Provision and Other Amendments to the Renovation, Repair, and Painting Program; Final Rule”**

ICR No. EPA ICR No. 1715.12; OMB 2070-0155

#### **1(b) Short Characterization/Abstract**

The following information collection request (ICR) addendum covers revisions to the 2008 renovation, repair, and painting (RRP) rule which established reporting and recordkeeping requirements for individuals and firms conducting renovations in target housing, which is most housing constructed before 1978, and child-occupied facilities, which are pre-1978 residential, public, or commercial buildings where children under 6 are regularly present. EPA is revising the 2008 RRP final rule under the authority of Sections 402 and 407 of the Toxic Substances Control Act (TSCA). This ICR addendum revises the existing approved ICR to incorporate reporting and recordkeeping requirements in a rule expected to be published in the Federal Register on April 28, 2010.

Section 402(a) of TSCA requires EPA to develop and administer a training and certification program as well as work practice standards for persons who perform lead-based paint activities. The current regulations in 40 CFR part 745, subpart L, cover inspections, lead hazard screens, risk assessments, and abatement activities in target housing, which is most pre-1978 housing, and child-occupied facilities.

Like the regulations under Section 402(a) of TSCA, the regulations pertaining to renovation projects under Section 402(c)(3) of TSCA require reporting and/or recordkeeping from three entities: firms engaged in renovations in target housing and child-occupied facilities; training providers; and States/Territories/Tribes/Alaskan Native Villages (hereafter, the term “States” includes Territories, Tribes and Villages). Of these entities, the rule only affects firms and training providers. Accordingly, this document does not address the record keeping or reporting requirements for States. The following sections provide a general overview of the reporting and recordkeeping requirements for firms and training providers, discussed in more detail in section 4(b).

**Firms.** Firms that wish to engage in renovations in target housing or child-occupied facilities must obtain certification from EPA/States. This includes firms consisting only of one self-employed individual. To receive certification, a firm must submit a letter to EPA/States certifying that it will employ certified renovators and conduct renovations in target housing in accordance with the work practice standards. Firms must re-certify every five years. The rule also requires firms to develop and retain records of the renovation activities they undertake to demonstrate compliance with standards and provide a written record for future reference. In addition, for renovations in child-occupied facilities located in public or commercial buildings, the rule requires firms to provide the building owner and adult representative of the child-occupied facility with a lead hazard information pamphlet. After providing the pamphlet to the owner and occupant and obtaining written acknowledgment, the firm must keep acknowledgment records on file for three years after completion of work. Renovation firms must also either (i) provide the lead hazard information pamphlet and general information on the renovation to

parents or guardians of children under age 6 using the facility, or (ii) erect signs that provide general information on the renovation accompanied by the pamphlet or information on how to obtain a copy of it. (Existing regulations require the distribution of a lead hazard information pamphlet, and the associated recordkeeping, before renovations in all target housing. This burden is reflected in EPA ICR No. 1669, *Lead-Based Paint Pre-Renovation Information Dissemination – TSCA Sec. 406(b)*, and is approved under OMB Control No. 2070-0158.) The reporting and recordkeeping requirements are necessary to provide EPA compliance monitoring and enforcement personnel with information necessary to track compliance activity and to prioritize inspections. The Agency believes that the distribution of the pamphlet will help to further reduce exposures that can cause serious lead poisonings in children under age six, who are particularly susceptible to the hazards of lead. Under the rule, firms would be required to provide information regarding compliance with the 2008 RRP rule to owners and occupants of target housing and child-occupied facilities.

**Training providers.** Training programs seeking to offer training for renovators or dust sampling technicians must obtain EPA/State accreditation. In order for EPA/States to have the information necessary to evaluate and accredit the training programs, training providers must prepare and submit application packages. Training programs also must certain records related to their students and training personnel qualifications. Training programs are required to notify the Agency 1) prior to providing training courses, and 2) following completion of training courses. Training programs must apply for re-accreditation every four years. These notification requirements are necessary to provide EPA compliance monitoring and enforcement personnel with information necessary to track compliance activity and to prioritize inspections.

## **2. Need for and Use of the Collection**

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

Under Section 402(a)(1) of TSCA, the Agency must “...promulgate final regulations governing lead-based paint activities to ensure that individuals engaged in such activities are properly trained; that training programs are accredited; and that contractors engaged in such activities are certified. Such regulations shall contain standards for performing lead-based paint activities, taking into account reliability, effectiveness and safety.”

Section 402(a)(2) states that “Final regulations promulgated under [section 402(a)] paragraph (1) shall contain specific requirements for the accreditation of ... training programs ... including, but not limited to:

- Minimum requirements for the accreditation of training providers;
- Minimum training curricula requirements;
- Minimum training hour requirements;
- Minimum hands-on training requirements;
- Minimum training competency and proficiency requirements;
- Minimum requirements for training program quality.”

Section 402(c)(3) directs EPA to revise its regulations under TSCA Section 402(a) to apply to renovation and remodeling activities that create lead-based paint hazards. Section 407 of TSCA states that regulations shall include such recordkeeping and reporting requirements as may be necessary to ensure effective implementation

The Agency’s amendments to the regulations issued under Sections 402(a), 402(c)(3), 404, and 407 fulfill these statutory mandates.

## 2(b) Practical Utility/Users of the Data

### Owners and Occupants of Target Housing and Child-occupied Facilities

The rule will require renovation firms to provide training and work practice information to the owners and occupants of target housing and child-occupied facilities in a short, easily-read checklist or other form. This third-party notification will serve to reinforce the information provided by the lead hazard information pamphlet that renovation firms provide to these persons before beginning renovations covered by this rule. By addressing the significant training and work practice provisions of the RRP rule, this information will enable building owners and occupants to better understand what the renovation firm did to comply with the rule and how the rule's provisions affected their specific renovation. Educating the owners and occupants in this way is likely to improve their ability to assist the EPA in monitoring compliance with the RRP rule.

### EPA

This information collection will provide EPA with the materials necessary to serve as the accrediting and certifying body in States without authorized renovation programs.

### EPA/States

This collection will enable EPA/States to determine compliance with and enforce the requirements for renovation-specific training, certification, accreditation, and work practice standards. Without this collection, there would be no meaningful way of ensuring the implementation of the statutory objective: to ensure that trained individuals conduct renovations in such a way as to minimize potential harm to occupants. The rule provides flexibility for individuals conducting renovations, by relying on guidance and training to help renovators determine the best approaches to minimizing exposure to lead-based paint hazards created during renovation activities. The Agency believes this is the best method for accommodating a variety of renovation projects and site-specific conditions.

It is the nature of certification and accreditation that an entity seeking such must provide materials to the certifying or accrediting body. The materials the Agency/State requires for these activities are central to the activity. In addition, EPA will be relying on training provider notifications to keep track of which individuals have received accredited renovator training. This information will be a critical part of EPA's compliance monitoring and enforcement activities.

It is also important to note that the re-accreditation requirements for training programs are meant to ensure that training programs incorporate new developments and technologies in their courses and that individuals receive training in them. The Agency believes this will ensure that individuals and firms conduct renovation activities in the safest and most effective manner possible.

The records renovation firms have to compile and retain are necessary as a reference for building owners/occupants, EPA or authorized entities. The records demonstrate that individuals conducting the activities do so in a safe and effective manner, according to the minimum work practice standards established by the rule. These recordkeeping requirements are also necessary to permit the Agency to target its enforcement activities and to ensure compliance within the contracting and training community.

3. **Nonduplication, Consultations, and Other Collection Criteria**

**3(a) Nonduplication**

The Agency's collection pursuant to the TSCA 402/404/406/407 regulations does not duplicate any other collection. There is no other model program for lead-based paint activities and renovations, or associated State program approval process, and there are currently no other Federal requirements for the training and certification of individuals engaged in these activities, for the accreditation of training programs, required standards for the conduct of these activities, or lead hazard information distribution requirements for renovations in child-occupied facilities.

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

The notice of final rulemaking served as the public notice for this ICR addendum. Interested parties submitted comments. Responses were taken into account in developing the final rulemaking.

**3(c) Consultations**

During the development of the 2008 RRP rule, the Agency consulted with a broad range of interested parties, including States, training providers, renovation contractors, and advocacy groups. More information on EPA's consultations with stakeholders can be found in the preamble to the 2006 RRP proposal and the preamble to the supplemental notice. Summaries and transcripts of meetings with stakeholders can be found in the rulemaking docket (EPA-HQ-OPPT-2005-0049).

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

Due to the nature of this regulation and its collection, less frequent collection is not feasible. In particular, each firm must obtain certification and re-certification, each training program must provide specific notification and documentation prior to commencement and upon completion of each course, and each renovation activity is a separate and unique event requiring specific documentation.

**3(e) General Guidelines**

This ICR is consistent with OMB's general guidelines. The Agency is requiring that firms maintain records for three years and training providers to maintain records for three and one-half years.

