

Supporting Statement
Safety Standard for Multi-Purpose Lighters

A. Justification

1. *Information to be collected and circumstance that make the collection of information necessary*

Section 14(a)(1) of the Consumer Product Safety Act (CPSA) (15 U.S.C. 2063(a)) requires manufacturers, importers, and private labelers of a consumer product subject to a consumer product safety standard under the CPSA or similar rule, ban, standard, or regulation under any other act enforced by the Commission to issue a certificate stating that the product complies with all applicable rules, bans, standards or regulations.

Section 14(b) of the CPSA (15 U.S.C. 2063(b)) authorizes the Commission to issue regulations to prescribe a reasonable testing program to support certificates of compliance with a consumer product safety standard under the CPSA or similar rule, ban, standard or regulation under any other act enforced by the Commission. Section 16(b) of the CPSA (15 U.S.C. 2065(b)) authorizes the Commission to issue rules to require that firms establish and maintain records to permit the Commission to determine compliance with rules issued under the authority of the CPSA.

The Commission has issued regulations prescribing requirements for a reasonable testing program to support certificates of compliance with the standard for multi-purpose lighters. These regulations require manufacturers and importers to submit a description of each model of lighter, results of prototype qualification tests for compliance with the standard, and other information before the introduction of each model of lighter into commerce. These regulations also require manufacturers, importers, and private labelers of multi-purpose lighters to establish and maintain records to demonstrate successful completion of all required tests to support the certificates of compliance that they issue. 16 CFR part 1212, subpart B.

The Commission uses the information compiled and maintained by manufacturers, importers, and private labelers of multi-purpose lighters to protect consumers from risks of accidental deaths and burn injuries associated with those lighters. More specifically, the Commission uses this information to determine whether lighters comply with the standard by resisting operation by young children. The Commission also uses this information to obtain corrective actions if multi-purpose lighters fail to comply with the standard in a manner that creates a substantial risk of injury to the public.

2. *Use and sharing of collected information and impact on privacy*

The Standard has recordkeeping and reporting requirements that will allow the staff to ensure that lighters comply. The Standard also requires manufacturers and importers to provide a certificate of compliance to any distributor or retailer to whom the lighters are delivered. Records must be kept in the U.S. and be available for inspection by the

Commission's staff within 48 hours. Commission staff will use this information to identify products that either do not comply with the Standard or that have not been properly certified.

Based on a review of the proposed information collection activities, staff has found that the Privacy Act does not apply because no electronic information system or records subject to the Privacy Act will be created. No system of records is created because no information about customer sales will be retrieved by the Commission from firms.

3. Use of information technology (IT) in information collection

Consideration has been given to the use of improved information technology. The records must be kept on paper, microfiche, or similar media that can be directly examined. Production records, on the other hand, may be kept on these media or on computer tape or other retrievable media.

4. Efforts to identify duplication

Every manufacturer's and importer's responsibilities under the rule relate to their products. In some instances, the manufacturer may sell the same product to numerous importers. The manufacturer may pay for and conduct testing and provide the test data and results to the importers who are their customers. The importer may elect to rely on the data and file it with their report. Since the information collected applies to specific lighter models, this eliminates the need for duplicate testing and test report preparation.

5. Impact on small businesses

The methods used to minimize the burdens on small businesses are described in the Final Regulatory Flexibility Analysis, 64 FR 71864, dated December 22, 1999.

6. Consequences to Federal program or policy activities if collection is not conducted or is conducted less frequently

The collection of information and reporting requirements apply only to specific occasions relating to each individual lighter model. Therefore, collecting information less frequently would either omit certain importers or lighter models, or supply insufficient information concerning particular models.

7. Special circumstances requiring respondents to report information more often than quarterly or to prepare responses in fewer than 30 days

Except as necessary to comply with 15 U.S.C. § 2063, the reporting is not required more often than quarterly. Records are kept for 3 years after the events to which they relate. Thus, qualification test records and lighter specifications need to be kept until 3 years after the production of the model has ceased.

