

Supporting Statement for OMB Review under the Paperwork Reduction Act

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title of the Information Collection

TITLE: **ICR for Proposed Rule Implementing the Formaldehyde Emissions Standards for Composite Wood Products Act [RIN 2070-AJ92]**

EPA ICR No.: **2446.01**

OMB Control No.: **2070-NEW**

1(b) Short Characterization

The Formaldehyde Standards for Composite Wood Products Act, which established Title VI of the Toxic Substances Control Act (TSCA), set forth formaldehyde emission standards for hardwood plywood, particleboard and medium-density fiberboard and directs EPA to promulgate implementing regulations by January 2013. TSCA Title VI also directs EPA to promulgate supplementary provisions to ensure compliance with the emissions standards, including testing requirements, laminated product provisions, provisions for products made with no-added formaldehyde (NAF) resins or ultra-low emitting formaldehyde (ULEF) resins, product labeling requirements, chain of custody provisions for product compliance documentation, recordkeeping, product inventory sell-through dates, a product stockpiling prohibition, and product certification by an accredited third party (third party certifier, or TPC). This ICR covers the recordkeeping and reporting requirements for all aspects of the TSCA Title VI implementing regulations, except those relating to accreditation bodies and third-party certifiers that wish to participate in this third-party certification program. A separate information collection request covers those recordkeeping and reporting requirements.

Some examples of proposed reporting and third-party reporting requirements covered by this information collection request include:

- Notifying EPA in the event of a failed quarterly test
- Reporting of the results of quality control tests to third-party certifiers
- Notifying a third-party certifier of a change in quality control manager

Examples of proposed recordkeeping requirements include:

- Records on quarterly test results and quality assurance test results
- Records of quality control manuals
- Records on quality control managers and employees and their qualifications
- Records on the disposition of non-compliant lots
- Chain of custody recordkeeping requirements for importers, fabricators, and laminated products producers

- Labeling requirements for manufacturers (including importers), fabricators, distributors, and wholesalers.
- Minimized requirements for non-importing distributors and retailers

The information collected under this ICR would be used by EPA's Regional Administrators, the Office of Enforcement and Compliance Assurance (OECA), and/or the Office of Chemical Safety and Pollution Prevention (OCSPP), as appropriate. Some of the information would also be made available to the public via the internet. This would include the names and address of companies that have products that qualified for reduced testing based on the use of no-added formaldehyde-based resins. Downstream purchasers may use this information in order to determine that the merchandise is compliant and to avoid purchasing products that are not legally saleable in the United States. Confidential business information (CBI) submitted to EPA will be maintained by the Agency pursuant to TSCA § 14 and 40 CFR Part 2.

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need/Authority for the Collection

The reporting and recordkeeping requirements of this ICR are implemented under the authority of TSCA Title VI. TSCA Title VI directs EPA to promulgate regulations to ensure compliance with the emissions standards, including provisions on testing requirements, laminated products, products made with no-added formaldehyde resins or ultra-low emitting formaldehyde resins, product labeling requirements, chain of custody for product compliance documentation, recordkeeping, product inventory sell-through dates, a product stockpiling prohibition, and product certification by a TPC. To meet its statutory obligations, EPA must obtain sufficient information to ensure compliance with the emissions standards; moreover, a reasonable amount of reporting encourages regulated entities to fulfill their obligations under the statute and regulations.

2(b) Use of the Data

EPA would use the information collected to evaluate manufacturer and importer compliance with the emissions standards. The information that is collected and required to be reported to third-party certifiers is necessary to ensure that producers of composite wood panels maintain proper quality assurance and control measures. Third-party certifiers require access to this information so that they can certify that products are produced in accordance with TSCA Title VI requirements. TSCA Title VI also directs EPA to include labeling provisions. The information contained in the labels accompanying composite wood panels and finished goods containing such panels will allow downstream purchasers of these products to determine whether the merchandise is compliant; non-compliant merchandise may not be legally sold, supplied or offered for sale in the United States.

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

3(a) Non-Duplication

TSCA Title VI assigns to the EPA Administrator the responsibility for promulgating regulations that ensure compliance with the statutory emissions standards for formaldehyde from composite wood products. The information collection requirements addressed in this ICR are not duplicative of any other Federal requirement. There are no federal regulations on formaldehyde emissions from pressed wood products other than those of the Department of Housing and Urban Development (HUD) that are applicable to particleboard and plywood used in manufactured housing. In contrast with the HUD emissions standards which are only applicable to particleboard and plywood used in manufactured housing, the emissions standards in TSCA Title VI apply to hardwood plywood, medium-density fiberboard, and particleboard sold, supplied, offered for sale, or manufactured (defined by statute to include import) in the United States.

Because the proposed regulatory requirements are necessarily tailored to the unique TSCA Title VI requirements, these records and reports are the sole source of information for EPA to rely on to ensure compliance with the emissions standards.

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

The proposed rulemaking serves as the public notice for this ICR. Interested parties should submit comments referencing Docket ID No. EPA-HQ-OPPT-2011-0380 to the address listed at the end of this document. Responses will be taken into account in developing the final rulemaking.

3(c) Consultations

On numerous occasions during the course of developing the proposed regulation, the Agency has consulted with the regulated community and the public. These consultations have been held directly with industry officials and, on an ongoing basis, with owners and operators of regulated facilities. EPA has also consulted with the California Air Resources Board (CARB), which operates a similar third-party certification program for formaldehyde standards for composite wood products that are sold, supplied or offered for sale in the State of California.

Since EPA began its regulatory investigation into formaldehyde emissions from pressed wood products with an Advanced Notice of Proposed Rulemaking (ANPR) published in 2008, EPA has met on numerous occasions with the composite wood panel and related industries. These meetings have been in the form of presentations at trade shows and industry association conferences, and meetings with the Composite Panel Association (CPA), the Hardwood Plywood and Veneer Association (HPVA), the Kitchen Cabinet Manufacturing Association (KCMA), the American Home Furnishings Alliance (AHFA), the Business and Institutional Furniture Manufacturer's Association (BIFMA), and individual companies. EPA staff have, at the invitation of potentially regulated manufacturers, conducted factory tours and site visits.

EPA convened a Small Business Advocacy Review Panel and hosted two panel outreach meetings with small entity representatives (SER). Prior to each meeting, EPA distributed

outreach materials to the SERs, and after each meeting the SERs were asked to provide written feedback on how EPA might reduce regulatory burden on small entities. The Panel received written comments from the SERs in response to the discussions at the meetings and the outreach materials. The Panel summarized written and oral comments from the SERs and developed Panel recommendations in its Panel Report. (See Panel Report of the Small Business Advocacy Review Panel on EPA's Planned Proposed Rule Implementing the Formaldehyde Standards for Composite Wood Products Act (TSCA Title VI), April 4, 2011).

EPA intends to carry out further consultations and outreach with potentially regulated entities concurrent with the public comment period. These comments will be used to update the Supporting Statement as needed.

3(d) Effects of Less Frequent Collection

EPA has judged that the reporting and recordkeeping requirements of the ICR are the minimum amount necessary to fulfill its statutory mandate to promulgate regulations that ensure compliance with the emissions standards. The reports and records in this ICR would allow EPA carry out its statutorily-delegated roles in program design, enforcement, and oversight. EPA believes that less frequent reporting and failure to require notice of significant events could result in uncertified and noncompliant products being distributed in commerce in violation of the statute. For example, panel producers must provide their third-party certifier with monthly product data reports for each production facility, production line, and product type. These reports will include production information and quality control test results, and will allow the third-party certifier to monitor quality control testing and ensure that production at the facility remains in compliance with the statutory emission standards.

3(e) General Guidelines

In general, this information collection complies with the guidelines at 5 CFR 1320.5(d) (2). The exceptions to OMB's Paperwork Reduction Act Guidelines, and the explanation of why such characteristics are needed to fulfill the statutory requirements, are described below:

Record retention for 3 years is especially critical because these regulated products (composite wood panels, component parts, and finished goods) may be in commerce for 3 years or even longer. Composite wood products are regulated beginning with the manufacture (including import) of panels through their incorporation into component parts and finished goods, the distribution of those products, and the retail sale of those products. This is a lengthy process and the amount of time composite wood panels are held in inventory and the amount of time before they are incorporated into a finished good are variable. This point was illustrated by the fact that the State of California had to twice extend its "sell-through date" when it enacted an Airborne Toxic Control Measure (ATCM) establishing formaldehyde emissions standards for composite wood products. The California Air Resources Board found that these extensions were necessary because the recession increased the amount of time manufacturers needed to clear preexisting inventory. (See, *e.g.*, Composite Wood Products Regulation Advisory: 11-01, Extension of Sell-Through Dates for: Distributors, Importers, Fabricators, and Retailers of Finished Goods Containing Phase 1 Hardwood Plywood- Veneer Core and Distributors of Phase

1 Particleboard and Medium Density Fiberboard Panels, *available at* http://www.arb.ca.gov/toxics/compwood/outreach/11_01_advisory.pdf). It is essential that proper chain-of-custody documentation be retained for this entire period of time so that both EPA and interested downstream consumers can be assured that a finished good containing regulated composite wood product was made from compliant composite wood panels.

A number of provisions require reporting only upon the occurrence of a specific event. For example, a panel producer must notify its third-party certifier immediately if it makes production changes that are likely to have an impact on formaldehyde emissions from its products. These reporting requirements are not triggered by the calendar (*i.e.*, they are not required quarterly or at more frequent intervals). Therefore, the Agency does not believe that these provisions need special justification. Moreover, EPA believes that unless these notifications are provided within the intervals prescribed in the proposed rule, a change in circumstances could result in non-compliant products being distributed in commerce. Not only is this a violation of the statute, but it greatly increases the cost associated of segregating, treating and retesting these products.

3(f) Confidentiality

Regulated entities may claim all or part of any information given to EPA as confidential business information (CBI). EPA handles claims of confidentiality pursuant to established CBI procedures, as found at Section 14 of TSCA, 40 CFR Part 2, and the Agency's TSCA CBI Manual. CBI is also protected under the Freedom of Information Act (5 USC Section 525). Much of the information requested in the reporting requirements of these collections is not of a confidential nature.

3(g) Sensitive Questions

EPA asks no questions of a sensitive nature.

4. THE RESPONDENTS AND THE INFORMATION REQUESTED

4(a) Respondents/NAICS Codes

The primary respondents would be manufactures, distributors, importers, retailers of regulated composite wood products and finished goods containing regulated composite wood products.

The following NAICS codes may be affected:

- Hardwood Veneer and Plywood Manufacturing (NAICS code 321211);
- Reconstituted Wood Product Manufacturing (NAICS code 321219);
- All Other Miscellaneous Wood Product Manufacturing (NAICS code 321999);
- Furniture and Related Product Manufacturing (NAICS code 337);
- Miscellaneous Manufacturing (NAICS code 339);
- Merchant Wholesalers, Durable Goods (NAICS code 423);

- Merchant Wholesalers, Nondurable Goods (NAICS code 424); and
- Retail Trade (NAICS Sector 44 and 45).

4(b) Information Requested

(i) Data Items

The proposed recordkeeping requirements and reporting requirements include:

(A) Notifications/Reports. Respondents are required to submit information to EPA to accomplish the following reporting tasks:

- Imports of regulated composite wood products and finished goods containing regulated composite wood products must be accompanied by a TSCA § 13 import certification.
- Panel producers who wish to qualify for reduced testing and third-party certifier oversight under the no-added formaldehyde-based resin provisions must apply to a third-party certifier and send a copy of the application to EPA.
- Third-party certifiers must notify EPA and the panel producer of a failed quarterly test I in writing within 24 hours.

(B) Third-Party Notifications/Reports. Respondents are required to submit information to entities other than EPA as follows:

- Composite wood product panel producers must apply for product certification from a third-party certifier. The application must include the panel producer's name, address, telephone number, and other contact information, including name and contact information for the panel producer's quality control manager, and an identification of the specific products for which certification is requested, the chemical formulation of the resins, including base resins, catalysts, and other additives used in panel production, and testing results. A copy of the panel producer's quality control manual must also be provided to the third-party certifier with the application. Manuals must include information on the organizational structure of the quality control department, a description of the sampling procedures and frequency of testing, a description of procedures used to identify significant production changes, a description of the resin and press time for each product type, and a description of recordkeeping procedures. Changes in manuals must be submitted to and approved by an accredited third-party certifier.
- Composite wood product panel producers must provide information on the qualifications of their quality control manager and quality control employees to the third-party certifier.
- Composite wood product panel producers must provide their third-party certifier with a monthly product data reports that include production information and quality control test results for each production facility, production line, and product type.

- Composite wood product panel producers must notify their third-party certifiers if they change quality control managers. This notification must occur within 10 days of the change.
- Composite wood product panel producers wishing to take advantage of reduced testing and third-party certification requirements for products made with no-added formaldehyde resins must apply to an accredited third-party certifier. The application must include the panel producer's name and contact information as well as an identification of the specific product and the chemical formulation of the resins, including base resins, catalysts, and other additives as used in manufacturing. Testing results must also be part of the application. If the application is granted, every two years thereafter, the panel producer must have one test performed by an accredited third-party certifier that demonstrates continued compliance with the reduced formaldehyde emission standards for each product type.
- Panels or bundles of regulated composite wood products must be labeled with the producer's name (or number), lot or batch number, the number of the accredited third-party certifier, and markings indicating that the product complies with the TSCA Title VI emission standards. Products that qualify for reduced testing and third-party certification requirements based on the use of ultra-low formaldehyde or no-added formaldehyde resins must also be marked with indications that they were produced using ultra-low formaldehyde or no-added formaldehyde resins. Boards that are shipped into the United States for testing purposes must also be labeled as such.
- Fabricators of finished goods containing composite wood products are required to label every finished good they produce, or every box containing finished goods. The label could be applied as a stamp, tag, sticker, or bar code and must include the fabricator's name, the date the finished good was produced and a marking to denote that the product was made in compliance with TSCA Title VI.

(C) Records. Respondents are required to maintain records as follows:

- Panel producers must maintain the following records for at least three years and make them available upon request to EPA, their third-party certifiers, and to purchasers of their composite wood products:
 - Records of all quarterly emission testing and all ongoing quality control testing that identify the TPC conducting or overseeing the testing and the laboratory or quality control facility actually performing the testing. These records must also include the date, the product type tested, the lot or batch number that the tested material represents, the test method used, and the test results.
 - Production records, including a description of the composite wood product(s), the date of manufacture, lot or batch numbers, and tracking information allowing each product to be traced to a specific lot number or batch produced.
 - Records of changes in production, including changes of more than 10% in the resin use percentage, changes in resin composition that result in a higher ratio of

formaldehyde to other resin components, and changes in the process, such as changes in press time by more than 20 percent.