**3(f) Confidentiality**

Neither the existing regulations nor the rule amendments address questions of a confidential nature.

**3(g) Sensitive Questions**

Neither the existing regulations nor the rule amendments address questions of a sensitive nature.

**4. The Respondents and the Information Requested**

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

Respondents for the reporting, third-party notification and recordkeeping requirements of this rule include: 1) firms and individuals engaged in residential renovations, 2) firms and individuals engaged in renovations in child-occupied facilities, and 3) training programs providing training services in lead-based paint activities and renovations. The North American Industrial Classification System (NAICS) codes associated with industries most likely affected by the paperwork requirements covered in the existing ICR and this addendum are described below:

236118 Residential Remodelers  
238210 Electrical Contractors  
238220 Plumbing, Heating, and Air-Conditioning Contractors  
238320 Painting and Wall Covering Contractors  
238350 Finish Carpentry Contractors  
238310 Drywall and Insulation Contractors  
238170 Siding Contractors  
238340 Tile and Terrazzo Contractors  
238150 Glass and Glazing Contractors  
238390 Other Building Finishing Contractors  
238290 Other Building Equipment Contractors  
531110 Lessors of Residential Buildings and Dwellings  
531311 Residential Property Managers  
541330 Engineering Services  
541350 Building Inspection Services  
611110 Elementary and Secondary Schools  
611519 Other Technical and Trade Schools  
624410 Child Day Care Services

**4(b) Information Requested**

The existing renovation regulations specify reporting and record keeping for training providers and individuals/firms undertaking renovation activities. The rule is expected to increase the number of firms and renovators expected to seek certification and training.

**(i) Data Items**

**Training Providers**

To comply with the Renovation, Repair, and Painting rule, training providers must notify EPA both before offering each course (to facilitate EPA's enforcement activities) and after each course (so EPA has a record of the individuals who have completed the course). Training providers must use either the sample form entitled "Lead-Based Paint Activities and Renovation Training Notification" or a similar form containing the required information. Training providers may provide electronic submissions using the Agency's secure, internet-based Central Data Exchange (CDX). (The paperwork activities, and related burden and costs, associated with CDX user registration are described in another ICR that is currently approved by OMB under OMB Control No. 2025-0003.) The initial notice must include the following:

- Notification type (Original, Updated, Cancellation);
- Training program name, EPA accreditation number, address, and phone number;

- Course discipline, type (initial/refresher), and the language in which instruction will be given;
- Date(s) and time(s) of training;
- Training location(s) phone number, and street address;
- Principal instructor's name; and
- Training manager's name and signature.

Training providers must update the Agency regarding any changes to training dates, course locations, course cancellations, or other changes made to the original notice.

Following completion of lead-based paint activities, renovator, or dust sampling technician courses, training providers must provide notice using either the sample form, entitled "Lead-Based Paint Activities and Renovation Post-Training Notification" or a similar form containing the required information. Training providers may provide electronic submissions using the Agency's CDX. The notice must include the following:

- Training program name, EPA accreditation number, address, and phone number;
- Course discipline and type (initial/refresher);
- Date(s) of training;
- The following information for each student who took the course:
  - o Name
  - o Address
  - o Date of birth
  - o Digital photograph
  - o Course completion certificate number
  - o Student test score
  - o Training manager's name and signature

In addition, for renovator and dust sampling technician courses, the training course provider must take a digital photograph of each trainee and submit it to EPA along with its training course follow-up information.

Training course providers must maintain the following records:

- Records demonstrating the qualifications of the training manager and the principal instructor(s);
- Current curriculum and course materials;
- Course test blueprints;
- Information on how hands-on assessments are conducted;
- Quality control plan;
- Results of students' hands-on assessments and course test;
- Record of each student's course completion certificate.

### Firms

The rule is expected to increase demand for certified firms, and therefore more firms are expected to seek certification to conduct renovation, repair and/or painting activities involving lead-based paint. To obtain certification firms must submit specific materials to EPA/State, using either the sample EPA Form 8500-27R entitled "Application for Firms to Conduct Renovations" or a similar form containing the required information:

- List of current permits, licenses, certifications, or registrations in the lead-based paint field held by the firm;
- Explanation of any violations related to lead-based paint;
- Certification statement that the firm will employ only properly certified or trained individuals and that its employees will follow the specified work practice standards.

On occasion, firms may later amend their application to add or modify information. Certified firms must apply for re-certification every five years.

Firms performing renovations in target housing and child-occupied facilities in public or commercial buildings must provide lead hazard information pamphlets to property owners and tenants or child-occupied facility representatives. Firms must also either (i) provide the pamphlet and general information on the renovation to parents or guardians of children under age 6 using the facility, or (ii) erect signs that provide general information on the renovation accompanied by the pamphlet or information on how to obtain a copy. Firms must prepare and maintain documentation providing proof that pamphlets were provided to building owners and child-occupied facility representatives, or that an attempt was made to provide the pamphlets. Examples of such documentation include signed acknowledgment forms, self-certifications for failed deliveries, and postal receipts for mailings. Firms must also document their activities with respect to the notification of parents and guardians of child-occupied facilities. For example, the firm could prepare a signed, dated description of the notification activities performed in connection with a particular renovation.

In addition, firms conducting renovations are required to maintain records demonstrating compliance with the final rule requirements for using certified renovators and properly trained workers, posting signs, containing the renovation work area, cleaning the renovation work area, and performing a post-renovation cleaning verification or dust clearance testing after the renovation activity has been completed. The rule will require these firms to give owners and if different, the occupants a checklist indicating that the firm complied with the rule requirements.

## **(ii) Respondent Activities**

The rule is expected to increase the number of renovators that require training. Training providers will perform the following activities for the additional trainees that will seek renovation training:

- Submit an initial and, if needed, amended notification of courses to be given;
- Provide notice of completion of all courses offered;
- Retain records; and
- Provide accrediting entity access to records as requested.

The rule is expected to increase the number firms seeking certification. Firms perform the following activities:

- Read the regulations;
- Submit applications for certification;
- Provide lead hazard information pamphlets to building owners and child-occupied facility operators and make them available to parents/guardians; and
- Prepare and retain records.

The rule will also require all firms to complete the checklist and provide it to the owner and if different, the occupant of the target housing or child-occupied facility.

## 5. **Agency Activities, Collection Methodology, and Information Management**

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

EPA will perform the following activities in response to the submittals required by this rule:

- Receive, review, and file initial, update, and course completion notices and digital photographs of trainees from training providers; and
- Receive, review, and act on applications for certification from renovation firms.

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

For purposes of this rule, the Agency will make use of existing technology to simplify the application and notification process where possible. In addition to the more traditional methods (mail, commercial delivery service, or hand delivery), the Agency would accept fax and e-mail course notifications from training providers as well as notifications through the Central Data Exchange (CDX). E-mail notification would have to be followed by a written notification for the record, but the original e-mail notice would satisfy the applicable notification time requirements. In addition, firms may use CDX to apply for certification and re-certification.

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

EPA has attempted to ensure that its regulatory requirements do not unduly burden small businesses. As part of the development process for the 2008 RRP rule, the Agency convened a Small Business Advocacy Review Panel under the Regulatory Flexibility Act. More information on the Panel, and the Agency's assessment of the impacts on small businesses, can be found in the preamble to the 2008 RRP rule.

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

For certification, and accreditation, collection activities will occur according to the following schedule:

- Training programs submit notification of training to EPA;
- Training programs submit post-training notification to EPA;
- Firms may apply for certification at any time;
- Firms must seek re-certification at five-year intervals following initial certification.

The Agency believes that receipt of notification 7 business days prior to conducting training courses is necessary to facilitate the inspection of training locations. The regulation also includes provisions for updating the original notification. The Agency determined that the time periods for initial notification will also apply to a change in course location, or if the course is to be presented earlier than described in the original notification. Other changes, including cancellation of courses, need only be received by the Agency at least 2 business days before a training course is scheduled to begin. Such notification periods are appropriate to allow proper allocation of EPA compliance monitoring and enforcement resources, and to prevent the arrival of Agency personnel at the wrong location or time.

## 6. **Estimating The Burden And Cost**

This section estimates the incremental burden of reporting and recordkeeping for the revisions to the 2008 lead renovation, repair, and painting program final rule (73 FR 21692), also known as the RRP or LRRP rule. This burden is incremental to the burden already accounted for in the existing, approved ICR (EPA ICR No. 1715.10). The estimates of the number of entities subject to the rule's requirements and the unit burden and cost of the requirements were taken from the ICR supporting statement *Final Rule Addendum to an Existing EPA ICR Entitled: TSCA Sections 402/404 Training and Certification, Accreditation, and Standards for Lead-Based Paint Activities* (EPA ICR No. 1715.10, OMB 2070-0155), the *Economic Analysis for the TSCA Lead Renovation, Repair and Painting Program, Final Rule for Target Housing and Child-Occupied Facilities*, also referred to as the Economic Analysis for the Final Rule, and from the *Economic Analysis for the TSCA Lead Renovation, Repair and Painting Program Opt-Out and Recordkeeping Final Rule for Target Housing and Child-Occupied Facilities* (EPA 2008, 2010). This supporting statement provides burden and cost estimates for the first three years of the program. All costs are presented in year 2005 dollars.