8. Agency's Federal Register Notice and related information

The Commission issued a notice of proposed rulemaking, 63 FR 52394, September 30, 1998 and solicited comments on elements of the proposal that, if issued, would constitute collection of information requirements under the Paperwork Reduction Act. On October 29, 1998, the staff sent a copy of the proposed safety standard, with a cover letter outlining the Commission's action, to importers and manufacturers that could be subject to the Standard. The letter invited interested parties to submit comments during the comment period. On January 20, 1999, the Commission met so that interested parties could present oral comments. The final rule was published in 64 FR 71854, December 22, 1999. That notice included a discussion of comments received on the proposed standard and a discussion of the issues related to the Paperwork Reduction Act.

The first FR notice announcing CPSC's intent to request an extension of approval of information collection requirements was published on May 18, 2010. No comments were received.

9. Decision to provide payment or gift

No payments or gifts are made to any respondents.

10. Assurance of confidentiality

Any information required to be submitted that the manufacturer or importer claims to be confidential is subject to procedures for withholding confidential information from public disclosure set forth at 16 C.F.R. Part 1015, subpart B. See 16 C.F.R. § 1212.17(c).

11. Questions of a sensitive nature

Other than trade secret or other confidential business information, these requirements do not involve information of a sensitive nature.

12. Estimate of hour burden to respondents

Firms subject to Commission rules may incur costs associated with various kinds of activities, depending on the requirements of each rule. Firms may conduct tests, maintain and retrieve records, provide written reports or certificates, prepare correspondence in response to Commission inquiries, or perform other tasks in order to establish compliance. Varying proportions of professional and clerical time may be spent in the performance of these tasks. Costs attributable specifically to activities related only to Commission rules are difficult to identify, since many of the relevant activities, such as testing and recordkeeping, occur during a firm's normal course of business. However, an average cost range can be applied to the estimated numbers of hours needed to complete the necessary tasks. This yields a very rough approximation of the dollar costs to industry (excluding such factors as destructive product testing and potential product-line diversion).

The cost of the rule's testing, reporting, recordkeeping, and other certification-related provisions is comprised of time spent by testing organizations on behalf of manufacturers and importers, and time spent by firms to prepare, maintain, and submit records to CPSC. There are currently an estimated 59 firms that import, distribute and/or sell multi-purpose lighters in the United States, which is a subset of the approximately 145 firms total that may import lighters in the future. With a few exceptions, most manufacturers and importers have more than one model, currently ranging from 1 to 130 models for each firm. Based on past experience, an estimate of two models per firm is a reasonable number to use for calculating burden. Each manufacturer would spend approximately 50 hours per model. Therefore, the total annual amount of time that will be required for complying with the testing, recordkeeping, and reporting requirements of the rule is approximately 5,900 hours. (59 firms x 2 models x 50 hours = 5,900 total hours requested.)

13. *Estimate of total annual cost burden to respondents*

The annualized cost to respondents for the hour burden for collection of information is \$335,887 based on a total of 5,900 hours at \$56.93/hr. (based on total compensation of all management, professional, and related occupations in goods-producing industries in the U.S., September 2009, Bureau of Labor Statistics).

14. *Estimate of annualized costs to Federal government*

The annual cost of the rule to the Government is comprised chiefly of the Commission's resources for compliance and enforcement activities. An estimated 2 full-time-equivalent (FTE) staff years of effort are required to administer the rule annually. The Commission's cost for these staff activities is approximately \$170,000 per FTE. Thus, the annual cost of enforcing the rule to the Government is estimated to be about \$340,000. This cost estimate includes the agency's enforcement and field staff costs.

15. *Program changes or adjustments*

More U.S. importers are buying from foreign manufacturers rather than developing and testing their own lighters, each U.S. importer is still required to report to CPSC. The foreign manufacturers are paying for the child-testing to entice companies to buy from them.

16. *Plans for tabulation and publication*

Not applicable, there are no plans to tabulate or publish the information. Because CPSC does not plan to disseminate the data collected, the requirements of the OMB and the CPSC Information Quality Guidelines do not apply.

17. *Rationale for not displaying the expiration date for OMB approval*

Not applicable.

18. *Exception to the certification statement*

Not applicable.

B. Collection of information will not employ statistical methods.