- Records demonstrating initial and continued eligibility for the reduced testing provisions in 40 CFR § 770.17, if applicable.
 - Purchaser information for each composite wood product, if applicable, including the name, contact person, address, phone number, e-mail address if available, purchase order or invoice number, and amount purchased.
 - Transporter information for each composite wood product, if applicable, including name, contact person, address, phone number, e-mail address if available, and shipping invoice number.
 - Information on the disposition of non-complying lots, including product type and amount of composite wood products affected, lot or batch numbers, mitigation measures used, results of retesting, and final disposition.
 - Copies of labels used.
- Panel producers are required to maintain an up-to-date quality control manual on their premises.
 - Panel producers are required to maintain the credentials of their quality control managers and quality control employees for as long as employees are serving in a quality control capacity.
 - Producers of exempt laminated products are required to maintain records demonstrating that they are using compliant platforms and NAF resins. These records would include records of purchases of NAF resins and of compliant, certified platforms, or, if the resins or platforms are made in-house, records demonstrating that the platforms have been certified by an accredited TPC and records demonstrating the production of NAF resins.
 - Importers, fabricators of finished goods that incorporate composite wood products, laminated product producers whose products are exempt from the definition of hardwood plywood must maintain records identifying the panel producer, the date the composite wood products were produced, the date the composite wood products were purchased, and bills of lading or invoices that include a written affirmation from the supplier that the composite wood products are compliant.
 - Non-importing distributors and retailers must retain invoices and bills of lading and copies of labels used.

(ii) Respondent Activities

All respondents would need to read the rule and determine which provisions would be applicable to their operations; plan and modify their procedures to come into compliance with the rule; provide training to appropriate staff; process, compile, and review information for accuracy and appropriateness; and record, disclose, and/or report the required information.

5. THE INFORMATION COLLECTION — AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

5(a) Agency Activities

EPA resources would be devoted to reviewing and analyzing import certifications, auditing and inspecting facilities, producing audit and inspection reports, responding to public inquiries, providing regulatory interpretations and developing rulemakings.

5(b) Collection Methodology and Management

At this time, the majority of the information requirements would not require the use of a specific form or format, except that failed test results must be reported in writing. By and large the reporting requirements of this rule are third-party reporting requirements, in that panel producers are required to submit information to TPCs. EPA wishes to give maximum latitude to TPCs and panel producers as they choose how to most expediently structure their communications.

5(c) Small Entity Flexibility

Small businesses are not exempt from the requirements of TSCA Title VI. The information collections would apply to all entities that manufacture (including import), sell, supply, or offer for sale regulated composite wood products in the United States regardless of size. They would also apply to entities that manufacture regulated composite products, including finished goods, for import into the U.S. and to third-party certifiers that wish to participate in the program. During the Small Business Advocacy Review Panel process, the Panel recommended regulatory flexibility alternatives to alleviate burden on small business. EPA seeks to implement those recommendations in its proposal. For example, EPA's proposal would allow labeling by bundle, as opposed to individual boards. EPA is also requiring quality control tests for hardwood plywood based on production volume, allowing low volume producers to conduct fewer tests.

5(d) Collection Schedule

Panel producers must provide their third-party certifiers with monthly product data reports. The rest of the reporting activities are triggered by specific events or on an as needed basis rather than by specific dates.

6. ESTIMATING BURDEN AND COST OF THE COLLECTION

This section estimates the burden and associated costs for both the respondents and the Agency associated with the recordkeeping and reporting requirements of the proposed TSCA Title VI Implementation Rule. This supporting statement provides average annual burden and cost estimates for the next three years of the program. All costs are presented in year 2010 dollars.

This ICR presents the burden and associated costs for the activity types listed below. Note that not all entities will incur burden or costs from these activities because they may already

be meeting the requirements under the CARB ATCM and/or their existing recordkeeping and labeling systems may already be sufficient.

- **Rule Familiarization:** All respondents will need to read the rule in order to understand the requirements;
- **Testing and Certification:** All composite panel producers will need to perform formaldehyde emission testing on their composite wood products and attain certification from an accredited third-party certifier (TPC). These entities must undergo qualifying tests at a TPC lab, obtain an on-site audit from a TPC, implement quality control systems, and train quality control employees in order to receive initial certification. Once certified, a mill is required to conduct on-going small scale quality control testing, submit monthly reports to the certifying TPC, and receive quarterly on-site audits and large chamber testing to maintain its certified status. Mills that produce products made with ULEF or NAF resins that meet more stringent emissions limits may apply for exemptions from some of the on-going testing requirements;
- **Recordkeeping:** Firms that import, produce, or manufacture composite wood panels, component parts, or finished goods are required to keep records showing the date of purchase of the composite wood product, the supplier, and all precautions taken to ensure that the product meets emissions standards. Wholesalers and retailers that do not import, produce, or manufacture composite wood panels, component parts, or finished goods are only required to maintain invoices and bills of lading; and
- **Labeling:** Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance.

Exhibit 6-1 summarizes the recordkeeping and reporting activities for respondents as a result of the proposed rule:

Exhibit 6-1: Summary of Recordkeeping and Reporting Activities, by Sector and Activity

Activity	Composite Panel Producer ¹			Fabricator	Wholesaler		Retailer
	Standard	ULEF	NAF		Imports	No Imports	
1. Rule Familiarization	1-time			1-time	1-time		1-time
2. Certification Fee	Annual			-	-	-	-
3. Initial On-site Audit	1-time			-	-	-	-
4. Develop Quality Control Manual	1-time			-	-	-	-
5. Qualifying Test	1-time			-	-	-	-
6. Qualifying Test Shipment	1-time			-	-	-	-
7. Correlation Test	1-time			-	-	-	-
8. Recurring On-site Audit ²	Quarterly	Annual		-	-	-	-
9. Large Scale Testing Fee ³	Quarterly		Annual	-	-	-	-
10. Large Scale Testing Shipment ³	Quarterly		Annual	-	-	-	-
11. On-site Audit Travel ⁴	Annual			-	-	-	-
12. Desk Audits ⁵	8 per year	-	-	-	-	-	-
13. Purchase of Small Chamber Testing Unit ⁶	1-time	-	-	-	-	-	-
14. Quality Control Testing ⁷	Up to Daily			-	-	-	-
15. Lost Product ⁸	Up to Daily			-	-	-	-
16. Initial Recordkeeping	-	-	-	-	1-time	-	-
17. Recurring Recordkeeping	Annual			Annual	Annual	-	-
18. Initial Labeling	1-time			1-time	1-time		-

Notes:

1. This analysis assumes that panel producers with standard (Phase 2), ULEF, or NAF certifications under the CARB ATCM will retain those certifications under the TSCA Title VI rule, but that product lines being newly certified as a result of the TSCA Title VI rule will receive either standard or NAF certifications. Furthermore, some TPCs may have more stringent requirements than the regulations require. For example, HPVA requires mills to have on-site audits and large chamber tests annually for NAF-certified products, and quarterly for ULEF-certified products, which is more frequently than the CARB ATCM requires. This analysis therefore assumes that TPCs test and audit mills with NAF or ULEF-certified product lines more frequently than the CARB ATCM or the proposed TSCA Title VI rule require.
2. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) in the first year. The initial on-site audit is assumed to be sufficient for producers with existing ULEF or NAF certifications. All ULEF or NAF-certified producers will have one on-site audit annually thereafter.
3. Mills are assumed to perform large scale testing quarterly unless all products are certified as NAF. It is assumed that mills with only NAF-certified products will perform large scale testing annually. In the first year, mills with added-formaldehyde products will test those products three times in addition to the qualifying testing, and mills with NAF products will test those once at the end of the qualifying process.
4. It is assumed that travel is only necessary for the annual audits, as other intermediate audits can be performed by contracting inspectors closer to the mill.
5. Desk audits for standard certification are assumed to occur monthly except in months with quarterly on-site audits. The analysis assumes that producers with new NAF certification will incur the burden associated with two desk audits in the first year. ULEF or NAF-certified producers will not have any desk audits in subsequent years.
6. This analysis assumes that mills with standard certification or a new NAF certification will choose to set up and operate a small scale testing facility on-site; although, all particleboard and MDF mills with standard certification are assumed to already have a small scale testing facility on-site. Mills with an existing ULEF or NAF certification will already have been exempted from quality control testing.
7. Particleboard and MDF mills are required to test samples at least once per eight or twelve hour shift, but the frequency is reduced to one test per 48 hours if the plant or production line has shown consistent operations with low variability of test results. The testing frequency for hardwood plywood producers depends on their production volume, ranging from as little as one test per hundred thousand square feet of production to as much as four tests per week. This analysis makes the simplifying assumption that all panel producers with standard certification will test once per day, which results in a conservative estimate of the burden and cost of quality control testing for hardwood plywood producers.
8. Mills will need to forfeit a number of panels for initial and on-going testing. Mills are expected to ship five 4' x 8' panels per product type for qualifying testing. All producers of products with a standard certification are assumed to lose one panel per product type each day for quality control testing, which is a conservative estimate for hardwood plywood producers. In addition, mills are required to send one panel per product type to the TPC for large scale testing each quarter. However, product lines that are certified as NAF are exempt from routine quality control testing after the three month qualifying period, and need only have large scale testing performed annually. Product lines that are certified as ULEF are exempt from routine quality control testing after the six month qualifying period, and are assumed to have large

Note that the TSCA Title VI rule requires importers of articles that are composite wood products, or articles that contain composite wood products, to comply with the TSCA Section 13 import certification regulations for “Chemical Substances in Bulk and As Part of Mixtures and Articles,” as found at 19 CFR 12.118 through 12.127. Thus, any U.S. importer of composite wood products or articles that contain composite wood products would have to certify that all articles in the shipment either comply with all applicable rules and orders under TSCA or that all the articles in the shipment are not subject to TSCA. The statement must be on or attached to a commercial invoice or entry document belonging to the imported shipment. In practice, import certification is fulfilled by checking a box on an invoice or entry document. It is assumed that this does not generally impose a significant additional burden or cost on the importer. Any potential burden associated with a submitter’s familiarization with this requirement is assumed to be included in the more general rule familiarization burden discussed below.

Exhibit 6-2 summarizes the activities that have reporting and recordkeeping burden hours (and thus labor costs) associated with them, and those that have non-labor costs (such as purchasing equipment, shipping composite wood samples for testing, TPC fees, etc.). Burden hour estimates are discussed in section 6(a), while labor and non-labor costs are discussed in section 6(b). Exhibit 6-2 also summarizes the baseline calculations for this ICR analysis. Many panel producers are already engaged in these activities because their products are certified under the CARB ATCM. This analysis estimates the burden and cost of the TSCA Title VI rule’s requirements both with and without accounting for this baseline.

This analysis assumes that mills making product lines that have a standard certification^{REF_Ref305506961 \h * MERGEFORMAT} or a ULEF or NAF certification under the CARB ATCM will not need to submit new data or resubmit existing data to their existing TPC in order to receive the equivalent certification under the TSCA Title VI regulations. Thus, this ICR does not include burdens and costs for these reporting and recordkeeping activities where it is assumed the activities were already performed to comply with the CARB ATCM and will not need to be performed again. This is consistent with the methodology used in the Economic Analysis for the proposed rule.

However, this ICR does include the burdens and costs of required activities that will continue to be performed under the TSCA Title VI rule, even if those activities would be performed regardless of the TSCA rule (i.e., to comply with the CARB ATCM). This is different from the methodology in the Economic Analysis for the proposed rule, where the baseline included activities performed to comply with the CARB ATCM. As a result, the Economic Analysis excluded the costs of activities that would be performed even without the TSCA rule.

^{REF_Ref305506961 \h * MERGEFORMAT} The term standard certification is used here to describe a certification other than an ultra-low-emitting formaldehyde (ULEF) or NAF certification.

Exhibit 6-2: Summary of Recordkeeping and Reporting Activities, by Activity

Activity	Labor Costs (see Section 6(a))	Non-Labor Costs (see Section 6(b))	Burden/Cost Included for Incremental Estimate, by firm type		Burden/Cost Included for Total Estimate, by firm type	
			Baseline CARB-Compliant	Not Baseline CARB-Compliant	Baseline CARB-Compliant	Not Baseline CARB-Compliant
1. Rule Familiarization	Yes		Yes	Yes	Yes	Yes
2. Certification Fee		Yes	Incremental Only	Yes	Yes	Yes
3. Initial On-site Audit	Yes	Yes	Incremental Only	Yes	Yes	Yes
4. Develop Quality Control Manual	Yes			Yes		Yes
5. Qualifying Test		Yes		Yes		Yes
6. Qualifying Test Shipment	Yes	Yes		Yes		Yes
7. Correlation Test	Yes	Yes		Yes		Yes
8. Recurring On-site Audit	Yes	Yes	Incremental Only	Yes	Yes	Yes
9. Large Scale Testing Fee		Yes	Incremental Only	Yes	Yes	Yes
10. Large Scale Testing Shipment	Yes	Yes	Incremental Only	Yes	Yes	Yes
11. On-site Audit Travel		Yes	Incremental Only	Yes	Yes	Yes
12. Desk Audits	Yes	Yes	Incremental Only	Yes	Yes	Yes
13. Purchase of Small Chamber Testing Unit		Yes		Yes		Yes
14. Quality Control Testing	Yes		Incremental Only	Yes	Yes	Yes
15. Lost Product		Yes	Incremental Only	Yes	Yes	Yes
16. Initial Recordkeeping	Yes	Yes		Yes		Yes
17. Recurring Recordkeeping	Yes			Yes	Yes	Yes
18. Initial Labeling	Yes	Yes	Yes	Yes	Yes	Yes

This ICR uses two sets of baseline calculations because it calculates both the incremental and the total burden and cost of the TSCA Title VI rule. The incremental burden and cost excludes future activities that will be performed to comply with the CARB ATCM in the baseline. The total burden and cost includes future activities that will be performed to comply with the CARB ATCM in the baseline. Neither includes activities that CARB compliant firms already performed in the past to meet the ATCM requirements and that are assumed not to be repeated in order to comply with the TSCA Title VI requirements.