Sections 6(a) and 6(b) estimate the respondents' paperwork burdens and costs, respectively. Section 6(c) estimates EPA costs, section 6(d) summarizes the bottom line burden and costs, section 6(e) describes the reasons for changes in burden from the previous ICR, and section 6(f) presents the burden statement.

The demand for certified firms and renovators is predicted to increase as a result of the elimination of the opt-out provision, and therefore more firms and renovators are predicted to seek certification and training as a result of the revisions. Separate impacts are estimated for these firms and individuals that would not have otherwise sought certification and training without the elimination of the opt-out provision. Hereafter these entities are referred to as "opt-out entities." Likewise, those firms and individuals that would have sought certification and training without the elimination of the opt-out provision are referred to as "currently regulated entities." The impacts of the revisions to the rule on the opt-out entities include all the costs associated with the requirements of the revised LRRP rule. In contrast, the only impacts of the revisions on the currently regulated entities are those associated with the recordkeeping requirement that renovation firms provide owners and occupants with a copy of the records demonstrating compliance with the training and work practice requirements of the RRP rule. This requirement is hereafter referred to as the "recordkeeping checklist requirement".

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

Two types of respondents will be affected by this information collection request: training providers and entities performing renovation, repair, and painting activities.<sup>1</sup> The paperwork burden associated with reporting and recordkeeping for these two types of respondents is estimated separately. The reporting estimates include the time associated with reviewing instructions, collecting the information needed to complete the notification form, and completing and sending the notification forms to the appropriate authority. The recordkeeping burden estimates include the time required for the respondent to file a record of the information.

#### Training Providers

---

<sup>1</sup> The rule allows for the training and use of a sampling technician to perform dust clearance testing following a renovation instead of performing cleaning verification. Because dust clearance testing is substantially more expensive than the cleaning verification, EPA expects few buildings to have dust clearance testing performed. Since the frequency of dust clearance testing is expected to be low, and therefore not to have a significant cost impact, this analysis assumes that cleaning verification is always performed instead of dust clearance testing.

To comply with the Renovation, Repair, and Painting rule, training providers must gain accreditation and keep records on both the courses they provide and the students they train. They must notify EPA both before offering each course (to facilitate EPA's enforcement activities) and after each course (so EPA has a record of the individuals who have completed the course).

It is assumed that enough training providers will become accredited under the 2008 LRRP rule to cover the increased demand from RRP firms seeking certification and training as a result of the elimination of the opt-out provision. Therefore, it is estimated that no new training providers will become accredited as a result of the revisions. However, these training providers will have to offer more courses due to the increased demand which will result in incremental notification costs.

Under the rule, pre-course notification is required at least 7 business days prior to the start of a lead-based paint activities course. Re-notification is required if the course date changes. Within 10 days of course completion, training providers are required to submit a post-course notification. The following sections discuss how the reporting and recordkeeping burden estimates in this analysis were developed. Exhibit 6.1 presents the estimation of Training Provider burden for course notifications.

This analysis assumes that training providers will complete a separate notification form for each lead-based paint activity course conducted. The number of pre-course and post-course notification events was estimated by dividing the total number of students in a given year by an estimated average class size of 25 students and the estimated number of training providers. (See the Economic Analysis of the 2008 LRRP rule (EPA 2008) for details.) The numbers of notification events were rounded upwards to reflect the possibility that some courses will be under subscribed. There is one pre-notification and one post-notification for each training course, with an average burden of 0.15 and 1.54 hours each. (Post-notifications are more time consuming because the Training Provider must send records pertaining to each student who attended the course.) In addition, some courses may require re-notification. Re-notification events are calculated based on notification events in the FLPP database. Re-notifications occur for approximately 12 percent of original pre-course notifications, and are also estimated to require 0.15 hours of time. Estimates of the amount of time required to complete the pre-course and post-course notification forms are determined in the existing approved ICR.

The training provider burden estimates described above also include the recordkeeping burden associated with filing a one page record of the notification form sent to the administering agency. An estimate of the amount of time needed to file a record was adopted from the existing approved ICR, and is estimated to be 0.01 hours per training event.

Training providers are also required to take a digital photo of each certified renovator upon initial and refresher training. The estimated time burden associated with taking and processing each photo is 3 minutes per photo (EPA 2008), or 1.25 hours per training course of 25 individuals.

As presented below in Exhibit 6.2, the burden for all training providers is estimated to be 15,127 hours in Year 1 of the regulation, 3,007 hours in Year 2, and 2,977 hours in Year 3. (The burden drops to reflect the decrease in the number of renovators needing training each year, since initial training is generally only needed for new entrants to the market and retraining is only required every five years.) The average annual aggregate burden for training providers over the three years covered by this ICR is 7,037 hours.

### Exhibit 6.1 Training Providers: Notification Burden

Category	Events per Training Provider				Reporting Hours/Event	Recordkeeping Hours/Event	Total Hours/Event
	Year 1	Year 2	Year 3	Avg.			
Pre-notification	30	6	6	14	0.15	0.01	0.16
Re-notification	4	1	1	2	0.15	0.01	0.16
Post-notification	30	6	6	14	1.54	0.01	1.55
Digital Photo	30	6	6	14	1.25	0.00	1.25
Annual Total	94	19	19	44			

#### *Notification Burden Hours per Training Provider*

Year 1	Year 2	Year 3
90	18	18

#### Training Providers per Year

Year 1	Year 2	Year 3
168	167	166

#### *Total Notification Burden Hours per Year*

Year 1	Year 2	Year 3
15,127	3,007	2,977

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

### Exhibit 6.2 Total Training Provider Burden

	Year 1	Year 2	Year 3	Average
Total Burden	15,127	3,007	2,977	7,037

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

### Renovation, Repair, and Painting Firms: Certification-Related Burden

Under the revisions to the renovation, repair, and painting (RRP) rule, firms wishing to conduct renovations in opt-out housing would be required to apply for certification.<sup>2</sup> They would also be required to keep records reflecting RRP events conducted by trained employees. This ICR presents the costs to firms seeking certification as a result of the elimination of the opt-out provision.

It is estimated that firms that become certified under the rule will spend a total of three hours familiarizing themselves with the rule's requirements when they are initially certified. They will spend another half an hour filling out and mailing the Application for Firm Certification each time they are certified or re-certified. (Re-certification is required every five years.) As shown in Exhibit 6.3, 111,426 firms are estimated to become certified in the first year as a result of the rule. In the second year, 22,193 firms will become certified (19,974 initial certifications and 2,219 re-certifications). When combined with the 88,775 firms still operating that are already certified, this yields a total of 110,968 certified firms. In the third year, 22,103 firms will become certified (19,893 initial certifications and 2,210 re-

<sup>2</sup> Only target housing contractors would be affected by the elimination of the opt-out provision.

certifications). When combined with the 88,411 firms still operating that are already certified, this yields a total of 110,514 certified firms. The number of firms certified each year is calculated in the Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

Averaged across three years, there are an estimated 110,969 opt-out entities operating annually, all of which are private firms. Small businesses comprise 110,672 of these firms.

Additionally, all RRP firms, regardless of whether they are applying for certification in a given year, will spend time keeping records of RRP work. An estimate of the amount of time needed to file a record was adopted from EPA ICR No. 1715.07. On average, RRP firms will spend 4.8 hours on recordkeeping per year. This is based on a burden of 5 minutes per response and an average of 58 responses per firm. The number of events per firm is estimated in the Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

In the first year, it is assumed that the number of firms that seek certification is equal to the number that is necessary to meet the demand for lead-safe RRP services in that first year. From the second year on, this analysis makes the simplifying assumption that one fifth of the number of firms certified in the first year seek initial- or re-certification year (since re-certification is required every five years). The number of certifications is assumed to decline by 0.41 percent annually to reflect the decline in the pre-1978 housing stock

As indicated above, this analysis assumes a steady annual number of firm certifications after the second year of regulation. If all the firms needed to meet the demand for lead-safe RRP were certified in the first and second years, one might expect a drop in the level of certification in the third year, followed by a spike in the next year. That is, one might expect a cyclical pattern of training and certification to emerge. However, it is difficult to predict how cyclical training and certification demand might be, or how this cyclical might diminish over time. Therefore, this analysis assumes that a typical amount of certification occurs each year after the first two years because modeling a cyclical component would add little to the analysis without being able to estimate the extent of any cyclical more precisely.

