

Supporting Statement for Reporting and Recordkeeping Requirements for National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings

1. Identification of the Information Collection

1(a) Title of Information Collection.

National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings. The information collection request (ICR) number is 1765.06. The OMB control number is 2060-0353. This is a renewal ICR.

2(b) Short Characterization/Abstract.

All manufacturers and importers of coatings and coating components subject to 40 CFR Part 59 Subpart B--National Volatile Organic Compound Emission Standards for Consumer and Commercial Products must submit an initial report. The initial report must include the name and mailing address of the manufacturer or importer. The rule requires that containers of all subject automobile refinish coatings and coating components display the date of manufacture or a code indicating the date of manufacture. All manufacturers and importers of subject coatings and coating components must submit an explanation of all date codes used on automobile refinish coating and coating component containers. Date code explanations can be submitted with the initial report. Thereafter, respondents must submit explanations of any new date codes within 30 days of their first use.

The information collection includes initial and periodic reporting necessary for the EPA to ensure compliance with the promulgated federal rule for automobile refinish coatings. The rule will be enforced through random sampling of coatings to determine VOC content. Respondents are manufacturers and importers of automobile refinish coatings and coating components.

2. Need for and Use of the Collection

2(a) Need/Authority for the Collection.

The EPA is required under Section 183(e) of the Clean Air Act (Act) to regulate VOC emissions from the use of consumer and commercial products. Pursuant to Section 183(e) (3), the EPA published a list of consumer and commercial products and a schedule for their regulation (60 FR 15264). Automobile refinish coatings were included in Group 1 of the list. The standards for such coatings were promulgated on September 11, 1998 (63 FR 48806) and are codified at 40 CFR part 59, subpart B.

The reports required under the rule enable the EPA to identify all coating and coating component manufacturers and importers in the United States, and to determine which coatings and coating components are subject to the rule based on dates of manufacture.

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

Agency enforcement personnel will use the information collected to identify manufacturers and importers subject to the rule and to determine which coatings and coating components are subject to the rule by dates of manufacture.

3. Nonduplication, Consultations, and Other Collection Criteria

3(a) Nonduplication.

The information collected pursuant to the rule is not collected by any other Federal agency. Several States regulate automobile refinish coatings and require certain recordkeeping and reporting activities. These State rules generally affect body shops; the federal rule affects coating and coating component manufacturers and importers. There is much more recordkeeping associated with the State rules because of the large number of body shops in the country. The federal rule affects approximately 30 manufacturers and importers, and contains reporting requirements different from those of the State rules.

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

Notice of this ICR appeared in the March 23, 2010, Federal Register 75 FR 13759. The notice contained a 60-day public comment period, which ended on May 24, 2010. The EPA received no comments.

3(c) Consultations.

Input and information was solicited from the affected industry and State and local governments during the renewal process, some of whom are listed in table 3.

3(d) Effects of Less Frequent Collection.

Less frequent information collection would decrease the margin of assurance that manufacturers are continuing to meet the standards. This ICR includes one-time initial reports. After the initial report, the only reports required are those explaining any new date codes. To determine whether a coating is subject to the rule, explanations of date codes are necessary.

3(e) General Guidelines.

This ICR adheres to the guidelines for Federal data requestors, as provided at 5 CFR 1320.6.

3(f) Confidentiality.

All information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to the Agency policies set forth in Title 40, Chapter 1, Part 2, Subpart B--Confidentiality of Business Information (see 40 CFR 2; 41 FR 36092, September 1, 1976; amended by 43 FR 39999, September 8, 1978; 43 FR 42251, September 28, 1978; 44 FR 17674, March 23, 1979).

3(g) Sensitive Questions.

None of the reporting or recordkeeping requirements contain sensitive questions.

4. The Respondents and the Information Requested

4(a) Respondents/NAICS Codes.

Respondents to this information collection are manufacturers and importers of automobile refinish coatings and coating components. Manufacturers of automobile refinish coatings and coating components fall within standard industrial classification (SIC) 2851, "Paints, Varnishes, Lacquers, Enamels, and Allied Products" and North American Industry Classification System (NAICS) code 325510, "Paint and Coating Manufacturing." Importers of automobile refinish coatings and coating components fall within SIC 5198, "Wholesale Trade: Paints, Varnishes, and Supplies," NAICS code 422950, "Paint, Varnish and Supplies Wholesalers," and NAICS code 444120, "Paint and Wallpaper Stores."

4(b) Information Requested.

(i) Data items.

The reporting requirements of the rule are listed below.

<u>Reports</u>	<u>Regulation Reference</u>
Initial report	59.426(a)
Explanation of date codes	59.426(a)

(ii) Respondent Activities.

The respondent activities required are listed in the first column of table 1.

5. The Information Collected--Agency Activities, Collection Methodology, and Information Management.

5(a) Agency Activities.

A list of activities required of the EPA is provided in table 2.

5(b) Collection Methodology and Managements

The information collected under this rule will not warrant being maintained on a computerized database since the reports are so few in number. Also, since the reported information is simple and straightforward, no standardized reporting forms will be developed.

5(c) Small Entity Flexibility.

Since the reporting requirements of the rule are minimal, no alternative reporting requirements are instituted for small entities.

5(d) Collection Schedule.

All subject manufacturers and importers must submit to the EPA an explanation of all date codes displayed on containers of automobile refinish coatings and coating components within 30 days of first use, or within 180 days of becoming subject to the rule, whichever is later. All manufacturers and importers of subject coatings and coating components must submit an initial report within 180 days of becoming subject to the rule.

6. Estimating the Burden and Cost of the Collection

6(a) Estimating Respondent Burden.