6(a) Estimating Respondent Burden

(i) Number of Respondents

Since the rule applies to products imported into the U.S., the certification, testing, recordkeeping, and reporting requirements also apply to entities outside the U.S. Therefore, this analysis estimates both domestic and foreign entities.^{REF_Ref305506961 \h * MERGEFORMAT} The number of respondents is estimated separately by sector (i.e., panel producers, fabricators, wholesalers, and retailers).

The number of domestic stock panel producers (41 stock hardwood plywood mills, 30 particleboard mills, and 22 MDF mills) is taken from EPA’s Economic Analysis for the rulemaking, and is described in more detail there. The estimate of foreign stock panel mills exporting to the U.S. is based on the number of foreign mills on the CARB list of certified mills.^{REF_Ref305506961 \h * MERGEFORMAT} To remain consistent with the Economic Analysis, which

^{REF_Ref305506961 \h * MERGEFORMAT} EPA’s Economic Analysis for the rulemaking (*Economic Analysis of the Formaldehyde Standards for Composite Wood Products Act Implementing Regulations Proposed Rule*) does not estimate the number of foreign entities subject to the rule. The number of domestic entities estimated here is the same as the number in the Economic Analysis.

^{REF_Ref305506961 \h * MERGEFORMAT} California Air Resources Board 2011.

estimates that the share of imports that is not CARB certified is larger compared to the share of domestic production that is not certified, the analysis assumes the number of foreign mills that are not currently certified under the CARB ATCM but will seek certification under the Title VI rule as 20 percent of the total number of foreign mills certified under the CARB ATCM.

The Economic Analysis for the rule estimated there are 7,486 to 13,875 domestic entities making wood veneer laminated products. The high end estimate (13,875) is used here. Under the rule, wood veneer laminated products are exempted from the definition of hardwood plywood if they are made with compliant platforms and NAF resins. The Economic Analysis estimates that most domestic laminators not already using NAF resins will switch to them so that their products will be exempted from the definition of hardwood plywood. However, two percent of wood veneer laminated product producers (278 entities) are assumed to continue to use added formaldehyde resins and therefore will make products defined as hardwood plywood. The remaining wood veneer laminated product producers (13,597 entities) make products that will not be defined as hardwood plywood, so these entities will be considered fabricators under the rule. The process used to estimate the number of wood veneer laminated product producers is described in greater detail in the Economic Analysis.

As described in the Economic Analysis for the rule, the number of domestic wholesale and retail trade firms was estimated using employer and nonemployer data from the Census.^{REF_Ref305506961 \h * MERGEFORMAT} These totals were adjusted to account for that fact that not all firms are expected to sell composite wood products. For example, some retail stores in the Floor Covering Stores industry (NAICS 442210) might only sell carpet and rugs, and therefore would not be affected by the proposed TSCA Title VI rule's requirements. Data from the 2007 Economic Census' Product Lines Subject Series were used to estimate the percentage of wholesalers and retailers that sell composite wood products in affected industries.^{REF_Ref305506961 \h * MERGEFORMAT}

The numbers of foreign fabricators and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS and 2) applying it to the number of domestic firms in each sector. In addition, the percentage of domestic wholesalers that import composite wood products or articles that contain composite wood products was estimated as ratio of the customs value of imports to the sum of the customs value of imports and the total domestic value of shipments. Exhibit 6-3 presents the customs value of imports and the domestic value of shipments for the affected industries.

^{REF_Ref305506961 \h * MERGEFORMAT} The following NAICS are included for wholesalers: 423210, 423220, 423310, 423320, 423330, 423390, 423410, 423420, 423430, 423440, 423450, 423490, 423510, 423610, 423620, 423690, 423710, 423720, 423730, 423740, 423740, 423810, 423820, 423830, 423840, 423850, 423910, 423920, 423930, 423940, 423990, 424110, 424120, 424130, 424210, 424310, 424320, 424330, 424340, 424410, 424420, 424450, 424460, 424480, 424490, 424510, 424610, 424690, 424910, 424920, 424930, 424940, 424950, 424990.

The following NAICS are included for retailers: 441110, 441210, 441221, 441229, 441320, 442110, 442210, 442291, 442299, 443111, 443112, 443120, 443130, 444110, 444120, 444130, 444190, 444210, 444220, 445110, 445120, 445210, 445220, 445230, 445291, 445292, 445299, 445310, 446110, 446120, 446130, 446191, 446199, 447110, 447190, 448110, 448120, 448130, 448140, 448150, 448190, 448210, 448310, 448320, 451110, 451120, 451130, 451140, 451211, 451212, 451220, 452111, 452112, 452910, 452990, 453110, 453210, 453220, 453910, 453920, 453930, 453991, 453998, 454111, 454113, 454210, 454311, 454312, 454390.

^{REF_Ref305506961 \h * MERGEFORMAT} U.S. Census Bureau 2010a, 2011.

Exhibit 6-3: Customs Value of Imports and Domestic Value of Shipments, by NAICS (millions, 2010\$)				
NAICS	Description	Customs Value of Imports	Domestic Value of Shipments	Sum of Imports and Domestic Shipments
321211	Hardwood veneer and plywood manufacturing	\$1,516	\$3,327	\$4,843
321219	Reconstituted wood product manufacturing	\$1,502	\$6,721	\$8,223
321911	Wood window and door manufacturing	\$491	\$14,161	\$14,653
321918	Other millwork (including flooring)	\$770	\$7,483	\$8,254
321991	Manufactured home (mobile home) manufacturing	\$2	\$6,086	\$6,089
321992	Prefabricated wood building manufacturing	\$50	\$4,215	\$4,265
321999	All other miscellaneous wood product manufacturing	\$1,927	\$6,058	\$7,984
336213	Motor home manufacturing	\$117	\$5,779	\$5,896
336214	Travel trailer and camper manufacturing	\$537	\$10,641	\$11,178
337110	Wood kitchen cabinet and countertop manufacturing	\$491	\$18,658	\$19,149
337121	Upholstered household furniture manufacturing	\$2,898	\$11,269	\$14,166
337122	Nonupholstered wood household furniture manufacturing	-	-	-
337124	Metal household furniture manufacturing	\$2,708	\$2,393	\$5,101
337127	Institutional furniture manufacturing	\$12,133	\$5,799	\$17,932
337129	Wood television, radio, and sewing machine cabinet manufacturing	\$4	\$407	\$411
337211	Wood office furniture manufacturing	\$697	\$2,904	\$3,601
337212	Custom architectural woodwork and millwork manufacturing	-	-	-
337214	Office furniture (except wood) manufacturing	\$410	\$8,978	\$9,388
337215	Showcase, partition, shelving, and locker manufacturing	\$4,283	\$7,873	\$12,156
339920	Sporting and athletic goods manufacturing	\$6,260	\$12,510	\$18,770
339932	Game, toy, and children's vehicle manufacturing	\$21,428	\$2,712	\$24,140
339950	Sign manufacturing	\$184	\$13,003	\$13,187
339992	Musical instrument manufacturing	\$1,190	\$1,796	\$2,986
Total		\$59,598	\$152,772	\$212,370
Ratio of Customs Value of Imports Domestic Shipments			39%	
Ratio of Customs Value of Imports to Sum of Imports and Domestic Shipments				28%
<i>Sources: U.S. Census Bureau 2010b, U.S. International Trade Commission 2011</i>				

As indicated in Exhibit 6-3, imports are 39.0 percent of the U.S. value of shipments for these goods. Therefore, as shown in Exhibit 6-4, it is assumed that there are 39.0 percent as many foreign fabricators that export products to the U.S. as there are domestic fabricators (31,083 foreign fabricators compared to 79,701 domestic fabricators). Similarly, it is assumed that there are 39 percent as many foreign wholesalers that export composite wood products or goods containing composite wood products to the U.S. as there are domestic wholesalers that are subject to the rule (33,368 foreign wholesalers compared to 85,560 domestic wholesalers). The analysis assumes that composite wood products and goods containing composite wood products are generally exported to the United States by panel producers, fabricators, or wholesalers. Few foreign retailers are assumed to export composite wood products directly to the U.S., so the analysis does not estimate that number.

The number of wholesalers that import composite wood products is assumed to be proportional to the ratio of the value of imports of composite wood products to the sum of the total import and domestic shipment values. As shown in Exhibit 6-3 imports represent 28 percent of the value of imports and domestic shipments. Thus, it is estimated that 28 percent of wholesalers are importers of composite wood products. This results in an estimate that 23,957 of the 85,560 domestic wholesalers import composite wood products. Since the number of

wholesalers that import products is estimated using the total customs value of imports (which reflects imports by all sectors), to the extent that some products are imported directly by retailers, the number of such retailers (and their recordkeeping burden) would be reflected in the wholesaler estimate. And to the extent that some fabricators import composite wood products directly, the estimated total recordkeeping burden may be overstated (since the recordkeeping burden for fabricators is estimated separately).

Exhibit 6-4: Summary of Respondents, by Sector and Geographic Location			
Sector	Domestic Respondents	Foreign Respondents¹	Total Respondents
Composite Panel Producers (Mills)			
<i>Stock Panel Mills</i>			
<i>Stock Hardwood Plywood</i>	41	538	579
<i>Particleboard</i>	30	209	239
<i>MDF</i>	22	274	296
<i>Wood Veneer Laminated Product Producers (Classified as making Hardwood Plywood)²</i>	277	108	385
Total Composite Panel Producers	370	1,129	1,499
Fabricators (Firms)			
<i>Wood Veneer Laminated Product Producers (Classified as Fabricators)</i>	13,598	5,303	18,901
<i>Other Fabricators</i>	66,103	25,780	91,883
Total Fabricators	79,701	31,083	110,784
Wholesalers (Firms)			
<i>Wholesalers that import</i>	23,957	---	23,957
<i>Wholesalers that do not import</i>	61,603	---	61,603
Total Wholesalers	85,560	33,368	118,928
Retailers(Firms)³	759,048	0	759,048
Total	924,679	65,580	990,259
<p>Notes: 1. The numbers of foreign fabricators and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis assumes that the number of certified foreign mills is 20 percent of the total number of certified mills.</p> <p>2. These are laminators that are assumed to continue using added formaldehyde resins after the rule is implemented. It is also assumed that all wood veneer laminated product producers are single-establishment firms.</p> <p>3. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States.</p> <p>Sources: California Air Resources Board 2011, Composite Panel Association 2011, U.S. Census Bureau 2009, 2010a, b, c, d, e, f, g, h, 2011, U.S. International Trade Commission 2011</p>			

As indicated in Exhibit 6-4, there are an estimated total of 990,259 domestic and foreign respondents. Domestic respondents account for an estimated 93.4 percent of the total. Retailers account for the largest proportion of the total respondents (76.7 percent). Wholesalers, fabricators, and composite panel producers account for approximately 12.0 percent, 11.2 percent, and 0.2 percent of the total number of respondents, respectively.

(ii) Burden Per Respondent

This section describes the per-activity recordkeeping and reporting burden for respondents as a result of the proposed TSCA Title VI rule. Where some TPCs have more

stringent requirements than the proposed TSCA Title VI rule requires, the analysis is based on the TPC requirements. For example, HPVA requires mills to have on-site audits and large chamber tests annually for NAF-certified products, and quarterly for ULEF-certified products, which is more frequently than the CARB ATCM or the proposed TSCA Title VI rule require. Therefore this analysis estimates the burden and cost estimates for mills based on the requirements frequently imposed by TPCs, rather than the requirements in the CARB ATCM or the proposed TSCA Title VI rules. Exhibit 6-5 summarizes the differences between how TPCs are assumed to implement a standard certification and a certification with an NAF or ULEF exemption.

Exhibit 6-5: Testing and Certification Frequencies Assumed to be Implemented by TPCs			
Category	Standard	NAF	ULEF
Certification Fee	Annual	Annual (reduced fee after first year)	Annual (reduced fee after first year)
Qualifying Testing	One-time	One-time	One-time
TPC Audit	Quarterly	Twice initially and annually thereafter	Twice initially and annually thereafter
TPC Audit Travel	First audit each year	Annual	Annual
Large Chamber TPC Testing	Quarterly	Once initially and annually thereafter	Once initially and quarterly thereafter
QC Testing	On-going	First 3 months and exempt thereafter	First 6 months and exempt or reduced thereafter
Desk Audit	Monthly (excludes audit months)	First 2 months and exempt thereafter	First 4 months and exempt thereafter

Respondent activities are presented separately for each unique combination of (1) responses per respondent and (2) per-response burden that is accounted for in this analysis. For example, while composite panel producers with a standard certification are required to have an on-site audit performed quarterly, those with ULEF or NAF certification receive two audits in the first year and then are audited annually thereafter.^{REF_Ref305506961 \h * MERGEFORMAT} As a result, even though these audits are assumed to take the same amount of time for all producers (four managerial-level hours), they are presented as separate activities because they require a different number of annual responses, depending on the certification type. The section begins with a description of activities that are common to all respondents, and then separately discusses the activities by category of respondents (composite panel producers, fabricators, wholesalers, and retailers).

This section also describes the process used to estimate the number of respondents in each activity group. Note that the number of foreign respondents in each activity group is estimated by 1) calculating the sector-specific ratio of domestic respondents by certification type to the total domestic respondents in that sector; 2) applying the ratio to the estimated number of foreign respondents in the sector; and, 3) taking the sum of the rounded estimates across all

^{REF_Ref305506961 \h * MERGEFORMAT} This is an example where the TPC requirements are more stringent than the regulatory requirements.

affected sectors. For example, this analysis assumes that 7 of the 41 domestic hardwood plywood respondents (or 17.1 percent) are currently NAF certified under CARB and will maintain NAF certification under the TSCA Title VI rule. As a result, it is assumed that 76 foreign hardwood plywood respondents (17.1 percent of the 448 foreign hardwood plywood mills with current CARB certification) are currently NAF certified under CARB and will maintain NAF certification under the TSCA Title VI rule.

(A). All Respondents

The burden associated with rule familiarization is presented first because this activity is common to all respondents. Composite panel producers are presented separately from the other respondent types because they are subject to testing and certification requirements unique to their sector. Since wood veneer laminated product producers will be defined as either hardwood plywood manufacturers or fabricators under the proposed rule (depending on the resin they use), they are discussed within the context of these respondent types.

Rule Familiarization (Activity #1)

All entities will need to familiarize themselves with the proposed regulation and either ensure that their current systems are sufficient for the requirements or identify necessary changes. The analysis assumes that all respondents will spend an average of 4.0 managerial labor hours on rule familiarization. This one-time burden is incurred during the first year.