This analysis accounts for turnover in the regulated RRP industry by assuming a certain percentage of certifications each year are initial certifications. Specifically, after the first year, 90 percent of firms seeking certification are assumed to be seeking their initial certification based on the relative annual average frequency of initial certifications observed for abatement firms in FLPP database.

As presented below in Exhibit 6.4, this amendment estimates the burden for all opt-out firms conducting renovations in Year 1 to be 924,836 hours for all entities. The burden is estimated to be 603,665 hours for all opt-out firms in Year 2, and 601,198 hours in Year 3 (reflecting the decrease in the number of opt-out firms needing certification, since re-certification is only required every five years). There is an annual average of 709,899 hours during the three year period covered by this ICR. This yields an average burden of 6.4 hours per year for opt-out RRP firms.

### Exhibit 6.3 Number of Certified Firms

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Average</b>
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>				
Receiving Initial Certification	111,426	19,974	19,893	50,431
Receiving Re-Certification	0	2,219	2,210	1,476
<i>Subtotal: Firms Receiving Certification or Re-Certification</i>	111,426	22,193	22,103	51,907
Already Certified - Not Receiving Certification or Re-Certification	0	88,775	88,411	59,062

Total	111,426	110,968	110,514	110,969
-------	---------	---------	---------	---------

#### Exhibit 6.4: Average Annual Number of Certifications and Burden per Response

	Number of Small Respondents	Number of Respondents	Burden per Response (hours)*
Private Firms			
Initial Certification	50,296	50,431	8.3
Recertification	1,472	1,476	5.3
No Certification	58,904	59,062	4.8
Total	110,672	110,969	

**Note(s):** \* Includes annual recordkeeping time of 4.8 hours.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

#### Certification/Re-Certification/Recordkeeping Burden- Hours Per Firm

Total Certification/Recordkeeping Burden- Hours		Re-Certification	
Entities Seeking Certification as a Result	Certification Year	Opt-Out Year	Other Years
	Year 1	Year 2	Year 3
Rule Familiarization	334,278	0.5 59,922	059,679
Recertification	55,713	4.8 11,097	418,052
Total Recordkeeping	534,845	8.3 532,646	530,467
<b>Total</b>	<b>924,836</b>	<b>603,665</b>	<b>601,198</b>
			<b>709,899</b>

**Note(s):** Numbers may not calculate due to rounding. Re-certification required every five years.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

#### Renovation, Repair, and Painting Firms – Burden Related to Recordkeeping Checklist

Under the revisions to the 2008 LRRP rule, all renovation firms are required to provide a copy of the records demonstrating compliance with the training and work practice requirements of the RRP rule to the owner and, if different, the occupant of the building being renovated or the operator of the child-occupied facility. Firms performing work in owner-occupied target housing would be required to distribute one copy of the checklist while firms performing work in renter-occupied target housing would be required to provide a copy each to the owner and the occupant. If the work occurs in the common area of an apartment building, the checklist, or information on how to obtain the checklist, must be posted on a sign in the common area or delivered to each of the affected units. (This analysis always assumes that a sign will be posted.) Child-occupied facilities that perform work themselves must post the checklist, or information on how to obtain the checklist, on a sign that is accessible to parents or guardians of the children or mail this information to these individuals. Similarly, landlords that perform work would have to supply one copy of the checklist attached to a sign in the area where the work is being performed or provide a copy to each affected unit. Contractors who perform work in owner-occupied COFs must provide two copies of the checklist: one copy to the owner of the COF and one copy to be posted on a sign in the COF (they may also choose to mail this information to the parents or guardians). In addition to the two copies required in owner-occupied events, contractors working in renter-occupied COFs must also provide the operator of the COF with a third copy of the checklist.

#### *Number of RRP Firms and Events Performed*

All RRP firms are required to comply with the recordkeeping checklist provision during each RRP event they perform. As discussed in detail in Section 4.4 of the Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010), 323,147 entities (111,426 opt-out and 211,721 currently regulated) are expected to perform RRP events in Year 1. Exhibit 6.5 presents the number of opt-out and

currently regulated firms that are expected to incur costs as a result of the recordkeeping checklist provision and elimination of the opt-out provision. Exhibit 6.5 also presents the estimated number of events these firms will perform. Events are presented in groups based on the number of checklist copies required for each type of event.

**Exhibit 6.5: Number of Opt-Out and Currently Regulated Firms and RRP Events**

	Year 1	Year 2	Year 3
<b><i>Number of RRP Firms</i></b>			
RRP Entities Certified as a Result of Eliminating the Opt-Out Provision	111,426	110,968	110,514
RRP Entities Regulated under the 2008 LRRP Rule	211,721	210,853	209,989
<b>Total - All Entities</b>	<b>323,147</b>	<b>321,821</b>	<b>320,503</b>
<b><i>Number of RRP Events</i></b>			
<i>Events as a Result of Eliminating the Opt-Out Provision</i>			
Owner Target Housing	7,271,555	7,241,742	7,212,050
<i>Events Currently Regulated under the 2008 LRRP Rule</i>			
Owner Target Housing	1,459,940	1,453,954	1,447,993
Renter Target Housing	9,572,191	9,532,945	9,493,860
In-House/Landlord <sup>a</sup>	100,056	99,646	99,238
Owner COF Contractor <sup>b</sup>	267,534	266,437	265,344
Renter COF Contractor <sup>c</sup>	12,900	12,847	12,794
<i>Subtotal - Currently Regulated Events</i>	<i>11,412,621</i>	<i>11,365,829</i>	<i>11,319,229</i>
<b>Total - All Events</b>	<b>18,684,176</b>	<b>18,607,571</b>	<b>18,531,280</b>

**Source(s):** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

- a. RRP is performed by the owner of a public or commercial building.
- b. RRP is performed by a contractor in an owner-occupied public or commercial building.
- c. RRP is performed by a contractor in a renter-occupied public or commercial building.

Exhibit 6.6 shows the three-year average annual number of respondents to the recordkeeping checklist requirements. During the three year span of this ICR, it is estimated that an average of 110,969 private firms, of which 110,672 are small, will seek certification as a result eliminating the opt-out provision. An additional 210,855 currently regulated entities, of which 207,340 are small, are estimated to incur costs of complying with the checklist provision requirements.

**Exhibit 6.6: Average Annual Number of Recordkeeping Checklist Respondents, Responses per Respondent, and Burden per Response**

	Number of Small Respondents	Number of Respondents	Responses per Respondent	Burden per Response (hours)
<i>RRP Entities Certified as a Result of Eliminating the Opt-Out Provision</i>				
Private Entity	110,672	110,969	65.26	0.05
State/Local Gov	0	0	0.00	0
<i>Entities Currently Regulated by the 2008 LRRP Rule</i>				
Private Entity	200,202	203,105	55.65	0.05
State/Local Gov	7,138	7,750	8.13	0.05

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

### *Estimated Burden per Event*

All renovation firms are required to provide a copy of the records demonstrating compliance with the training and work practice requirements of the RRP rule to the owner and, if different, the occupant of the building being renovated or the operator of the child-occupied facility.

This analysis estimates the per-event burden of preparing photocopies and distributing the checklist. It is estimated that it will take entities performing RRP jobs an average of three minutes to photocopy and distribute the checklist.

### *Estimated Total Burden*

Exhibit 6.7 presents the total burden and cost to respondents resulting from the recordkeeping checklist requirements. Total respondent burden was estimated by multiplying the numbers of RRP events by the corresponding per event burden estimates.

#### **Exhibit 6.7: Total Recordkeeping Checklist Provision Burden Due to the Rule**

Total Burden Hours

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>RRP Entities Certified as a Result of Eliminating the Opt-Out Provision</i>			
Owner Target Housing	363,578	362,087	360,603
<i>Entities Currently Regulated by the 2008 LRRP Rule</i>			
Owner Target Housing	72,997	72,698	72,400
Renter Target Housing	478,610	476,647	474,693
In-House/Landlord <sup>a</sup>	5,003	4,982	4,962
Owner COF Contractor <sup>b</sup>	13,377	13,322	13,267
Renter COF Contractor <sup>c</sup>	645	642	640
<i>Subtotal – Currently Regulated Events</i>	<i>570,631</i>	<i>568,291</i>	<i>565,961</i>
<b>Total - All Events</b>	<b>934,209</b>	<b>930,379</b>	<b>926,564</b>

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

## **6(b) Estimating Respondent Costs**

### Introduction

The cost estimates addressed in this section are based on the burden estimates discussed in section 6(a). Wage rates for each category of personnel are based on wage rate information from the Bureau of Labor Statistics (BLS)<sup>3</sup>. Following are the wage rates used in this analysis, which are fully loaded (i.e., include fringe benefits and overhead), and are in 2005 US dollars<sup>4</sup>:

Training Provider Clerical Time	\$23.54/hr
---------------------------------	------------

<sup>3</sup>U.S. Bureau of Labor Statistics. 2005. Occupational Employment Statistics Series.