The average annual burden estimates for reporting requirements are presented in table 1 for all manufacturers. These numbers were derived from estimates based on the EPA's experience with other standards, and from information obtained from the industry representatives listed in table 3. These estimates represent the average annual burden that will be incurred by the affected industry over a 3-year period. The hours shown in column A of table 1 are the burden estimate per manufacturer.

6(b) Estimating Respondent Costs.

(i) Estimating Labor Costs.

Table 1 also presents estimated costs for the required reporting activities. Labor rates and associated overhead costs are based on hourly rates of \$99 for management personnel, \$70 for technical personnel, and \$44 for clerical personnel. These rates were estimated using a March 2010 civilian wage table from the Bureau of Labor Statistics, multiplied by 1.6 to account for benefits and overhead.

(ii) Estimating Capital and Operations and Maintenance Costs.

There are no capital or operations and maintenance costs associated with these reporting activities.

6(c) Estimating Agency Burden and Cost.

Because reporting requirements on the part of respondents are required under section 112 of the Act, no operational costs will be incurred by the Federal government. The only costs that the Federal government will incur are costs associated with the review of reported information, as presented in table 2. Hourly labor rates are estimated at \$99 for management personnel, \$71 for technical personnel, and \$34 for clerical personnel. These rates were determined by multiplying the hourly rates from the 2010 General Schedule (GS) Locality Pay Tables (tenth step) for GS-15 (management), GS-13 (technical), and GS-7 (clerical), by a factor of 1.6 to account for benefits and overhead.

6(d) Estimating Respondent Universe and Total Burden Costs

The EPA estimates that there are approximately 30 automobile refinish coating and coating component manufacturers and importers. Two requirements in the rule create a burden on respondents: submitting an initial report, and submitting an explanation of date codes used on coating and coating component containers. The EPA estimates that one new coating or coating component manufacturer or importer will become affected by the rule each year. A new regulated entity must submit an initial report and provide an explanation of any dates codes that are used to indicate the manufacture date of its products. The EPA also estimates that 10 percent (3) of the existing regulated entities will change their date coding system each year and will have to submit an explanation of the new system.

6(e) Bottom Line Burden Hours and Costs/Master Tables.

(i) Respondent Tally.

The bottom line respondent burden hours and costs, presented in table 1, are calculated by summing the person-hours column and by summing the cost column. The annual burden and cost averaged over 3 years is 14 hours and \$1,038.

(ii) The Agency Tally.

The bottom line Agency burden and cost, presented in table 2 is calculated in the same manner as the respondent burden and cost. The estimated annual burden and cost averaged over 3 years is 4 hours and \$232.

(iii) Variations in the annual bottom line.

This ICR includes reading the rule, the initial report, and date code explanations as one-time burden and cost items. To develop the estimates of annual average burden, these one-time activities were averaged over 3 years. The only other activity is reporting of any new date code explanations.

6(f) Reasons for Change in Burden.

There are no changes to the burden estimates.

6(g) Burden Statement.

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 4 hours per response per year. 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. This 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 numbers for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

To comment on 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, EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OAR-2003-0120, which is available for public viewing at the Air and Radiation Docket and Information Center in 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 Air and Radiation Docket and Information Center is (202) 566-1742. An electronic version of the public docket is available at www.regulations.gov. This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of

Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OAR-2003-0120 and OMB control number 2060-0353.

Table 1. AVERAGE ANNUAL RESPONDENT BURDEN AND COST OF REPORTING OVER THREE YEARS

	A	B	C		D	E	F
Burden Item	Person Hours Per Occurrence (hrs/man.)	Number of Occurrences Per Respondent Per Year	Person Hours Per Respondent Per Year (a) (C=AxB)	Dollars Per Hour (a)	Respondents Per Year (b)	Total Hours Per Year (E=CxD)	Total Cost Per Year (c)
1. Applications	Not Applicable						
2. Surveys and Studies	Not Applicable						
3. Reporting Requirements							
A. Read Instructions	2	1	2	70	1	2	\$140
B. Gather Existing Information	Included in 3.C						
C. Write Report							
Initial Report	2	1	2	99	1	2 (d)	\$198
Date Code Explanation	4	1	4	70	1	4 (d)	\$280
Update Date Codes	2	1	2	70	3	6 (e)	\$420
4. Recordkeeping Requirements	Not Applicable						
5. Labeling (f)	Not Applicable						
Total						14	\$1038

a All tasks are assumed to be performed by a technical person (\$70/hr) unless otherwise noted.

b Total number of manufacturers was estimated to be 30.

c Costs were calculated by multiplying the total number of hours by the hourly wages.

d This assumes there is one new regulated entity every year.

e Assumed that 10% of manufacturers will update their codes each year.

f Although the rule requires the date (or code) to appear on the label, such labeling is already performed.

Table 2. AGENCY BURDEN AND COSTS

	A	B	C	D	E	F
Reports	EPA Hours Per Occurrence	Occurrences Per Year	Person Hours Per Year (Technical) C=AxB	Person Hours Per Year (Management) D=Cx0.05	Person Hours Per Year (Clerical) E=Cx0.1	Total Cost Per Year (a)
Initial Report	1	1	1	0.05	.1	\$79
Date Code Report	0.5	1	0.5	0.03	0.05	\$40
Date Code Updates	0.5	3	1.5	0.08	0.15	\$113
Total			3	0.16	0.3	\$232

a Labor rates: technical, \$71/hr; management, \$99/hr; clerical, \$34/hr.

Table 3. Consultations

Industry Representatives

Robert Redding, Automotive Service Association
 Jim Sell, National Paint and Coatings Association

Email

b.redding@att.net
 JSell@paint.org

State Representatives

Dave Nordberg, Oregon Department of Environmental Quality
 Ed Wong, California Air Resources Board

nordberg.dave@deq.state.or.us
 ewong@arb.ca.gov