(B). Composite Panel Producers

In addition to rule familiarization, composite panel producers will also spend time on testing and certification, recordkeeping, and labeling activities. This analysis assumes that mills making product lines that are certified under the CARB ATCM will not need to submit new data or resubmit existing data to their existing TPC in order to receive the equivalent certification under the TSCA Title VI regulations. Thus, this ICR does not include burdens and costs for these reporting and recordkeeping activities where it is assumed the activities were already performed to comply with the CARB ATCM and will not need to be performed again. This is consistent with the methodology used in the Economic Analysis for the proposed rule. However, this ICR does include the burdens and costs of required activities that will continue to be performed under the TSCA Title VI rule, even if those activities would be performed regardless of the TSCA rule (i.e., to comply with the CARB ATCM). This is different from the methodology in the Economic Analysis for the proposed rule, where the baseline included activities performed to comply with the CARB ATCM. As a result, the Economic Analysis excluded the costs of activities that would be performed even without the TSCA rule.

In addition, this analysis assumes that two percent of wood veneer laminated product producers will continue to use added formaldehyde resins and thus be classified as hardwood plywood producers. Since laminators are not certified under the CARB ATCM, these producers will incur additional costs due to the TSCA Title VI rule.

TSCA Title VI requires panel producers to perform formaldehyde emission testing on their composite wood products and obtain and maintain certification from an accredited TPC.

Panel producers must undergo qualifying tests at a TPC lab, obtain an on-site audit from a TPC, implement quality control systems, and train quality control employees in order to receive initial certification. Once a TPC certifies a panel producer, that producer is required to conduct on-going small scale quality control testing, submit monthly reports to the TPC, and receive quarterly on-site audits and large scale testing to maintain its certified status. Panel producers that make products with ULEF or NAF resins and meet more stringent emissions limits may apply for exemptions from some of the on-going testing requirements.

NAF certification can be achieved by performing three months of routine small scale testing and one quarterly primary or secondary method test at the TPC. ULEF certification can be achieved by performing six months of routine small scale testing and one quarterly primary or secondary method test at the TPC. Product lines approved for ULEF or NAF certification are regulatorily exempt from routine small scale testing and quarterly primary or secondary method TPC testing for two years, after which point the mill may reapply for a ULEF or NAF certification by submitting the results of at least one primary or secondary method test. However, because some TPC requirements are more stringent than the rule, this analysis assumes that ULEF product lines will receive quarterly TPC testing, and that ULEF and NAF-certified mills will undertake a TPC audit annually. Where the frequency of testing is different for composite panel producers with ULEF, NAF and standard certification, these groups are presented separately.

Initial On-site Audit (Activity #3)

Prior to certification, the TPC is expected to make at least one trip to the mill to inspect the mill's quality control systems and employees. During the initial visit, the TPC will assist the mill in setting up quality control systems, including the small scale testing facility, if applicable, and methods for selecting samples. Audits typically do not take more than one day of travel and visitation, though if the mill requires a substantial number of modifications or is unprepared, the duration of the visit may be longer. REF_Ref305506961 \h * MERGEFORMAT This analysis assumes that a managerial-level employee will be present for eight hours during the initial on-site audit of mills. It is assumed that the initial quality control audit (see below) is sufficient for mills with existing CARB certifications.

Quality Control Systems Development (Activity #4)

Mills are required to implement quality control procedures to ensure that all certified products consistently meet the applicable emissions standards. In addition, mills are required to designate a quality control manager and quality control employees, if needed. The quality control manager must have adequate training or experience to handle all quality control procedures, including on-site testing and shipping samples for TPC testing. All quality control procedures and designated quality control personnel must be identified in a quality control manual. Prior to the mill's initial certification, the TPC will assist mills in developing and documenting appropriate quality control procedures. In some cases, the mill's resin supplier will also help to train quality control employees and develop quality control procedures.

REF_Ref305506961 \h * MERGEFORMAT Personal Communication with HPVA 2011.

Based on conversations with CPA, HPVA, and composite wood manufacturers, it is assumed that training, implementing quality control systems, and developing the quality control manual could take between one and five days to complete, depending on the mill's existing quality control systems. HPVA and CPA noted that smaller mills often do not have quality control systems in place and that developing these systems can be a time-consuming process. This analysis assumes that a managerial-level employee will spend forty hours training, becoming familiarized with the testing and certification requirements, writing the quality control manual, and setting up quality control systems and testing procedures. It also assumes that mills with existing certifications will have quality control systems in place and so will not need to spend time on these activities.

Qualifying Test (Activities #5 and #6)

Composite panel producers are required to obtain five qualifying tests for each product type (e.g., veneer core hardwood plywood) and production line for which certification is sought. A TPC employee must select and mark the panels to be tested during the initial mill audit, with at least one panel being selected for each test. After panel selection has occurred, the mill must ship the marked panels to the TPC for large scale testing. REF_Ref305506961 \h * MERGEFORMAT Results from the five large chamber tests must not exceed the emission standards for each product type and production line. Mills are expected to ship at least five 4' x 8' panels for each product type via a commercial shipping carrier. Panels must be dead-stacked (i.e., having no layers between panels), bundled air-tight, wrapped in polyethylene, and protected by cover sheets. The analysis assumes that it will take a managerial-level employee half an hour to prepare the panels for shipping. Producers that are already CARB compliant and are not expected to adopt a more stringent certification type thus will not incur this burden.

Quality Control Audits (Activities #8 and #11)

After certification has been granted, the TPC is obligated to perform an on-site audit at least once quarterly, unless the mill obtains ULEF or NAF certification. TPCs may also conduct periodic "desk audits," which are quality control checks performed over the phone in which the mill's small scale testing procedures and data are reviewed. Desk audits are assumed to occur monthly, except in months with quarterly on-site audits. This analysis assumes that a managerial-level employee will be present for four hours for every on-site quality control audit, and one hour for each desk audit.

This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. The initial on-site audit is assumed to be sufficient for producers with existing ULEF and NAF certifications. All ULEF and NAF-certified producers will have one on-site audit annually thereafter.

Quality Control Testing (Activity #14)

REF_Ref305506961 \h * MERGEFORMAT Large scale testing can be performed using either the primary test method or an equivalent secondary test method; however, this analysis assumes that all qualifying testing is performed using the primary test method. The primary method for formaldehyde testing is the large chamber test, as defined by ASTM International Standard E1333.

Mills must also perform on-going quality control testing on the applicable products. Quality control testing is typically performed using a small chamber test (ASTM D6007) or desiccator test (ASTM D5582). These tests require smaller test samples and can be conducted at the TPC facility or on-site at a TPC-approved lab at the composite wood mill. The TPC must develop a statistical correlation between the large scale and small scale test methods using a minimum of five data pairs. It is assumed that mills will need to obtain all five data pairs during qualifying testing, though it is possible that some mills may be able to use previous test results or data obtained from the resin manufacturer. Each large chamber test requires results from one small chamber test or three desiccator tests to calculate the correlation. This analysis assumes that the TPC will perform desiccator testing for half of the mills and small chamber testing for the other half during qualification when small scale testing is performed at the TPC. Thus, if the TPC performs 5 large chamber tests, it would also perform either 15 desiccator tests or 5 small chamber tests.

Mills have the option of constructing an on-site lab and having it approved by a TPC, or contracting a certified third-party lab to perform small scale quality control testing. The decision to perform on-site testing is dependent on the relative costs of building and running an on-site lab, and the fees and shipping costs associated with hiring a third-party lab. According to CPA and HPVA, particleboard and MDF mills already have their own on-site labs to test for formaldehyde (because they have to test their products on a daily basis under the CARB ATCM), while most smaller hardwood plywood mills pay their TPC to conduct their quality control testing. (In part because hardwood plywood mills often use ULEF or NAF resins to qualify for exemptions from some of the on-going testing requirements under the CARB ATCM.) However, the CARB ATCM allows mills to ship panels from certified product lines before test results are available. By contrast, the proposed TSCA VI rule requires mills to wait until test results indicate that the emissions standards have been met before shipping a lot that has been tested. It is uncertain how often mills currently ship product from a lot being tested before the test results are available and therefore it is uncertain how mills will choose to comply with this requirement. It may be the case that some mills normally maintain a level of inventory where they would typically not ship any panels before test results have been determined for that lot, but other mills may ship out panels on the same day they are produced. This analysis assumes that all mills that have not already done so will opt to set up and operate a quality control testing facility on-site, in order to minimize the time spent waiting for test results, and to maximize their flexibility to ship out panels shortly after they have been produced. (Assuming that mills conduct on-site testing may overstate the costs of this requirement if some mills find it more cost effective to hold products in inventory until test results have been determined by an outside lab.) Producers that are already CARB compliant and are not expected to adopt a more stringent certification type (e.g., NAF) will not need to perform correlation testing.

The frequency of small scale testing without ULEF or NAF certification depends on the product type and other factors. For hardwood plywood producers, the frequency of testing depends upon the volume of hardwood plywood produced weekly at each plant. Plants producing less than 100 thousand square feet (msf) per week are required to test once per 100 msf. Plants producing between 100 msf and 200 thousand square feet (msf) per week are required to test once, plants producing between 200 msf and 400 msf per week are required to test twice per week, and those producing greater than 400 msf per week are required to test four

times per week. Particleboard and MDF producers must test samples at least once per eight or twelve hour shift, but this frequency may be reduced to one test per forty-eight hours if the plant or production line has shown consistent operations and low variability of test results. This analysis makes the simplifying assumption that all producers will test each production line once daily. This results in a conservative estimate of the burden and cost of quality control testing for hardwood plywood producers. It is assumed that the quality control manager will spend two hours each day performing routine quality control testing.

As previously stated, composite panel producers need to perform 3 months of routine small scale testing to become NAF certified. As a result, it is assumed that new NAF producers will perform 65 daily quality control tests (assuming that the plants are in operation 5 days per week). It is assumed that producers with existing ULEF or NAF certifications will not incur the burden associated with initial quality control testing. ULEF and NAF certified producers will not incur any additional burden associated with quality control testing in subsequent years. Note that the numbers of quality control testing responses are presented at the product line level; as a result, the per-response burdens have been modified accordingly.

Recurring Recordkeeping (Activity #17)

Panel producers are assumed to incur an average labor burden of one hour of managerial labor per week (equivalent to \$3,710.72 per year) to maintain the following records for 3 years:

- Records of quarterly emission testing and quality control testing that identify the accredited third-party certifier conducting or overseeing the testing and the laboratory or quality control facility actually performing the testing. These records must also include the date, the product type tested, the lot or batch number that the tested material represents, the test method used, and the test results;
- Production records, including a description of the composite wood product(s), the date of manufacture, lot or batch numbers, the amount of resin use by volume and weight, the resin trade name, resin manufacturer and supplier contact information, and tracking information allowing each product to be traced to a specific lot number or batch produced;
- Records demonstrating initial and continued eligibility for the reduced testing provisions for products made with ultra-low formaldehyde or no-added formaldehyde-based resins, if applicable;
- Records of changes in production, including changes in resin use, resin composition, and changes in the process, such as changes in press time;
- Purchaser information for each composite wood product, if applicable, including the name, contact person, address, phone number, e-mail address if available, purchase order or invoice number, and amount purchased;
- Transporter information for each composite wood product, if applicable, including name, contact person, address, phone number, e-mail address if available, and shipping invoice number;
- Information on the disposition of non-complying lots, including product type and amount of composite wood products affected, lot or batch numbers, mitigation measures used, results of retesting, and final disposition;

- Copies of labels used;
- Panel producers are required to maintain an up-to-date quality control manual on their premises; and
- Panel producers are required to maintain the credentials of their quality control managers and quality control employees for as long as employees are serving in a quality control capacity.

Initial Labeling (Activity #18)

It is assumed that panel producers, for whom product labeling is a customary business practice, will incur the incremental costs of 6 hours of clerical labor for changing their labels twice. They may need to change their labels once before the effective date of the rule (to indicate that the panels were produced before that date if they are to be sold after the rule goes into effect) and again after their product lines are certified.

To remain consistent with the Economic Analysis, wood veneer laminated product producers defined as hardwood plywood producers are assumed to incur the same burden as the fabricators who are assumed to incur more substantial initial labeling costs (an average of 100 hours of technical labor) (see below).

(C) Fabricators

While all fabricators will incur the burden associated with rule familiarization, only a fraction will incur the additional burdens associated with recordkeeping and labeling. This is because 1) many fabricators are already complying with similar requirements in the CARB ATCM because the products they make are sold in California, and 2) many fabricators' existing recordkeeping and labeling systems are expected to be sufficient to meet the proposed rule's requirements without any significant modifications.

All fabricators are required to label their products with their name, the date the finished good was produced, and a statement of compliance. Fabricators are also required to take "reasonable precautions" to ensure that the composite wood products and finished goods they acquire are in compliance with the applicable emission standards. This includes keeping records showing the date of purchase, the supplier, as well as all precautions taken to ensure that the product meets emissions standards. These records must be kept for three years.

Baseline Compliance for Fabricators

The baseline level of compliance for most fabricators was determined based on conversations with industry associations.^{REF_Ref305506961 \h * MERGEFORMAT} However, baseline compliance for some industries was estimated simply as the number of establishments located in California divided by the total number of U.S. establishments in each industry. Exhibit 6-6 presents the estimated baseline CARB compliance levels for fabricator industries. The baseline CARB compliance category represents the percent of fabricators estimated to be selling their

REF_Ref305506961 \h * MERGEFORMAT Conversations with industry represented informed assumptions for the following fabricator NAICS codes: 321211, 321219, 337110, 337129, 321911, 337121, 337122, 337127, 337211, 337214, 337215, 336213, and 336214.

products in California, and thus using certified panels and complying with the recordkeeping requirements. Additional details are provided in the Economic Analysis for the rulemaking.