<sup>4</sup>Firm Wage Rates were Inflated from 2004 US dollars to 2005 US dollars the BLS Employment Cost Index for the Construction Industry.

RRP Firm Wage Rate	\$31.64/hr <sup>5</sup>
--------------------	-------------------------

#### Training Providers

The loaded wage rate for training provider clerical staff is \$23.54 per hour. Clerical staff will prepare and mail notifications and will perform recordkeeping activities. Training provider costs also include \$0.37 per postage stamp and \$0.02 per envelope for mailing notifications and \$0.08 per one page copy of each notification for the firm's records. Training providers are also required to take a digital photo of each renovator receiving certification. The use of a one-time digital camera costs \$20.58 per 25 photos and takes approximately three minutes per photo or 1.25 hours per 25 photos.

Exhibit 6.8 estimates the annual cost for training provider notifications. As shown in Exhibit 6.9, total training provider costs are estimated to be \$465,625 in the first year of the rule, \$92,571 in the second year, and \$91,639 in the third year. The average annual cost over the three years covered by the ICR is \$216,612. This yields an average cost of \$1,297 per training provider.

---

<sup>5</sup> Certified renovators' fully loaded wages (\$31.64/hour) are estimated from BLS wage data for First-Line Supervisors/Managers of Construction Trades and Extraction Workers (Occupation 47-1011) who work in the residential building construction industry. Wages are fully loaded to account for fringe benefits with an average fringe rate for the construction industry of 23.5 percent.

### Exhibit 6.8 Training Providers: Notification Cost Estimates

Category	Events per Training Provider				Reporting Cost/Event	Recordkeeping Cost/Event	Materials Cost/Event	Total Cost/Event
	Year 1	Year 2	Year 3	Avg.				
Pre-notification	30	6	6	14	\$3.53	\$0.24	\$0.47	\$4.24
Re-notification	4	1	1	2	\$3.53	\$0.24	\$0.47	\$4.24
Post-notification	30	6	6	14	\$36.25	\$0.24	\$0.47	\$36.96
Digital Photo	30	6	6	14	\$29.43	\$0.00	\$20.58	\$50.00

*Cost per Training Provider*

Year 1	Year 2	Year 3
\$2,772	\$554	\$552

*Training Providers per Year*

Year 1	Year 2	Year 3
168	167	166

*Total Cost per Year*

Year 1	Year 2	Year 3
\$465,625	\$92,571	\$91,639

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); EPA ICR No. 1715.07; and U.S. Bureau of Labor Statistics Occupational Employment Statistics Series (2005).

### Exhibit 6.9 Total Training Provider Costs - 2005 Dollars

	Year 1	Year 2	Year 3	Average
Total Notification Cost	\$465,625	\$92,571	\$91,639	\$216,612

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); EPA ICR No. 1715.07; and U.S. Bureau of Labor Statistics Occupational Employment Statistics Series (2005).

### RRP Firms – Costs Related to Certification

The elimination of the opt-out provision is expected to increase the number of firms seeking certification. This ICR accounts for the burden and costs associated with these additional firms seeking certification. The average cost associated with initial certification is \$111 per response, based on a response time of 3.5 hours and a loaded renovator wage rate of \$31.64. The average re-certification cost per response is about \$16. In addition to labor costs, firm certification costs also include \$0.37 per postage stamp and \$0.02 per envelope for mailing notifications and \$0.08 per one page copy of each notification for the firm's records. (Costs have not been updated from 2005 dollars in order to facilitate comparison with previous information collection requests, which were also in 2005 dollars. Consistent with this, postage costs have not been updated to 2009.) All firms incur a recordkeeping cost of \$152 per response.

As presented below in Exhibit 6.10, based on the burden estimates provided in section 6(a) and the wage rates discussed above, the costs associated with certification applications for all opt-out firms

conducting renovations is estimated to be \$29,323,089 in Year 1, \$19,112,164 in Year 2, and \$19,034,052 in Year 3. The average annual cost for these opt-out entities is \$22.5 million over the three years covered by this ICR, resulting in an average cost per opt-out firm of \$203.

#### Exhibit 6.10 Opt-Out Firms: Certification Cost Estimates

##### Number of Firms

	Year 1	Year 2	Year 3
<b>RRP Entities Certified as a Result of Eliminating the Opt-Out Provision</b>			
Receiving Initial Certification	111,426	19,974	19,893
Receiving Re-Certification	0	2,219	2,210
<i>Subtotal: Firms Receiving Certification or Re-Certification</i>	<i>111,426</i>	<i>22,193</i>	<i>22,103</i>
Already Certified - Not Receiving Certification or Re-Certification	0	88,775	88,411
<b>Total</b>	<b>111,426</b>	<b>110,968</b>	<b>110,514</b>

##### Certification/Re-Certification/Recordkeeping Cost per Firm - 2005 Dollars

Total Certification/Recordkeeping Costs - 2005 Dollars	Certification				Average
	Year 1	Year 2	Year 3	Other Years	
<i>RRP Entities Certified as a Result of Eliminating the Opt-Out Provision</i>					
Rule Familiarization	\$10,576,556	\$94,931,895,932	\$0.001,888,244	\$0.00	\$4,786,911
Certification Form	\$1,762,759	\$15.82351,093	\$15.82349,669	\$0.00	\$821,174
Recordkeeping	\$16,922,489	\$151.8716,852,932	\$151.8716,783,982	\$151.8716,853,135	
Material Costs	\$61,284	\$0.55 \$12,206	\$0.55 \$12,157	\$0.00	\$28,549
<b>Total</b>	<b>\$29,323,089</b>	<b>\$263.119,112,164</b>	<b>\$168\$19,034,052</b>	<b>\$151.8722,489,768</b>	

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); EPA ICR No. 1715.07; and U.S. Bureau of Labor Statistics Occupational Employment Statistics Series (2005).

#### RRP Firms – Costs Related to Recordkeeping Checklist Provision

Under the revisions to the 2008 LRRP rule, all renovation firms are required to provide a copy of the records demonstrating compliance with the training and work practice requirements of the RRP rule to the owner and, if different, the occupant of the building being renovated or the operator of the child-occupied facility. This additional requirement would pertain to all firms, those regulated under the 2008 LRRP rule as well as those that would not have otherwise sought certification and training without the elimination of the opt-out provision. Firms performing work in owner-occupied target housing would be required to distribute one copy of the checklist while firms performing work in renter-occupied target housing would be required to provide a copy to the owner and occupant. If the work occurs in the common area of an apartment building, the checklist, or information on how to obtain the checklist, must be posted on a sign in the common area or delivered to each of the affected units. (This analysis always assumes that a sign will be posted.) Child-occupied facilities that perform work themselves must post the checklist, or information on how to obtain the checklist, on a sign that is accessible to parents or guardians of the children or mail this information to these individuals. Similarly, landlords that perform work would have to supply one copy of the checklist attached to a sign in the area where the work is being performed or provide a copy to each affected unit. Contractors who perform work in owner-occupied COFs must provide two copies of the checklist: one copy to the owner of the COF and one copy to be posted on a sign in the COF (they may also choose to mail this information to the parents or guardians). In addition to the two copies required in owner-occupied events, contractors working in renter-occupied COFs must also provide the operator of the COF with a third copy of the checklist.

In addition to the time needed to prepare photocopies and distribute the checklist, entities performing RRP events will also incur the cost of photocopy materials. Based on per-page photocopy costs, EPA estimates that a single copy of the checklist costs \$0.08. Exhibit 6.11 presents resulting per-event checklist costs.

**Exhibit 6.11 Number of Checklist Copies and Cost per Event**

	Target Housing Events		Public and Commercial Building Events		
	Owner	Renter	In-house / Landlord <sup>b</sup>	Contractor – Owner <sup>c</sup>	Contractor – Renter <sup>d</sup>
Labor Cost <sup>a</sup>	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58
Material Cost <sup>e</sup>	\$0.08	\$0.16	\$0.08	\$0.16	\$0.24
Total Cost	\$1.66	\$1.74	\$1.66	\$1.74	\$1.82

a. Based on a burden of 3 minutes, at a wage rate of \$31.64, based on Bureau of Labor Statistics (SOC 47-1011)

b. RRP is performed by the owner of a public or commercial building.

c. RRP is performed by a contractor in an owner-occupied public or commercial building.

d. RRP is performed by a contractor in a renter-occupied public or commercial building.

e. The average price of a photo copy at Copy Cop, Kinkos, Staples, and Office Max is eight cents.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010).

Exhibit 6.12 presents the estimated total costs of the recordkeeping checklist provision to entities performing RRP events. RRP firms will incur time burden and material costs, presented in Exhibit 6.7 and Exhibit 6.11, respectively. To estimate total labor costs associated with the recordkeeping checklist, the total burden estimates in Exhibit 6.7 were multiplied by the loaded wage rate for clerical staff (\$31.64 per hour). Total pamphlet costs were estimated by multiplying the numbers of events in Exhibit 6.5 and by the corresponding per-event pamphlet cost estimates in Exhibit 6.11.