Exhibit 6-6: Baseline CARB Compliance of Fabricator Industries		
NAICS	NAICS Definition	Baseline CARB Compliance^a
321211 ^b	Hardwood Veneer and Plywood Manufacturing	100%
321219 ^b	Reconstituted Wood Product Manufacturing	100%
337110 ^b	Wood Kitchen Cabinet and Countertop Manufacturing	50%
337129 ^b	Wood Television, Radio, and Sewing Machine Cabinet Manufacturing	50%
321911 ^b	Wood Window and Door Manufacturing	100%
337121 ^b	Upholstered House Furniture Manufacturing	100%
337122 ^b	Non-upholstered Wood Household Furniture Manufacturing	100%
337124 ^b	Metal Household Furniture Manufacturing	100%
337127 ^b	Institutional Furniture Manufacturing	100%
337211 ^b	Wood Office Furniture Manufacturing	100%
337214 ^b	Office Furniture (except Wood) Manufacturing	100%
337215 ^b	Showcase, Partition, Shelving, and Locker Manufacturing	100%
321918 ^c	Other Millwork (including Flooring)	9.23%
337212 ^c	Custom Architectural Woodwork and Millwork	9.83%
321999 ^c	All Other Miscellaneous Wood Product Manufacturing	7.84%
336213 ^c	Motor Home Manufacturing	100%
336214 ^c	Travel Trailer and Camper	100%
321991 ^c	Manufactured Home (Mobile Home) Manufacturing	10.90%
321992 ^c	Prefabricated Building Manufacturing	5.92%
339950 ^c	Sign Manufacturing	10.09%
Notes: a. Baseline CARB compliance represents the percent of fabricators estimated to be selling their products in California, and thus using certified panels and complying with the recordkeeping requirements. b. Assumptions based on conversations with industry associations. c. Estimated as the percentage of establishments in CA. Sources: U.S. Census Bureau 2009, 2010i		

Fabricators incurring Recordkeeping and Labeling Costs

The proposed recordkeeping and labeling requirements under the TSCA Title VI rule are similar to the requirements under the CARB ATCM. As a result, firms that manufacture or sell composite wood products destined for California markets have experience implementing recordkeeping and labeling requirements that are similar to the proposed TSCA Title VI rule. To learn about the experiences of the firms who are complying with the CARB ATCM requirements, two questionnaires (one for fabricators and one for wholesalers) were administered to fewer than ten respondents per questionnaire.^{REF_Ref305506961 \h * MERGEFORMAT} These questionnaires asked respondents for descriptions of the changes they made and the costs they incurred to implement any changes. This information is described in detail in the Economic Analysis, and is summarized below.

Nine fabricator firms were administered telephone questionnaires that asked about the changes that were made and the costs that were incurred in order to achieve compliance with the

^{REF_Ref305506961 \h * MERGEFORMAT} Retailers are also subject to the chain of custody and recordkeeping requirements. The California Retailers Association indicated that retailers' customary business practices were generally sufficient to meet the chain of custody requirements in the CARB ATCM (Personal Communication with CRA 2011), so retailers were not administered a questionnaire.

CARB recordkeeping and labeling requirements. Based on the questionnaire results, most fabricators are not estimated to incur initial costs for recordkeeping, because their existing recordkeeping systems are adequate and do not need to be modified to comply with the TSCA Title VI requirements. It is estimated that 11 percent of the fabricators that are not currently complying with the CARB ATCM because their products are not sold in California will incur additional recurring recordkeeping costs.

The fabricator questionnaire respondent that reported incurring recurring recordkeeping costs indicated that their recurring recordkeeping burden associated with the CARB ATCM was about 10 hours per week (equivalent to 520 hours per year), which this analysis estimates to be about \$12,917 per year. However, the burden reported by this fabricator questionnaire respondent seems unlikely to be representative for all the fabricator firms that incur a recurring recordkeeping burden. This fabricator questionnaire respondent was a firm with employees, but smaller firms, such as nonemployer firms, are likely to need much less time than 10 hours per week (about a quarter of a 40 hour work week) to perform the necessary recordkeeping activities. Since the recordkeeping requirements entail keeping track of composite wood materials purchased and shipments that contain composite wood products, it is expected that the burden associated with keeping records will typically increase with the volume of a fabricator's sales. Thus, to estimate the recurring recordkeeping burden for nonemployer fabricators, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. It is assumed that fabricators will use clerical staff to perform these activities.

For employer firms, the average recurring recordkeeping burden is estimated as 520 hours per year (based on 2 hours of fixed cost labor, with the remaining hours of variable cost labor). For nonemployer firms, the variable cost component is calculated by subtracting the two hours of fixed cost labor (at a cost of \$49.68) from the total reported cost (\$12,917) and then dividing by the estimated average revenue for affected employer fabricators (\$4,241,245). The resulting variable cost component (0.30338 percent of revenue) is multiplied by average nonemployer revenues (\$42,690) and results in recurring recordkeeping costs of \$179.19, or approximately 7.21 labor hours per year.

Several of the respondents indicated that they already had labeling systems in place and therefore they did not incur any significant costs associated with CARB's labeling requirements. However, this analysis assumes that these firms did in fact incur small costs associated with making small changes to their labels. One of the firms that did report minor labeling costs reported that it took "a few hours" to change over to using the new labels. The analysis assumes that "a few hours" is 3 hours for the purpose of estimating costs. The analysis also assumes that 67 percent of firms that are not already complying with the CARB ATCM, and all firms that are already complying with the CARB ATCM, incur the costs associated with 3 labor hours. REF_Ref305506961 \h * MERGEFORMAT Two other firms that responded to the questionnaire reported more substantial costs associated with setting up their labeling systems and therefore, it is assumed that the remaining 33 percent of firms that are not already complying with the CARB ATCM will incur the average burden reported by these two firms (100

REF_Ref305506961 \h * MERGEFORMAT 67 percent is calculated as 4/6 since 4 of the 6 firms that reported labeling their products are assumed to have these costs.

hours).^{REF_Ref305506961 \h * MERGEFORMAT} It is assumed that fabricators will use technical labor to perform these activities. Since none of the fabricator respondents reported any recurring costs for labeling, no recurring labeling costs are estimated.

(D). Wholesalers

While all wholesalers will incur the burden associated with rule familiarization, only a fraction will incur incremental burdens associated with recordkeeping and labeling. As with fabricators, this is because 1) many wholesalers are already complying with the CARB ATCM because they handle products that are ultimately sold in California, and 2) many wholesalers' existing recordkeeping systems are expected to meet the proposed rule's requirements without any significant modifications. Like fabricators, wholesalers who import composite wood products are required to take "reasonable precautions" to ensure that the composite wood products and finished goods they acquire are in compliance with the applicable emission standards. These records must be kept for three years.

Wholesalers that are defined as manufacturers under TSCA (because they import, produce, or manufacture composite wood panels, component parts, or finished goods) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. Wholesalers that are not defined as manufacturers under TSCA (because they do not import such products) must keep invoices and bills of lading. Most wholesalers are likely to keep invoices and bills of lading as part of their customary business practices.^{REF_Ref305506961 \h * MERGEFORMAT} Therefore the requirement to keep invoices and bills of lading is not assumed to impose any additional burden on wholesalers that do not import products.^{REF_Ref305506961 \h * MERGEFORMAT}

Baseline Compliance for Wholesalers

This analysis assumes that wholesale firms with establishments in California are complying with the recordkeeping requirements of the CARB ATCM and therefore would not incur the burden associated with some of the proposed rule's requirements. Because data on the number of firms with at least one establishment in California are not available, the following steps must be taken to estimate baseline compliance for each affected industry: (1) use 2007 Economic Census data to identify the number of affected wholesale firms^{REF_Ref305506961 \h * MERGEFORMAT} (2) estimate the number of single-unit firms in California; (3) estimate the number of multi-unit firms with at least one establishment in California; and (4) estimate baseline compliance as the percentage of U.S. firms with at least one establishment in California. Note that this approach may lead to an understatement of the level of baseline compliance among wholesalers because they may sell products in states where they do not have physical locations. In addition, two wholesale industries -- Furniture Merchant Wholesalers

^{REF_Ref305506961 \h * MERGEFORMAT} 33 percent is calculated as 2/6 since 6 firms reported that they labeled their product.

^{REF_Ref305506961 \h * MERGEFORMAT} For example, the Internal Revenue Service (U.S. Internal Revenue Service 2007) recommends that firms keep invoices in order to document their assets, expenses, gross receipts, and purchases.

^{REF_Ref305506961 \h * MERGEFORMAT} While wholesalers that do not import composite wood products are assumed to meet the proposed rule's recordkeeping requirements with documents kept as part of their customary business practices, these firms do count toward the respondent and response totals in exhibit 6-9 through Exhibit 6-14.

^{REF_Ref305506961 \h * MERGEFORMAT} U.S. Census Bureau 2009, 2010d, j.

(423210) and Home Furnishing Merchant Wholesalers (423220) -- are assumed to be fully compliant with the CARB ATCM chain of custody requirements in the baseline. REF_Ref305506961 \h * MERGEFORMAT Exhibit 6-7 presents a summary of the baseline compliance estimates for wholesale industries. The Economic Analysis for the rule provides a detailed description of the baseline calculations.

REF_Ref305506961 \h * MERGEFORMAT Personal Communication with AHFA 2010, Personal Communication with BIFMA 2010.

Exhibit 6-7: Baseline CARB Compliance of Wholesale Industries		
NAICS	NAICS Description	Baseline CARB Compliance^a
423210 ^b	Furniture merchant wholesalers	100%
423220 ^b	Home furnishing merchant wholesalers	100%
423310	Lumber, plywood, millwork, and wood panel merchant wholesalers	12.3%
423320	Brick, stone, and related construction material merchant wholesalers	14.9%
423330	Roofing, siding, and insulation material merchant wholesalers	13.7%
423390	Other construction material merchant wholesalers	14.6%
423410	Photographic equipment and supplies merchant wholesalers	24.8%
423420	Office equipment merchant wholesalers	18.1%
423430	Computer and software merchant wholesalers	23.9%
423440	Other commercial equipment merchant wholesalers	13.0%
423450	Medical equipment merchant wholesalers	15.9%
423490	Other professional equipment and supplies merchant wholesalers	14.8%
423510	Metal service centers and other metal merchant wholesalers	15.1%
423610	Elec. equip. and wiring merchant wholesalers	19.3%
423620	Electric appliance merchant wholesalers	25.2%
423690	Other electronic parts and equipment merchant wholesalers	26.1%
423710	Hardware merchant wholesalers	19.4%
423720	Plumbing equip. merchant wholesalers	18.8%
423730	HVAC equip. merchant wholesalers	14.5%
423740	Refrigeration equipment and supplies merchant wholesalers	22.2%
423810	Construction equipment merchant wholesalers	11.4%
423820	Farm and garden machinery and equipment merchant wholesalers	9.5%
423830	Industrial machinery and equipment merchant wholesalers	12.3%
423840	Industrial supplies merchant wholesalers	16.2%
423850	Service establishment equipment and supplies merchant wholesalers	9.9%
423910	Sporting and recreational goods and supplies merchant wholesalers	21.1%
423920	Toy and hobby goods and supplies merchant wholesalers	30.5%
423930	Recyclable material merchant wholesalers	13.3%
423940	Jewelry merchant wholesalers	19.6%
423990	Other miscellaneous durable goods merchant wholesalers	17.9%
424110	Printing and writing paper merchant wholesalers	17.8%
424120	Stationery and office supplies merchant wholesalers	15.1%
424130	Industrial and personal service paper merchant wholesalers	17.2%
424210	Drugs and druggists' sundries merchant wholesalers	21.7%
424310	Piece goods, notions, and other dry goods merchant wholesalers	29.6%
424320	Men's and boys' clothing and furnishings merchant wholesalers	24.6%
424330	Women's and children's clothing merchant wholesalers	32.0%
424340	Footwear merchant wholesalers	33.1%
424410	General line grocery merchant wholesalers	19.7%
424420	Packaged frozen food merchant wholesalers	19.6%
424450	Confectionery merchant wholesalers	15.1%
424460	Fish and seafood merchant wholesalers	12.3%
424480	Fresh fruit and vegetable merchant wholesalers	23.2%
424490	Other grocery and related products merchant wholesalers	18.8%

Exhibit 6-7: Baseline CARB Compliance of Wholesale Industries		
NAICS	NAICS Description	Baseline CARB Compliance^a
424510	Grain and field bean merchant wholesalers	5.2%
424610	Plastics materials and basic forms and shapes merchant wholesaler	18.1%
424690	Other chemical and allied products merchant wholesalers	13.6%
424910	Farm supplies merchant wholesalers	13.1%
424920	Book, periodical, and newspaper merchant wholesalers	16.4%
424930	Flower, nursery stock, & florists' supplies merchant wholesalers	17.9%
424940	Tobacco and tobacco product merchant wholesalers	8.1%
424950	Paint, varnish, and supplies merchant wholesalers	18.0%
424990	Other miscellaneous nondurable goods merchant wholesalers	24.4%
Notes: a. Baseline CARB compliance represents the percent of wholesalers estimated to be selling their products in California, and thus complying with the recordkeeping requirements.		
b. Two wholesale industries, Furniture Merchant Wholesalers (423210) and Home Furnishing Merchant Wholesalers (423220) are assumed to be fully compliant with the CARB ATCM chain of custody requirements in the baseline, based on conversation with industry (Personal Communication with AHFA 2010, Personal Communication with BIFMA 2010).		
Sources: U.S. Census Bureau 2010d, j		

Wholesalers incurring Recordkeeping and Labeling Costs

Seven wholesale firms were administered telephone questionnaires that asked about the changes that were made and the costs that were incurred in order to achieve compliance with the CARB recordkeeping and labeling requirements. The questionnaire and the calculation of recordkeeping costs are described in detail in the Economic Analysis, and are summarized below.

Based on the questionnaire responses, this analysis assumes that 57 percent of wholesalers that import composite wood products and/or articles that contain composite wood products will incur initial recordkeeping costs associated with 59.15 labor hours. As indicated above, this analysis estimates that 28 percent of domestic wholesalers import composite wood products and/or articles that contain composite wood products. In addition, the analysis assumes that one percent of wholesalers will repackage their products and so will incur the same burden as the fabricators who are assumed to incur more substantial initial labeling costs (an average of 100 hours). However, the recurring recordkeeping burden reported by the wholesaler questionnaire respondent (forty five minutes per day) seems unlikely to be representative for all the wholesaler firms that incur this type of burden. This wholesaler questionnaire respondent was a firm with employees, but smaller firms, such as nonemployer firms, are likely to need much less time than 3.75 hours per week (nearly 10% of a 40 hour work week) to perform the necessary recordkeeping activities. Since the recordkeeping requirements entail keeping track of composite wood materials purchased and shipments that contain composite wood products, it is expected that the burden associated with keeping records will typically increase with the volume of a wholesaler's sales. Thus, to estimate the recurring recordkeeping burden for nonemployer wholesalers, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. It is

REF_Ref305506961 \h * MERGEFORMAT The average annual burden for wholesalers with initial recordkeeping costs was calculated as the average burden for the two firms that quantified costs. One firm indicated that they spent \$2,000 for a "small amount of labor." This was divided by the clerical wage rate in the wholesale trade industry (\$25.54) and equals approximately 78.3 hours. The other firm indicated that they spent 40 labor hours. As a result, the average firm incurred a labor burden of approximately 59.15 hours.

assumed that wholesalers will use clerical labor for recordkeeping activities and technical labor for labeling.

For employer firms that import composite wood products, the recurring recordkeeping cost is estimated as 195 hours per year (based on 2 hours of fixed cost labor, with the remaining hours of variable cost labor). For nonemployer firms that import composite wood products, the variable cost component is calculated by subtracting two hours of fixed labor cost (at a cost of \$51.08) from the total reported annual cost (\$4,980) and then dividing by the estimated average revenue for affected employer wholesalers (\$8,308,417). The resulting variable cost component (0.05933 percent of revenue) is multiplied by average nonemployer revenues (\$82,542) and results in costs of \$100.05, or 3.92 labor hours per year.

It is assumed that one percent of wholesalers incur labeling burden, either because they are repackaging goods that were originally labeled on the packaging instead of on the individual items, or because they are replacing an original label applied by the panel producer or fabricator with a label listing a different company name. It is also assumed that these wholesalers incur the same burden as the fabricators who are assumed to incur more substantial initial labeling burden (an average of 100 hours).

(E). Retailers

It is assumed that retailers do not import composite wood products directly (without a wholesaler), and thus are not subject to the rule's chain of custody requirements for importers.^{REF_Ref305506961 \h * MERGEFORMAT} Retailers that do not import composite wood products must keep invoices and bills of lading. Retailer's customary business practices are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements.^{REF_Ref305506961 \h * MERGEFORMAT} Therefore the recordkeeping requirements are not assumed to impose any additional burden on retailers.^{REF_Ref305506961 \h * MERGEFORMAT}

Baseline Compliance for Retailers

Exhibit 6-8 presents a summary of the baseline compliance estimates for retail industries. Baseline CARB compliance was calculated in the same manner as described the wholesale section (i.e., by determining the number of firms with at least one establishment in California). Additional detail is provided in the Economic Analysis for the rulemaking.

^{REF_Ref305506961 \h * MERGEFORMAT} Because all foreign products are assumed to be imported by wholesalers, the burden of the rule's chain of custody requirements for any retailers that do import products directly is accounted for under the wholesaler category.

^{REF_Ref305506961 \h * MERGEFORMAT} Personal Communication with California Retailers Association 2011.

^{REF_Ref305506961 \h * MERGEFORMAT} While retailers are assumed to meet the proposed rule's recordkeeping requirements with documents kept as part of their customary business practices, these firms do count toward the respondent and response totals in exhibit 6-9 through Exhibit 6-14.

Exhibit 6-8: Baseline CARB Compliance of Retail Industries

NAICS	NAICS Description	Baseline CARB Compliance
441110	New car dealers	11.5%
441210	Recreational vehicle dealers	11.6%
441221	Motorcycle, ATV, and personal watercraft dealers	10.7%
441229	All other motor vehicle dealers	10.6%
441320	Tire dealers	14.7%
442110	Furniture stores	15.2%
442210	Floor covering stores	11.2%
442291	Window treatment stores	15.0%
442299	All other home furnishings stores	15.4%
443111	Household appliance stores	10.5%
443112	Radio, television, and other electronics stores	16.8%
443120	Computer and software stores	15.1%
443130	Camera and photographic supplies stores	17.8%
444110	Home centers	16.2%
444120	Paint and wallpaper stores	19.0%
444130	Hardware stores	9.7%
444190	Other building material dealers	12.3%
444210	Outdoor power equipment stores	5.7%
444220	Nursery, garden center, and farm supply stores	8.7%
445110	Supermarkets and other grocery (except convenience) stores	15.3%
445120	Convenience stores	11.2%
445210	Meat markets	10.9%
445220	Fish and seafood markets	10.3%
445230	Fruit and vegetable markets	10.4%
445291	Baked goods stores	12.4%
445292	Confectionery and nut stores	13.9%
445299	All other specialty food stores	12.2%
445310	Beer, wine, and liquor stores	11.3%
446110	Pharmacies and drug stores	15.5%
446120	Cosmetics, beauty supplies, and perfume stores	12.4%
446130	Optical goods stores	16.1%
446191	Food (health) supplement stores	13.1%
446199	All other health and personal care stores	13.3%
447110	Gasoline stations with convenience stores	15.0%
447190	Other gasoline stations	13.1%
448110	Men's clothing stores	18.0%
448120	Women's clothing stores	17.0%
448130	Children's and infants' clothing stores	15.6%
448140	Family clothing stores	19.6%
448150	Clothing accessories stores	15.3%
448190	Other clothing stores	15.2%
448210	Shoe stores	19.1%
448310	Jewelry stores	14.4%
448320	Luggage and leather goods stores	16.1%
451110	Sporting goods stores	13.5%
451120	Hobby, toy, and game stores	14.2%
451130	Sewing, needlework, and piece goods stores	13.2%
451140	Musical instrument and supplies stores	12.2%
451211	Book stores	15.6%
451212	News dealers and newsstands	11.5%
451220	Prerecorded tape, compact disc, and record stores	14.5%
452111	Department stores (except discount department stores)	70.8%
452112	Discount department stores	74.7%
452910	Warehouse clubs and supercenters	92.0%

Exhibit 6-8: Baseline CARB Compliance of Retail Industries		
NAICS	NAICS Description	Baseline CARB Compliance
452990	All other general merchandise stores	9.8%
453110	Florists	9.2%
453210	Office supplies and stationery stores	17.6%
453220	Gift, novelty, and souvenir stores	12.8%
453910	Pet and pet supplies stores	12.9%
453920	Art dealers	13.7%
453930	Manufactured (mobile) home dealers	7.3%
453991	Tobacco stores	12.7%
453998	All other miscellaneous store retailers (except tobacco stores)	11.5%
454111	Electronic shopping	10.3%
454113	Mail-order houses	11.3%
454210	Vending machine operators	11.0%
454311	Heating oil dealers	11.7%
454312	Liquefied petroleum gas (bottled gas) dealers	20.4%
454390	Other direct selling establishments	11.1%
Total Retailers		13.2%
a. Baseline CARB compliance represents the percent of retailers estimated to be selling their products in California, and therefore not expected to incur supplier notification costs.		
Sources: U.S. Census Bureau 1997, 2010g, k, l		

(F). Summary

Exhibit 6-9 and Exhibit 6-10 summarize the total number of respondents, total burden per respondent and total burden for each response activity over the first year, and second and third years of the ICR, respectively. Exhibit 6-11 presents the average total value for those variables over the first three years of the rule (i.e., without accounting for the baseline compliance with the CARB ATCM). Exhibit 6-12 through Exhibit 6-14 mirror the previous three tables, except that they account for incremental burdens (excluding baseline burden and cost). Note that most respondents are incurring burdens for multiple activities listed in these exhibits. As indicated, the average annual burden over the first three years of the rule is estimated to be approximately 7.9 million hours, while the incremental burden over this time period is estimated at 5.8 million hours. The domestic burden accounts for approximately 63.3 percent and 66.9 percent of the totals, respectively.

Exhibit 6-9: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location										
Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)			
		Domestic	Foreign ²	Total			Domestic	Foreign	Total	
1. Rule Familiarization										
Producers ³	M	370	1,129	1,499	1	4.00	1,480	4,516	5,996	
Fabricators ⁴	M	79,701	31,083	110,784	1	4.00	318,804	124,332	443,136	
Wholesalers	M	85,560	33,368	118,928	1	4.00	342,240	133,472	475,712	
Retailers	M	759,048	-	759,048	1	4.00	3,036,192	-	3,036,192	
2. Certification Fee										
	-	-	-	-	-	-	-	-	-	
3. Initial On-site Audit										
With Existing Certifications	M	82	764	846	1	4.00	328	3,056	3,384	
Without Existing Certifications ^{3,5}	M	288	365	653	1	8.00	2,304	2,920	5,224	
4. Develop Quality Control Manual³										
	M	288	365	653	1	40.00	11,520	14,600	26,120	
5. Qualifying Test										
6. Qualifying Test Shipment⁶										
1 Product	M	5	64	69	1	0.50	3	32	35	
2 Products ^{3,5}	M	288	365	653	2	0.25	144	183	327	
7. Correlation Test										
1 Product	M	5	64	69	10	1.00	50	640	690	
2 Products ^{3,5}	M	288	365	653	20	1.00	5,760	7,300	13,060	
8. Quarterly On-site Audit⁷										
Standard ^{3,6}	M	328	599	927	3	4.00	3,936	7,188	11,124	
NAF (With New Certification)	M	11	211	222	1	4.00	44	844	888	
9. Large Scale Testing Fee										
	-	-	-	-	-	-	-	-	-	
10. Large Scale Testing Shipment⁷										
Standard/ULEF Certification ^{3,5}	M	345	778	1,123	3	0.50	518	1,167	1,685	
NAF (With New Certification)	M	11	211	222	1	0.50	6	106	112	
NAF (With Existing Certification)	M	14	140	154	1	0.50	7	70	77	
11. On-site Audit Travel										
	-	-	-	-	-	-	-	-	-	
12. Desk Audits⁸										
Standard Certification ^{3,5}	M	328	599	927	8	1.00	2,624	4,792	7,416	
NAF (With New Certification)	M	11	211	222	2	1.00	22	422	444	
13. Purchase of Small Chamber Testing Unit⁹										
	-	-	-	-	-	-	-	-	-	
14. Quality Control Testing¹⁰										
Standard Certification ^{3,6}	M	328	599	927	260	2.00	170,560	311,480	482,040	
New NAF Certification	M	11	211	222	65	2.00	1,430	27,430	28,860	
15. Lost Product										
	-	-	-	-	-	-	-	-	-	
16. Initial Recordkeeping¹¹										
	C	8,576	11,945	20,521	1	59.15	507,270	706,547	1,213,817	
17. Recurring Recordkeeping¹²										
Producers ^{3,5}	M	370	1,129	1,499	1	52	19,240	58,708	77,948	

Exhibit 6-9: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Fabricators with burden- Employers ⁴	C	3,630	1,422	5,052	1	520.00	1,887,600	739,440	2,627,040
Fabricators with burden - Nonemployers ⁴	C	5,137	1,997	7,134	1	7.21	37,038	14,398	51,436
Fabricators without burden	C	70,934	27,664	98,598	1	-	-	-	-
Wholesalers with burden - Employers	C	4,208	5,861	10,069	1	195.00	820,560	1,142,895	1,963,455
Wholesalers with burden - Nonemployers	C	6,094	8,487	14,581	1	3.92	23,888	33,269	57,158
Wholesalers without burden	C	75,258	19,020	94,278	1	-	-	-	-
Retailers	C	759,048	-	759,048	1	-	-	-	-
18. Initial Labeling¹³									
Minor Changes - Producers ^{4,5}	C	93	1,021	1,114	1	6.00	558	6,126	6,684
Minor Changes - Fabricators ⁴	T	64,290	24,986	89,276	1	3.00	192,870	74,958	267,828
Major Changes - Producers ³	C	277	108	385	1	100.00	27,700	10,800	38,500
Major Changes - Fabricators and Wholesalers ⁴	T	16,266	6,344	22,610	1	100.00	1,626,600	634,400	2,261,000
Total - Year 1							9,041,296	4,066,091	13,107,388

- Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.
2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.
3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.
4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.
5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.
6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.
7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.
8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.
9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.
10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.
11. Recordkeeping costs are incurred by composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products or articles that contain composite wood products. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.
12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have

Exhibit 6-9: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM 33 percent of fabricators, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

Exhibit 6-10: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
1. Rule Familiarization									
Producers ³	M	-	-	-	-	-	-	-	-
Fabricators ⁴	M	-	-	-	-	-	-	-	-
Wholesalers	M	-	-	-	-	-	-	-	-
Retailers	M	-	-	-	-	-	-	-	-
2. Certification Fee									
-	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit									
With Existing Certifications	M	-	-	-	-	-	-	-	-
Without Existing Certifications ^{3,5}	M	-	-	-	-	-	-	-	-
4. Develop Quality Control Manual ³									
M	M	-	-	-	-	-	-	-	-
5. Qualifying Test									
-	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment									
1 Product	M	-	-	-	-	-	-	-	-
2 Products ^{3,5}	M	-	-	-	-	-	-	-	-
7. Correlation Test ⁶									
1 Product	M	-	-	-	-	-	-	-	-
2 Products ^{3,5}	M	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁷									
Standard ^{3,6}	M	328	599	927	4	4.00	5,248	9,584	14,832
NAF (With New Certification)	M	11	211	222	1	4.00	44	844	888
9. Large Scale Testing Fee									
-	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment ⁷									
Standard/ULEF Certification ^{3,5}	M	345	778	1,123	4	0.50	690	1,556	2,246
NAF (With New Certification)	M	11	211	222	1	0.50	6	106	112
NAF (With Existing Certification)	M	14	140	154	1	0.50	7	70	77
11. On-site Audit Travel									
-	-	-	-	-	-	-	-	-	-
12. Desk Audits ⁸									
Standard Certification ^{3,5}	M	328	599	927	8	1.00	2,624	4,792	7,416
NAF (With New Certification)	M	-	-	-	-	-	-	-	-
13. Purchase of Small Chamber Testing Unit ⁹									
-	-	-	-	-	-	-	-	-	-
14. Quality Control Testing ¹⁰									
Standard Certification ^{3,5}	M	328	599	927	260	2.00	170,560	311,480	482,040
New NAF Certification	M	-	-	-	-	-	-	-	-
15. Lost Product									
16. Initial Recordkeeping ¹¹									
C	C	-	-	-	-	-	-	-	-
17. Recurring Recordkeeping ¹²									

Exhibit 6-10: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Producers ^{3,5}	M	370	1,129	1,499	1	52.00	19,240	58,708	77,948
Fabricators with burden-Employers ⁴	C	3,630	1,422	5,052	1	520.00	1,887,600	739,440	2,627,040
Fabricators with burden - Nonemployers ⁴	C	5,137	1,997	7,134	1	7.21	37,038	14,398	51,436
Fabricators without burden	C	70,934	27,664	98,598	1	-	-	-	-
Wholesalers with burden - Employers	C	4,208	5,861	10,069	1	195.00	820,560	1,142,895	1,963,455
Wholesalers with burden - Nonemployers	C	6,094	8,487	14,581	1	3.92	23,888	33,269	57,158
Wholesalers without burden	C	75,258	19,020	94,278	1	-	-	-	-
Retailers	C	759,048	-	759,048	1	-	-	-	-
19. Initial Labeling^{4,13}									
Minor Changes - Producers ^{4,5}	C	-	-	-	-	-	-	-	-
Minor Changes - Fabricators ⁴	T	-	-	-	-	-	-	-	-
Major Changes - Producers ³	C	-	-	-	-	-	-	-	-
Major Changes - Fabricators and Wholesalers ⁴	T	-	-	-	-	-	-	-	-
Total - Years 2 and 3							2,967,505	2,317,142	5,284,648

Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.