**Exhibit 6.12 Total Costs Associated with the Recordkeeping Checklist Provision**

	Year 1	Year 2	Year 3
<b>Total Labor Cost</b>			
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>			
Owner Target Housing	\$11,503,600	\$11,456,435	\$11,409,464
<i>Entities Currently Regulated under the 2008 LRRP Rule</i>			
Owner Target Housing	\$2,309,625	\$2,300,156	\$2,290,725
Renter Target Housing	\$15,143,206	\$15,081,119	\$15,019,286
In-House/Landlord	\$158,289	\$157,640	\$156,994
Owner COF Contractor	\$423,238	\$421,503	\$419,775
Renter COF Contractor	\$20,408	\$20,324	\$20,241
Subtotal	\$18,054,766	\$17,980,742	\$17,907,021
<b>Total - All Entities</b>	<b>\$29,558,366</b>	<b>\$29,437,177</b>	<b>\$29,316,485</b>
<b>Total Materials Cost</b>			
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>			
Owner Target Housing	\$581,724	\$579,339	\$576,964
<i>Entities Currently Regulated under the 2008 LRRP Rule</i>			
Owner Target Housing	\$116,795	\$116,316	\$115,839
Renter Target Housing	\$1,531,551	\$1,525,271	\$1,519,018
In-House/Landlord	\$8,005	\$7,972	\$7,939
Owner COF Contractor	\$42,805	\$42,630	\$42,455
Renter COF Contractor	\$3,096	\$3,083	\$3,071
Subtotal	\$1,702,252	\$1,695,272	\$1,688,322
<b>Total - All Entities</b>	<b>\$2,283,976</b>	<b>\$2,274,612</b>	<b>\$2,265,286</b>
<b>Total Cost</b>			
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>			
Owner Target Housing	\$12,085,324	\$12,035,775	\$11,986,428
<i>Entities Currently Regulated under the 2008 LRRP Rule</i>			
Owner Target Housing	\$2,426,420	\$2,416,472	\$2,406,564
Renter Target Housing	\$16,674,757	\$16,606,390	\$16,538,304
In-House/Landlord	\$166,294	\$165,612	\$164,933
Owner COF Contractor	\$466,044	\$464,133	\$462,230
Renter COF Contractor	\$23,504	\$23,407	\$23,311
Subtotal	\$19,757,018	\$19,676,014	\$19,595,343
<b>Total - All Entities</b>	<b>\$31,842,342</b>	<b>\$31,711,789</b>	<b>\$31,581,771</b>

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); EPA ICR No. 1669.04 (2004); U.S. Bureau of Labor Statistics Occupational Employment Statistics Series (2005); The average price of a photo copy at Copy Cop, Kinkos, Staples, and Office Max is eight cents.

### 6(c) Estimating Agency Cost

There are also government costs to administer the program. States, Tribes, and Territories are allowed, but are under no obligation, to apply for and receive authorization to administer these requirements. EPA will directly administer programs for States, Tribes, and Territories that do not become authorized. Because the number of States, Tribes, and Territories that will become authorized is not known, administrative costs are estimated assuming that EPA will administer the program everywhere. To the extent that other government entities become authorized, EPA's administrative costs will be lower. States, Tribes, and Territories that choose to implement the rule themselves are expected to incur similar costs on a per-unit basis.

Under the preferred regulatory option, EPA will perform two tasks as part of administering the RRP program: certify firms and process training provider notifications. To reduce the burden on the regulated community, EPA's preferred option does not include formal certification for renovators or dust sampling technicians.

### *Agency Cost of Processing Training Notifications*

As it is estimated that no training providers will seek accreditation as a result of the revisions to the 2008 LRRP Rule, EPA will only incur the cost of processing notifications submitted by training providers prior to and following each course session. It is assumed that EPA technical staff with a fully loaded hourly wage of \$34.69<sup>6</sup> will spend an average of two minutes processing each notification.

It is estimated that there will be 10,765 training notifications in Year 1, 2,140 in Year 2, and 2,119 in Year 3. As shown in Exhibit 6.13, it will cost EPA \$12,477 to process training notifications in the first year of the rule, \$2,475 in Year 2, and \$2,450 in Year 3.

#### **Exhibit 6.13 Total EPA Cost of Processing Training Notifications – 2005 Dollars**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Process Training Notification	\$12,447	\$2,475	\$2,450
Total	\$12,447	\$2,475	\$2,450

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Economic Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); U.S. Office of Personnel Management: 2005 General Schedule - Base Annual (OPM 2005).

### *Agency Costs of Certifying Renovation Firms*

The revisions to the 2008 LRRP Rule will require opt-out renovation establishments to submit a completed application and fee. For the purpose of estimating costs, it is assumed that EPA Regions will incur variable processing costs, and fixed administrative and enforcement costs. Regional administrative activities include answering phone inquiries from the public regarding the LRRP program, following up on the status of applications, providing information to other regions, coordinating with headquarters, and performing other customer service activities. Enforcement activities include conducting audits of training providers and firms. In addition, it is assumed that EPA Headquarters will incur fixed administrative costs related to coordination with regions and maintenance of the central database and registry. EPA Headquarters will also support enforcement activities.

Certification cost estimates are based on responses from a Time-Motion Study conducted in support of the 2009 *Economic Analysis for the TSCA section 402 Lead-Based Paint Program Accreditation and Certification Fee Rule* (i.e., the Fee Rule). In the Time-Motion Study, data were collected from three EPA Regions: Region 2, Region 4, and Region 9. Regions were asked to provide the number of hours and personnel required to process applications under the TSCA section 402(a) Lead-Based Paint Activities program (i.e., the Abatement Rule). While TSCA section 402(a) defines training and certification requirements for five different categories of lead abatement professionals, the type of administrative activities associated with the TSCA section 402(a) rule are similar to those expected for the Renovation, Repair and Painting Rule.

To estimate fees for the LRRP rule, EPA followed the approach used to estimate fees for the Abatement rule. To structure the fees, EPA first considered the variable and fixed costs associated with each applicant type. The variable costs reflect the regional processing costs for each application type. The fixed costs include the regional and headquarters administrative and enforcement costs, which apply

<sup>6</sup>EPA used the Office of Personnel Management's General Salary Table 2005-GS to estimate government employee wage rates. EPA used the wage for a GS-11, Step 1 employee and loaded the wage using the standard government multiplier of 1.6 to cover overhead and fringe benefits.

across all the applications. EPA divided the total regional enforcement and administrative costs and the headquarters costs by the total estimated number of applicants over the five year projection period to obtain a fixed cost of \$282 for training providers and firms.

Fixed costs for renovators and sampling technicians were estimated by dividing the headquarters administrative costs by the total number of applicants over the five year period to obtain a fixed cost of \$6. As renovators and sampling technicians are not required to obtain formal certification, their fixed costs are recouped by the fee charged to RRP firms. In addition, tribes will be charged a nominal fee (\$20 for firm applicants, and \$10 for individual certifications) and firms applying for both an Abatement certification and a LRRP certification will only be charged for the more expensive Abatement certification. Firms that are ineligible for these discounts will be charged an additional \$9 to cover the costs of the discounts. See the 2009 Fee Rule for an in-depth explanation of fee structure methodology and calculations. Exhibit 6.14 presents the fee schedule developed in the Economic Analysis for the Fees Rule. The actual fee charged to firms was rounded to \$300; the rounded fee is used in subsequent calculations.

**Exhibit 6.14 Fee Schedule for Certifying Renovation Establishments**

	Avg. Processing Cost Per Applicant	Fixed Cost	Additional Fee (to cover costs of discounts)	Total Fee
Estimated Initial Certification Fee	\$11	\$282	\$9	\$301
Estimated Re-Certification Fee	\$12	\$282	\$9	\$302
<b>Actual Fee Charged</b>				<b>\$300</b>

**Note(s):** numbers may not calculate due to rounding.

**Sources:** *The Economic Analysis for the TSCA section 402 Lead-Based Paint Program Accreditation and Certification Fee Rule* (EPA 2009)

As described earlier in Exhibit 6.3, it is estimated that 111,426 firms would become certified in Year 1. In Year 2, 22,193 firms are expected to seek certification or re-certification, and in Year 3, 22,103 firms are expected to be certified or re-certified. As shown in Exhibit 6.15, based on these estimates, it will cost EPA \$33 million to certify these firms in Year 1. EPA's costs for firm certifications are estimated to be less than \$7 million in Years 2 and 3.