2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.

7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.

10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.

Exhibit 6-10: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>11. Recordkeeping is required for composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products or articles that contain composite wood products. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.</p> <p>12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM 33 percent of fabricators, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

Exhibit 6-11: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
1. Rule Familiarization									
Producers ³	M	370	1,129	1,499	0.3333	4.0000	493	1,505	1,998
Fabricators ⁴	M	79,701	31,083	110,784	0.3333	4.0000	106,257	41,440	147,697
Wholesalers	M	85,560	33,368	118,928	0.3333	4.0000	114,069	44,486	158,555
Retailers	M	759,048	-	759,048	0.3333	4.0000	1,011,963	-	1,011,963
2. Certification Fee									
-	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit									
With Existing Certifications	M	82	764	846	0.3333	4.0000	109	1,019	1,128
Without Existing Certifications ^{3,5}	M	288	365	653	0.3333	8.0000	768	973	1,741
4. Develop Quality Control Manual³									
M	M	288	365	653	0.3333	40.0000	3,840	4,866	8,706
5. Qualifying Test									
-	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment									
1 Product	M	5	64	69	0.3333	0.5000	1	11	12
2 Products ^{3,5}	M	288	365	653	0.6667	0.2500	48	61	109
7. Correlation Test⁶									
1 Product	M	5	64	69	3.3333	1.0000	17	213	230
2 Products ^{3,5}	M	288	365	653	6.6667	1.0000	1,920	2,433	4,353
8. Quarterly On-site Audit⁷									
Standard ^{3,5}	M	328	599	927	3.6667	4.0000	4,811	8,785	13,596
NAF (With New Certification)	M	11	211	222	1.0000	4.0000	44	844	888
9. Large Scale Testing Fee									
-	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment⁷									
Standard/ULEF Certification ^{3,5}	M	345	778	1,123	3.6667	0.5000	633	1,426	2,059
NAF (With New Certification)	M	11	211	222	1.0000	0.5000	6	106	112
NAF (With Existing Certification)	M	14	140	154	1.0000	0.5000	7	70	77
11. On-site Audit Travel									
-	-	-	-	-	-	-	-	-	-
12. Desk Audits⁸									
Standard Certification ^{3,5}	M	328	599	927	8.0000	1.0000	2,624	4,792	7,416
NAF (With New Certification)	M	11	211	222	0.6667	1.0000	7	141	148
13. Purchase of Small Chamber Testing Unit⁹									
-	-	-	-	-	-	-	-	-	-
14. Quality Control Testing¹⁰									
Standard Certification ^{3,5}	M	328	599	927	260.0000	2.0000	170,560	311,480	482,040
New NAF Certification	M	11	211	222	21.6667	2.0000	477	9,143	9,620
15. Lost Product									
-	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping¹¹									
C	C	8,576	11,945	20,521	0.3333	59.1500	169,073	235,492	404,565
17. Recurring Recordkeeping¹²									
Producers ^{3,5}	M	370	1,129	1,499	1.0000	52.0000	19,240	58,708	77,948

Exhibit 6-11: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Fabricators with burden- Employers ⁴	C	3,630	1,422	5,052	1.0000	520.0000	1,887,600	739,440	2,627,040
Fabricators with burden - Nonemployers ⁴	C	5,137	1,997	7,134	1.0000	7.2100	37,038	14,398	51,436
Fabricators without burden	C	70,934	27,664	98,598	1.0000	-	-	-	-
Wholesalers with burden - Employers	C	4,208	5,861	10,069	1.0000	195.0000	820,560	1,142,895	1,963,455
Wholesalers with burden - Nonemployers	C	6,094	8,487	14,581	1.0000	3.9200	23,888	33,269	57,157
Wholesalers without burden	C	75,258	19,020	94,278	1.0000	-	-	-	-
Retailers	C	759,048	-	759,048	1.0000	-	-	-	-
18. Initial Labeling ^{4,13}									
Minor Changes - Producers ^{4,5}	C	93	1,021	1,114	0.3333	6.0000	186	2,042	2,228
Minor Changes - Fabricators ⁴	T	64,290	24,986	89,276	0.3333	3.0000	64,284	24,984	89,268
Major Changes - Producers ³	C	277	108	385	0.3333	100.0000	9,232	3,600	12,832
Major Changes - Fabricators and Wholesalers ⁴	T	16,266	6,344	22,610	0.3333	100.0000	542,146	211,446	753,592
Total - Three Year Average							4,991,901	2,900,068	7,891,969

Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.

2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.

7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.

10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.

11. Recordkeeping is required for composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products or articles that contain composite wood products. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of

Exhibit 6-11: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repack composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM 33 percent of fabricators, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

Exhibit 6-12: Incremental First Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
1. Rule Familiarization									
Producers ³	M	370	1,129	1,499	1	4.00	1,480	4,516	5,996
Fabricators ⁴	M	79,701	31,083	110,784	1	4.00	318,804	124,332	443,136
Wholesalers	M	85,560	33,368	118,928	1	4.00	342,240	133,472	475,712
Retailers	M	759,048	-	759,048	1	4.00	3,036,192	-	3,036,192
2. Certification Fee									
-	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit									
With Existing Certifications	M	82	764	846	1	4.00	328	3,056	3,384
Without Existing Certifications ^{3,5}	M	288	365	653	1	8.00	2,304	2,920	5,224
4. Develop Quality Control Manual³									
M	M	288	365	653	1	40.00	11,520	14,600	26,120
5. Qualifying Test									
-	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment									
1 Product	M	5	64	69	1	0.50	3	32	35
2 Products ^{3,5}	M	288	365	653	2	0.25	144	183	327
7. Correlation Test⁶									
1 Product	M	5	64	69	10	1.00	50	640	690
2 Products ^{3,5}	M	288	365	653	20	1.00	5,760	7,300	13,060
8. Quarterly On-site Audit⁷									
Uncertified to Standard ^{3,5}	M	277	154	431	3	4.00	3,324	1,848	5,172
NAF (With New Certification)	M	11	211	222	1	4.00	44	844	888
9. Large Scale Testing Fee									
-	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment⁷									
Uncertified to Standard ^{3,5}	M	277	154	431	3	0.50	416	231	647
NAF (With New Certification)	M	11	211	222	1	0.50	6	106	112
11. On-site Audit Travel									
-	-	-	-	-	-	-	-	-	-
12. Desk Audits⁸									
Uncertified to Standard ^{3,5}	M	277	154	431	8	1.00	2,216	1,232	3,448
NAF (With New Certification)	M	11	211	222	2	1.00	22	422	444
13. Purchase of Small Chamber Testing Unit⁹									
-	-	-	-	-	-	-	-	-	-
14. Quality Control Testing¹⁰									
Standard Certification ^{3,5}	M	277	154	431	260	2.00	144,040	80,080	224,120
New NAF Certification	M	11	211	222	65	2.00	1,430	27,430	28,860
15. Lost Product									
-	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping¹¹									
C	C	8,576	11,945	20,521	1	59.15	507,270	706,547	1,213,817
17. Recurring Recordkeeping¹²									
Producers ^{3,5}	M	370	1,129	1,499	1	52.00	19,240	58,708	77,948
Fabricators with burden- Employers ⁴	C	2,176	848	3,024	1	520.00	1,131,520	440,960	1,572,480

Exhibit 6-12: Incremental First Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Fabricators with burden - Nonemployers ⁴	C	3,054	1,191	4,245	1	7.21	22,019	8,587	30,606
Fabricators without burden	C	42,310	16,437	58,747	1	-	-	-	-
Wholesalers with burden - Employers	C	2,642	3,680	6,322	1	195.00	515,190	717,600	1,232,790
Wholesalers with burden - Nonemployers	C	3,826	5,331	9,157	1	3.92	14,998	20,898	35,895
Wholesalers without burden	C	47,263	11,944	59,207	1	-	-	-	-
Retailers	C	658,150	-	658,150	1	-	-	-	-
18. Initial Labeling^{4,13}									
Minor Changes - Producers ^{4,5}	C	93	1,021	1,114	1	6.00	558	6,126	6,684
Minor Changes - Fabricators ⁴	T	64,290	24,986	89,276	1	3.00	192,870	74,958	267,828
Major Changes - Producers ³	C	277	108	385	1	100.00	27,700	10,800	38,500
Major Changes - Fabricators and Wholesalers ⁴	T	16,266	6,344	22,610	1	100.00	1,626,600	634,400	2,261,000
Total - Year 1							7,928,288	3,082,828	11,011,115

Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.

2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.

7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.

10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.

11. Recordkeeping is required for composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products or articles that contain composite wood products. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have

Exhibit 6-12: Incremental First Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repack composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

Exhibit 6-13: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
1. Rule Familiarization									
Producers ³	M	-	-	-	-	-	-	-	-
Fabricators ⁴	M	-	-	-	-	-	-	-	-
Wholesalers	M	-	-	-	-	-	-	-	-
Retailers	M	-	-	-	-	-	-	-	-
2. Certification Fee									
-	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit									
With Existing Certifications	M	-	-	-	-	-	-	-	-
Without Existing Certifications ^{3,5}	M	-	-	-	-	-	-	-	-
4. Develop Quality Control Manual³									
M	M	-	-	-	-	-	-	-	-
5. Qualifying Test									
-	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment									
1 Product	M	-	-	-	-	-	-	-	-
2 Products ^{3,5}	M	-	-	-	-	-	-	-	-
7. Correlation Test⁶									
1 Product	M	-	-	-	-	-	-	-	-
2 Products ^{3,5}	M	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit⁷									
Uncertified to Standard ^{3,5}	M	277	154	431	4	4.00	4,432	2,464	6,896
NAF (With New Certification)	M	11	211	222	3	4.00	132	2,532	2,664
9. Large Scale Testing Fee									
-	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment⁷									
Uncertified to Standard ^{3,5}	M	277	154	431	4	0.50	554	308	862
NAF (With New Certification)	M	11	211	222	1	0.50	6	106	112
11. On-site Audit Travel									
-	-	-	-	-	-	-	-	-	-
12. Desk Audits⁸									
Uncertified to Standard ^{3,5}	M	277	154	431	8	1.00	2,216	1,232	3,448
NAF (With New Certification)	-	-	-	-	-	-	-	-	-
13. Purchase of Small Chamber Testing Unit⁹									
-	-	-	-	-	-	-	-	-	-
14. Quality Control Testing¹⁰									
Standard Certification ^{3,5}	M	277	154	431	260	2.00	144,040	80,080	224,120
New NAF Certification	M	-	-	-	-	-	-	-	-
15. Lost Product									
-	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping¹¹									
-	C	-	-	-	-	-	-	-	-
17. Recurring Recordkeeping¹²									
Producers ^{3,5}	M	370	1,129	1,499	1	52.00	19,240	58,708	77,948
Fabricators with burden- Employers ⁴	C	2,176	848	3,024	1	520.00	1,131,520	440,960	1,572,480
Fabricators with burden - Nonemployers ⁴	C	3,054	1,191	4,245	1	7.21	22,019	8,587	30,606

Exhibit 6-13: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Fabricators without burden	C	42,310	16,437	58,747	1	-	-	-	-
Wholesalers with burden - Employers	C	2,642	3,680	6,322	1	195.00	515,190	717,600	1,232,790
Wholesalers with burden - Nonemployers	C	3,826	5,331	9,157	1	3.92	14,998	20,898	35,895
Wholesalers without burden	C	47,263	11,944	59,207	1	-	-	-	-
Retailers	C	658,150	-	658,150	1	-	-	-	-
18. Initial Labeling^{4,13}									
Minor Changes - Producers ^{4,5}	T	-	-	-	-	-	-	-	-
Minor Changes - Fabricators ⁴	T	-	-	-	-	-	-	-	-
Major Changes - Producers ³	T	-	-	-	-	-	-	-	-
Major Changes - Fabricators and Wholesalers ⁴	T	-	-	-	-	-	-	-	-
Total - Years 2 and 3							1,854,347	1,333,475	3,187,821

Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.

2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.

7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.

10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.