**Exhibit 6.15 Total Costs of Certifying Renovation Establishments**

	Year 1	Year 2	Year 3
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>			
Firms Seeking Certification	111,426	22,193	22,103
Total Cost of Certification	\$33,427,800	\$6,657,900	\$6,630,900

**Note(s):** Numbers may not calculate due to rounding.

**Sources:** Analysis for the Opt-Out and Recordkeeping Final Rule (EPA 2010); *The Economic Analysis for the TSCA section 402 Lead-Based Paint Program Accreditation and Certification Fee Rule* (EPA 2009)

**6(d) Bottom Line Burden Hours and Cost**

The number of respondents is shown in Exhibit 6.16, and the number of responses in Exhibit 6.17. The respondent burden for the collection of notification information is shown in Exhibit 6.18. The annual paperwork burden over the first three years is estimated to average 1,647,321 hours. The average annual

respondent cost for the collection of notification information is shown in Exhibit 6.19 and is estimated to be \$54 million. The Agency cost is estimated to average \$15.5 million per year, as shown in Exhibit 6.20.

**Exhibit 6.16 Number of Respondents**

	Year 1	Year 2	Year 3	Average
Training Providers	168	167	166	167
Opt-Out Entities	111,426	110,968	110,514	110,969
Currently Regulated Entities	211,721	210,853	209,989	210,854
Total	323,315	321,988	320,669	321,991

**Exhibit 6.17 Number of Responses**

**Exhibit 6.18 Respondent Burden Hours**

	Year 1	Year 2	Year 3	Average
Training Provider Notifications	10,765	11,140	11,119	11,008
Opt-Out Firm Initial Certifications	111,426	110,968	110,514	110,969
Opt-Out Firm Re-Certifications	15,127	13,007	2,977	7,937
Opt-Out Firm Certification	0	2,219	2,210	1,476
Opt-Out Firm Checklist Events	924,836	803,665	7,241,742	7,241,782
Currently Regulated Firm Checklist Events	363,578	362,087	360,603	362,089
Total Checklist	570,631	18,806,367	18,631,904	18,555,501
Total	1,874,172	1,537,051	1,530,739	1,647,321

**Exhibit 6.19 Respondent Cost**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Average</b>
Training Providers	\$465,625	\$92,571	\$91,639	\$216,612
Opt-Out Firm Certification	\$29,323,089	\$19,112,164	\$19,034,052	\$22,489,768
Opt-Out Firm Checklist	\$12,085,324	\$12,035,775	\$11,986,428	\$12,035,842
Currently Regulated Checklist	\$19,757,018	\$19,676,014	\$19,595,343	\$19,676,125
<b>Total</b>	<b>\$61,631,056</b>	<b>\$50,916,523</b>	<b>\$50,707,461</b>	<b>\$54,418,347</b>

**Exhibit 6.20 Agency Cost**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Average</b>
EPA	\$33,440,247	\$6,660,375	\$6,633,350	\$15,577,991

**Exhibit 6.21: Respondent Summary, Three-Year Average**

	<b>Number of Small Respondents</b>	<b>Number of Respondents</b>	<b>Responses per Respondent</b>	<b>Burden per Response (hours)</b>	<b>Annual Burden</b>
<i>Training Providers - Existing Respondents, Additional Responses</i>					
Pre-notification	157	167	14	0.16	378
Re-notification	157	167	2	0.16	45
Post-notification	157	167	14	1.55	3,661
Digital Photos	157	167	14	1.25	2,953
<i>Renovators – Private Firms – Additional Respondents</i>					
Initial Certification	50,296	50,431	1	8.3	418,577
Re-certification	1,472	1,476	1	5.3	7,825
Non-Certification Year	58,904	59,062	1	4.8	283,498
<i>Recordkeeping Checklist Requirements</i>					
<i>Entities Seeking Certification as a Result of Eliminating the Opt-Out Provision</i>					
<i>New third party notification requirement for additional renovator respondents</i>					
Private Firms	110,672	110,969	65.26	0.05	362,089
<i>Recordkeeping Checklist Requirements</i>					
<i>Entities Currently Regulated by the 2008 LRRP Rule</i>					
<i>New third party notification requirement for existing renovator respondents</i>					
Private Firms	200,202	203,105	55.65	0.05	565,145
Local Governments	7,138	7,750	8.13	0.05	3,150
<b>Key</b>					
Yellow Cells highlighted in yellow are incremental increases from previous ICR (EPA No. 1715.10, March 2008).					
Blue Cells highlighted in blue are revised estimates from previous ICR (EPA No. 1715.10, March 2008).					
Pink Cells highlighted in pink are new requirement that were not in previous ICR (EPA No. 1715.10, March 2008).					
Cells that are not highlighted have not changed from the previous ICR (EPA No. 1715.10, March 2008).					

The total burden in OMB's inventory for the existing, approved version of this ICR (EPA ICR No. 1715.10) is 2,157,174 hours. With the addition of the 1,647,321 program change hours related to the rule and 5,258 adjustment hours, the total burden requested for this ICR will be 3,809,753 hours.

## **6(e) Reasons For Changes in Burden**

Most of the burden analyzed in this ICR addendum relates directly to the amended paperwork requirements contained in the rule and results in a program change increase. EPA is also correcting some miscalculations presented in the ICR addendum for the 2008 final RRP rule (ICR #1715.10) that results in adjustment-related increase in burden.

### *Program Changes*

Most of the burden increase analyzed in this ICR is attributable to program changes related to the revisions to the 2008 final RRP rule. These changes would increase the number of respondents for certain approved information collection activities in some cases, and in other cases increase the number of events for certain approved information collection activities.

### Additional Respondents Needing Certification

EPA estimates that an additional 110,969 firms would need to be certified as a result of the elimination of the opt-out provision, and therefore add a corresponding 110,969 annual responses. Of these 110,969 annual responses, EPA estimates that over the three years covered by the ICR, there will be an average of 50,431 new initial certification responses, 1,476 re-certification responses, and 59,062 non-certification year recordkeeping responses per year. The addition of these new responses is expected to increase the annual certification burden by 418,577 hours for firms seeking initial certification, 7,825 hours for firms seeking re-certification, and 283,498 hours for firms engaged in non-certification year recordkeeping activities

### Additional Training Events

In direct relation to the increased number of firms that will be required to be trained and certified, training providers are expected to hold an additional 14 courses per year to accommodate the increase in the number of new respondents seeking RRP certification. Training providers are required to notify EPA before and after course completion, and in some instances re-notify if course rosters/schedules change. Therefore, EPA has increased the estimated number of pre-course and post-course notifications per firm each by 14, and the number of re-notifications per firm by 2. The annual notification burden for training providers related to these additional courses is expected to increase by 378 hours for pre-course notification, 45 hours for re-notifications, and 6,614 hours for post-course notification (including digital photographs).

### New Third-Party Notification Requirements

EPA estimates that the 3rd-party notification requirements would result in an average burden increase of 930,384 hours per year. Each instance of the required 3rd-party notification is estimated to require about 3 minutes of the respondents' time. However, as indicated in Ex. 6.21, the number of respondents and the estimated number of events per respondent combine to produce a substantial increase in the overall annual burden estimate.

### Adjustments

### Digital Photographs

EPA incorrectly accounted for the training provider burden associated with digital photographs of trainees seeking renovation certifications in the final rule ICR addendum (ICR No. 1715.10). In that ICR, EPA estimated that the burden associated with taking a single digital photograph would be 0.05 hours (3 minutes). However, EPA inadvertently utilized this per-photograph estimate as the full burden estimate

for a single course with an assumed training roster of 25 students. The digital photograph burden for a single course with an assumed roster of 25 students should be 1.25 hours rather than 0.05 hours. This correction results in an adjustment burden increase of approximately 5,254 annual burden hours.

#### Estimated Baseline Number of Firms

In addition, this ICR addendum revises the estimated number of RRP firms upward by a single respondent. Specifically, EPA estimates that there will be a single additional respondent engaged in non-certification year record-keeping. Each respondent engaged in this activity will continue to have only a single annual response. This change is directly related to a rounding error and has the impact of adding about 4 hours to the overall estimated annual burden for this ICR.

#### **6(f) Burden Statement**

The incremental public burden for this collection of information, which is approved under OMB Control No. 2070-0155, is estimated to average approximately 42 hours per year for training providers. For firms that will seek certification as a result eliminating the opt-out provision, the average incremental burden is estimated to be about 9.7 hours per year. For firms that are currently regulated under the 2008 LRRP Rule, the average incremental burden is estimated to be about 2.7 hours per year. 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 the time needed to review instructions; develop, acquire, install and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. 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 number for this information collection appears above. In addition, the OMB control numbers for EPA’s regulation, after initial display in the final rule, are listed in 40 CFR part 9.

## **ATTACHMENTS TO THE SUPPORTING STATEMENT**

Attachments to the supporting statement for this rule-related ICR addendum are available in the public docket established for the rulemaking under docket identification number EPA-HQ-OPPT-2005-0049. 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	Toxic Substances Control Act (TSCA), Sections 402 and 404 (15 USC 2682, 2684)
Attachment 2	Final Rule: Lead; Renovation, Repair, and Painting Program
Attachment 3	Application and Instructions for Training Providers - Applying for Accreditation of Lead-Based Paint Activity Training Programs - EPA Form 8500-25
Attachment 4	Application and Instructions for Firms - Applying for Certification to Conduct Lead-Based Paint Activities - EPA Form 8500-27R
Attachment 5	Sample Form – Lead-Based Paint Activities Training Notification- (Pre-Training)
Attachment 6	Sample Form – Lead-Based Paint Activities Post Training Notification
Attachment 7	Sample Form - Optional Recordkeeping Checklist for Firms
Attachment 8	Sample Form – Pre-Renovation Form

ATTACHMENT 1

Toxic Substances Control Act Sections 402 and 404  
15 U.S.C. 2682, 2684

Sec. 2682. Lead-based paint activities training and certification

(a) Regulations

(1) In general

Not later than 18 months after October 28, 1992, the Administrator shall, in consultation with the Secretary of Labor, the Secretary of Housing and Urban Development, and the Secretary of Health and Human Services (acting through the Director of the National Institute for Occupational Safety and Health), promulgate final regulations governing lead-based paint activities to ensure that individuals engaged in such activities are properly trained; that training programs are accredited; and that contractors engaged in such activities are certified. Such regulations shall contain standards for performing lead-based paint activities, taking into account reliability, effectiveness, and safety. Such regulations shall require that all risk assessment, inspection, and abatement activities performed in target housing shall be performed by certified contractors, as such term is defined in section 4851b of title 42. The provisions of this section shall supersede the provisions set forth under the heading "Lead Abatement Training and Certification" and under the heading "Training Grants" in title III of the Act entitled "An Act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1992, and for other purposes", Public Law 102-139 (105 Stat. 765, 42 U.S.C. 4822 note), and upon October 28, 1992, the provisions set forth in such public law under such headings shall cease to have any force and effect.

(2) Accreditation of training programs

Final regulations promulgated under paragraph (1) shall contain specific requirements for the accreditation of lead-based paint activities training programs for workers, supervisors, inspectors and planners, and other individuals involved in lead-based paint activities, including, but not limited to, each of the following:

- (A) Minimum requirements for the accreditation of training providers.
- (B) Minimum training curriculum requirements.
- (C) Minimum training hour requirements.
- (D) Minimum hands-on training requirements.
- (E) Minimum trainee competency and proficiency requirements.
- (F) Minimum requirements for training program quality control.

(3) Accreditation and certification fees

The Administrator (or the State in the case of an authorized State program) shall impose a fee on

- 
- (A) persons operating training programs accredited under this subchapter; and
- (B) lead-based paint activities contractors certified in accordance with paragraph (1).

The fees shall be established at such level as is necessary to cover the costs of administering and enforcing the standards and regulations under this section which are applicable to such programs and contractors. The fee shall not be imposed on any State, local government, or nonprofit training program. The Administrator (or the State in the case of an authorized State program) may waive the fee for lead-based paint activities contractors under subparagraph (A) for the purpose of training their own employees.

(b) Lead-based paint activities

For purposes of this subchapter, the term "lead-based paint activities" means -

- (1) in the case of target housing, risk assessment, inspection, and abatement; and
- (2) in the case of any public building constructed before 1978, commercial building, bridge, or other structure or superstructure, identification of lead-based paint and materials containing lead-based paint, deleading, removal of lead from bridges, and demolition. For purposes of paragraph (2), the term "deleading" means activities conducted by a person who offers to eliminate lead-based paint or lead-based paint hazards or to plan such activities.

(c) Renovation and remodeling

(1) Guidelines

In order to reduce the risk of exposure to lead in connection with renovation and remodeling of target housing, public buildings constructed before 1978, and commercial buildings, the Administrator shall, within 18 months after October 28, 1992, promulgate guidelines for the conduct of such renovation and remodeling activities which may create a risk of exposure to dangerous levels of lead. The Administrator shall disseminate such guidelines to persons engaged in such renovation and remodeling through hardware and paint stores, employee organizations, trade groups, State and local agencies, and through other appropriate means.

(2) Study of certification

The Administrator shall conduct a study of the extent to which persons engaged in various types of renovation and remodeling activities in target housing, public buildings constructed before 1978, and commercial buildings are exposed to lead in the conduct of such activities or disturb lead and create a lead-based paint hazard on a regular or occasional basis. The Administrator shall complete such study and publish the results thereof within 30 months after October 28, 1992.

(3) Certification determination

Within 4 years after October 28, 1992, the Administrator shall revise the regulations under subsection (a) of this section to apply the regulations to renovation or remodeling activities in target housing, public buildings constructed before 1978, and commercial buildings that create lead-based paint hazards. In determining which contractors are engaged in such activities, the Administrator shall utilize the results of the study under paragraph (2) and consult with the representatives of labor organizations, lead-based paint activities contractors, persons engaged in remodeling and renovation, experts in lead health effects, and others. If the Administrator determines that any category of contractors engaged in renovation or remodeling does not require certification, the Administrator shall publish an explanation of the basis for that determination.

**ATTACHMENT 2**

**Final Rule: Lead; Renovation, Repair, and Painting Program**

This attachment is available as a document in the electronic docket for this ICR at [www.Regulations.gov](http://www.Regulations.gov) (EPA-HQ-OPPT-2005-0049).

**ATTACHMENT 3**

**Application and Instructions for Training Providers- Applying for Accreditation of Lead-Based Paint Activity Training Programs - EPA Form 8500-25**

For an electronic copy of the Training Provider Application Form and Instructions, go to <http://www.epa.gov/lead/pubs/trainapp.pdf>.

**ATTACHMENT 4**

**Application and Instructions for Firms- Applying for Certification to Conduct Lead-Based  
Paint Activities - EPA Form 8500-27**

For an electronic copy of the Firm Application Form and Instructions, go to  
<http://www.epa.gov/lead/pubs/firmapp.pdf>.

**ATTACHMENT 5**

**Sample Form - Lead-Based Paint Activities Training Notification- (Pre-Training)**

For an electronic copy of the Training Notification Sample Form, go to  
<http://www.epa.gov/lead/pubs/form2-pre-training.pdf>.

**ATTACHMENT 6**

**Sample Form - Lead-Based Paint Activities Post Training Notification**

For an electronic copy of the Training Notification Sample Form, go to  
<http://www.epa.gov/lead/pubs/form3-post-training.pdf>.

**ATTACHMENT 7**

Optional Recordkeeping Checklist for Firms

**Draft optional Recordkeeping Checklist for Firms:**

Name of Firm: \_\_\_\_\_

Date and Location of Renovation: \_\_\_\_\_

Brief Description of Renovation: \_\_\_\_\_

Name of Assigned Renovator: \_\_\_\_\_

Name(s) of Trained Workers, if used: \_\_\_\_\_

Name of Dust Sampling Technician, Inspector, or Risk Assessor, if used: \_\_\_\_\_

Copies of renovator and dust sampling technician qualifications (training certificates, certifications) on file.

Certified renovator provided training to workers on (check all that apply):

Posting warning signs	Setting up plastic containment barriers
Maintaining containment	Avoiding spread of dust to adjacent areas
Waste handling	Post-renovation cleaning

Test kits used by certified renovator to determine whether lead was present on components affected by renovation (identify kits used and describe sampling locations and results): \_\_\_\_\_

Warning signs posted at entrance to work area.

Work area contained to prevent spread of dust and debris

- All objects in the work area removed or covered (interiors)
- HVAC ducts in the work area closed and covered (interiors)
- Windows in the work area closed (interiors)
- Windows in and within 20 feet of the work area closed (exteriors)
- Doors in the work area closed and sealed (interiors)
- Doors in and within 20 feet of the work area closed and sealed (exteriors)
- Doors that must be used in the work area covered to allow passage but prevent spread of dust

Floors in the work area covered with taped-down plastic (interiors)

Ground covered by plastic extending 10 feet from work area—plastic anchored to building and weighted down by heavy objects (exteriors)

If necessary, vertical containment installed to prevent migration of dust and debris to adjacent property (exteriors)

Waste contained on-site and while being transported off-site

Work site properly cleaned after renovation

All chips and debris picked up, protective sheeting misted, folded dirty side inward, and taped for removal

Work area surfaces and objects cleaned using HEPA vacuum and/or wet cloths or mops (interiors)

Certified renovator performed post-renovation cleaning verification (describe results, including the number of wet and dry cloths used): \_\_\_\_\_

If dust clearance testing was performed instead, attach a copy of report.

I certify under penalty of law that the above information is true and complete.

---

name and title

---

date

**ATTACHMENT 8**

**Sample Form – Pre-Renovation Form**

For an electronic copy of the Pre-Renovation Sample Form, go to

<http://www.epa.gov/lead/pubs/pre-renovationform.pdf>