11. Recordkeeping is required for composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be

Exhibit 6-13: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>generally sufficient to meet the proposed rule’s recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm’s revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

Exhibit 6-14: Three Year Average Incremental Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
1. Rule Familiarization									
Producers ³	M	370	1,129	1,499	0.3333	4.0000	493	1,505	1,998
Fabricators ⁴	M	79,701	31,083	110,784	0.3333	4.0000	106,257	41,440	147,697
Wholesalers	M	85,560	33,368	118,928	0.3333	4.0000	114,069	44,486	158,555
Retailers	M	759,048	-	759,048	0.3333	4.0000	1,011,963	-	1,011,963
2. Certification Fee									
	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit									
With Existing Certifications	M	82	764	846	0.3333	4.0000	109	1,019	1,128
Without Existing Certifications ^{3,5}	M	288	365	653	0.3333	8.0000	768	973	1,741
4. Develop Quality Control Manual³									
	M	288	365	653	0.3333	40.0000	3,840	4,866	8,706
5. Qualifying Test									
	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment									
1 Product	M	5	64	69	0.3333	0.5000	1	11	12
2 Products ^{3,5}	M	288	365	653	0.6667	0.2500	48	61	109
7. Correlation Test⁶									
1 Product	M	5	64	69	3.3333	1.0000	17	213	230
2 Products ^{3,5}	M	288	365	653	6.6667	1.0000	1,920	2,433	4,353
8. Quarterly On-site Audit⁷									
Uncertified to Standard ^{3,5}	M	277	154	431	3.6667	4.0000	4,063	2,259	6,322
NAF (With New Certification)	M	11	211	222	2.3333	4.0000	103	1,969	2,072
9. Large Scale Testing Fee									
	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment⁸									
Uncertified to Standard ^{3,5}	M	277	154	431	3.6667	0.5000	508	282	790
NAF (With New Certification)	M	11	211	222	1.0000	0.5000	6	106	112
11. On-site Audit Travel									
	-	-	-	-	-	-	-	-	-
12. Desk Audits⁸									
Uncertified to Standard ^{3,5}	M	277	154	431	8.0000	1.0000	2,216	1,232	3,448
NAF (With New Certification)	M	11	211	222	0.6667	1.0000	7	141	148
13. Purchase of Small Chamber Testing Unit⁹									
	-	-	-	-	-	-	-	-	-
14. Quality Control Testing¹⁰									
Standard Certification ^{3,5}	M	277	154	431	260.0000	2.0000	144,040	80,080	224,120
New NAF Certification	M	11	211	222	21.6667	2.0000	477	9,143	9,620
15. Lost Product									
	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping¹¹									
	C	8,576	11,945	20,521	0.3333	59.1500	169,073	235,492	404,565
17. Recurring Recordkeeping¹²									
Producers ^{3,5}	M	370	1,129	1,499	1.0000	52.0000	19,240	58,708	77,948

Exhibit 6-14: Three Year Average Incremental Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
Fabricators with burden-Employers ⁴	C	2,176	848	3,024	1.0000	520.0000	1,131,520	440,960	1,572,480
Fabricators with burden - Nonemployers ⁴	C	3,054	1,191	4,245	1.0000	7.2100	22,019	8,587	30,606
Fabricators without burden	C	42,310	16,437	58,747	1.0000	-	-	-	-
Wholesalers with burden - Employers	C	2,642	3,680	6,322	1.0000	195.0000	515,190	717,600	1,232,790
Wholesalers with burden - Nonemployers	C	3,826	5,331	9,157	1.0000	3.9200	14,998	20,898	35,896
Wholesalers without burden	C	47,263	11,944	59,207	1.0000	-	-	-	-
Retailers	C	658,150	-	658,150	1.0000	-	-	-	-
18. Initial Labeling^{4,13}									
Minor Changes - Producers ^{4,5}	C	93	1,021	1,114	0.3333	6.0000	186	2,042	2,228
Minor Changes - Fabricators ⁴	T	64,290	24,986	89,276	0.3333	3.0000	64,284	24,984	89,268
Major Changes - Producers ³	C	277	108	385	0.3333	100.0000	9,232	3,600	12,832
Major Changes - Fabricators and Wholesalers ⁴	T	16,266	6,344	22,610	0.3333	100.0000	542,146	211,446	753,592
Total - Three Year Average							3,878,793	1,916,536	5,795,329

Notes: 1. This column indicates the category of labor associated with the activity. "M", "T", and "C" stand for managerial, technical, and clerical labor, respectively.

2. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

5. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

6. Producers that are already CARB compliant are not assumed to need to perform correlation testing because it is assumed that their previous testing is sufficient.

7. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Although mills are likely to incur some labor burden while learning how to use the small chamber testing unit, it is not estimated in this analysis.

10. This analysis assumes that composite panel producers with a standard certification or a new NAF certification test each production line once daily. Producers with an existing ULEF or NAF certification will already have been exempted from quality control testing.

11. Recordkeeping is required for composite panel producers (including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers), fabricators, and wholesalers that import composite wood products or articles that contain composite wood products. However, composite panel producers and fabricators are not expected to need to

Exhibit 6-14: Three Year Average Incremental Burden Hours, by Activity and Geographic Location

Activity	Labor Type ¹	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Incremental Burden (Hours)		
		Domestic	Foreign ²	Total			Domestic	Foreign	Total
<p>make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers are not already complying with the CARB ATCM and will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.</p> <p>12. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that some fabricators and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements. Based on responses to EPA's questionnaires, it is assumed that that 11 percent of fabricators and 43 percent of wholesalers will have recurring recordkeeping costs. However, the analysis assumes that only 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products and thus 43% of that 28% incur recurring recordkeeping burden. The customary business practices of the remaining fabricators, wholesalers, and all retailers are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. For fabricators and wholesalers with burden, the analysis assumes that there is a fixed-cost component of the recurring recordkeeping costs associated with two hours of labor and a variable cost component that is proportional to a firm's revenue. The variable cost factor is estimated by subtracting the fixed cost from the total reported cost and then dividing by the estimated average revenue for affected employer category. For fabricators, the fixed cost is \$49.68, the total reported cost is \$12,916.80, and the average revenue is \$4,241,245. For wholesalers, the fixed cost is \$51.08, the total reported cost is \$4,890.30, and the average revenue is \$8,308,417. The respective variable cost factors are 0.30338 percent and 0.05933 percent of revenue. The recurring recordkeeping burdens for employer fabricators and wholesalers are 520 and 195 hours per year, respectively. For nonemployers, the average recurring recordkeeping burden is estimated as the sum of the burden associated with the fixed cost (2 hours) and the burden associated with the respective variable costs, which are calculated as 0.30338 percent of average nonemployer fabricator revenues (\$42,690) and 0.05933 percent of average nonemployer wholesaler revenues (\$82,542). The resulting average fabricator and wholesaler nonemployer recurring recordkeeping burdens are 7.21 and 3.92 hours per year, respectively.</p> <p>13. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all producers, 67 percent of fabricators that are not already complying with the CARB ATCM, and all fabricators that are already complying with the CARB ATCM will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining fabricators and one percent of wholesalers are assumed to incur the average cost of the two firms that reported initial labeling costs in the fabricator questionnaire (see the Economic Analysis for more details).</p>									

6(b) Estimating Respondent Costs

Respondent costs are estimated by multiplying burden estimates from the previous section with loaded wage rates, and adding in capital/startup costs and operating and maintenance (O&M) costs.

(i) Wage Rates

The fully loaded unit labor cost for managerial, technical, and clerical labor in the regulated industry and for EPA staff is estimated by adding fringe benefits and overhead costs to the hourly wage or annual salary for each category following the method described in *Wage Rates for Economic Analysis of the Toxics Release Inventory Program*. This section describes the method employed to estimate the fully loaded unit labor costs for each labor category and presents the results of the analysis.

Wage data used to calculate the labor costs are from the May 2009 National Industry-Specific Occupational Employment and Wage Estimates estimated as part of the Bureau of Labor Statistics' (BLS') Occupational Employment Statistics Program (OES).^{REF_Ref305506961 \h * MERGEFORMAT} The values were inflated to 2010 dollars using data from the BLS' Employer Costs for Employee Compensation (ECEC) for all private industry for 2009 and 2010.^{REF_Ref305506961 \h * MERGEFORMAT} Thus, the analysis uses domestic wage rates to estimate the costs for burden incurred by foreign firms.

The costs of fringe benefits (i.e., paid leave and insurance) were estimated using the same ECEC data for all private industry in 2010, resulting in a fringe benefit rate of 42 percent. An additional loading factor of 17 percent is applied to wages to account for overhead. This overhead loading factor is added to the benefits loading factor, and the total (1.59) is then applied to the base wage to derive the fully loaded wage.

The derivation of the fully loaded costs for managerial, technical, and clerical labor is presented in exhibit 6-15. Note that two types of managerial labor costs are calculated – one for rule familiarization (a general managerial labor rate for wood product manufacturing NAICS) and one for testing and certification (a more specific managerial labor rate for composite panel manufacturing NAICS).

^{REF_Ref305506961 \h * MERGEFORMAT} U.S. Bureau of Labor Statistics (BLS) 2009

^{REF_Ref305506961 \h * MERGEFORMAT} U.S. Bureau of Labor Statistics (BLS) 2011

Exhibit 6-15: Derivation of Loaded Industry Wage Rates

Labor Category	Entity Type	Burden Type	Data Source for Wage Information	Wage (\$2010)	Fringe and Overhead Factor	Loaded Wages (\$2010)
				(a)	(b)	(c) = (a)*(b)
Managerial	Composite Panel Producers Fabricators	Rule Familiarization	BLS OES, Managerial Occupations, NAICS 321000 - Wood Product Manufacturing	\$46.29	1.59	\$73.60
	Wholesalers		BLS OES, Managerial Occupations, Sector 42 - Wholesale Trade	\$58.67		\$93.29
	Retailers		BLS OES, Managerial Occupations, 321200 - Veneer, Plywood, and Engineered Wood Product Manufacturing	\$44.47		\$70.71
	Composite Panel Producers	Testing and Certification, Recordkeeping	BLS OES, Managerial Occupations, 321200 - Veneer, Plywood, and Engineered Wood Product Manufacturing	\$44.88		\$71.36
	Technical	Fabricators / Wholesalers	Labeling	BLS OES, Computer and Mathematical Science Occupations, 321200 - Veneer, Plywood, and Engineered Wood Product Manufacturing		\$27.84
Clerical	Composite Panel Producers	Recordkeeping for Fabricators and	BLS OES, Office and Administrative Support Occupations, NAICS 321000 - Wood Product Manufacturing	\$15.62	1.59	\$24.84
	Fabricators					
	Wholesalers	Wholesalers / Labeling for Producers	BLS OES, Office and Administrative Support Occupations, Sector 42 - Wholesale Trade	\$16.06		\$25.54

(ii) Costs Per Respondent

This section describes the recordkeeping and reporting costs for each respondent activity as a result of the proposed TSCA Title VI Rule. The total cost is comprised of labor costs, capital/start-up costs, and operating and maintenance (O&M) costs. The latter two costs are classified as non-labor costs in this analysis. Labor costs are presented first since they are based directly on the labor burden and the loaded wage rates summarized above. Costs are broken out such that each unique combination of (1) the number of responses per respondent and (2) per-response costs is classified as a separate activity.

Labor Costs

Exhibit 6-16 and Exhibit 6-17 summarize the total per-activity recordkeeping and reporting labor costs for all respondents over the first year, and second and third years of the rule, respectively. Exhibit 6-18 presents the average labor costs over the first three years of the rule, by activity. Exhibit 6-19 through Exhibit 6-21 present the same information as the previous three tables, except for the incremental labor costs. These labor costs were estimated by multiplying the labor burdens summarized in Exhibit 6-9 through Exhibit 6-14 by the loaded wage rates presented in Exhibit 6-15. As indicated, the estimated average annual total labor cost over the first three years of the rule is approximately \$307 million, while the incremental labor costs are \$242 million. The domestic labor cost accounts for approximately 67 percent (\$205 million) and 73 percent (\$176 million) of these totals, respectively.

Exhibit 6-16: Total (including baseline) First Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	\$108,928	-	-	\$332,378	-	-	\$441,306
Fabricators ¹	-	-	\$23,463,974	-	-	\$9,150,835	-	-	\$32,614,810
Wholesalers ²	-	-	\$31,927,570	-	-	\$12,451,603	-	-	\$44,379,172
Retailers ³	-	-	\$214,689,136	-	-	-	-	-	\$214,689,136
2. Certification Fee									
-	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit⁴									
With Existing Certifications	-	-	\$23,406	-	-	\$218,076	-	-	\$241,482
Without Existing Certifications	-	-	\$164,413	-	-	\$208,371	-	-	\$372,785
4. Develop Quality Control Manual⁴									
-	-	-	\$822,067	-	-	\$1,041,856	-	-	\$1,863,923
5. Qualifying Test									
-	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment⁴									
1 Product	-	-	\$214	-	-	\$2,284	-	-	\$2,498
2 Products	-	-	\$10,276	-	-	\$13,059	-	-	\$23,335
7. Correlation Test⁴									
1 Product	-	-	\$3,568	-	-	\$45,670	-	-	\$49,238
2 Products	-	-	\$411,034	-	-	\$520,928	-	-	\$931,962
8. Quarterly On-site Audit⁴									
Standard	-	-	\$280,873	-	-	\$512,936	-	-	\$793,809
NAF (With New Certification)	-	-	\$3,140	-	-	\$60,228	-	-	\$63,368
9. Large Scale Testing Fee									
-	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment⁴									
Standard/ULEF Certification	-	-	\$36,964	-	-	\$83,277	-	-	\$120,242
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
NAF (With Existing Certification)	-	-	\$500	-	-	\$4,995	-	-	\$5,495
11. On-site Audit Travel⁴									
-	-	-	-	-	-	-	-	-	-
12. Desk Audits⁴									
Standard Certification	-	-	\$187,249	-	-	\$341,957	-	-	\$529,206
NAF (With New Certification)	-	-	\$1,570	-	-	\$30,114	-	-	\$31,684
13. Purchase of Small Chamber Testing Unit									
-	-	-	-	-	-	-	-	-	-
14. Quality Control Testing⁴									
Standard Certification	-	-	\$12,171,162	-	-	\$22,227,213	-	-	\$34,398,374
New NAF Certification	-	-	\$102,045	-	-	\$1,957,405	-	-	\$2,059,450
15. Lost Product									
-	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping⁵									
-	\$12,955,676	-	-	\$18,045,210	-	-	\$31,000,886	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369	-	-
Fabricators with costs - Employers ⁶	\$46,887,984	-	-	\$18,367,690	-	-	\$65,255,674	-	-

Exhibit 6-16: Total (including baseline) First Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
Fabricators with costs - Nonemployers ⁶	\$920,024	-	-	\$357,646	-	-	\$1,277,670	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$20,957,102	-	-	\$29,189,538	-	-	\$50,146,641	-	-
Wholesalers with costs - Nonemployers ⁵	\$610,100	-	-	\$849,690	-	-	\$1,459,815	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes - Producers ⁶	\$13,861	-	-	\$152,170	-	-	\$166,031	-	-
Minor Changes – Fabricators ⁷	-	\$8,538,355	-	-	\$3,318,391	-	-	\$11,856,746	-
Major Changes – Producers ⁶	\$688,068	-	-	\$268,272	-	-	\$956,340	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	\$72,009,582	-	-	\$28,084,888	-	-	\$100,094,470	-
Total - Year 1	\$84,405,781	\$80,547,937	\$284,408,517	\$71,419,619	\$31,403,279	\$49,210,749	\$155,825,426	\$111,951,216	\$333,619,267

Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.

2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.

3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.

4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.

5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.

6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators, and labeling for producers.

7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Exhibit 6-17: Total (including baseline) Second and Third Year Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	-	-	-	-	-	-	-
Fabricators ¹	-	-	-	-	-	-	-	-	-
Wholesalers ²	-	-	-	-	-	-	-	-	-
Retailers ³	-	-	-	-	-	-	-	-	-
2. Certification Fee									
3. Initial On-site Audit⁴									
With Existing Certifications	-	-	-	-	-	-	-	-	-
Without Existing Certifications	-	-	-	-	-	-	-	-	-
4. Develop Quality Control Manual									
5. Qualifying Test									
6. Qualifying Test Shipment⁷									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
7. Correlation Test⁴									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit⁴									
Standard Certification	-	-	\$374,497	-	-	\$683,914	-	-	\$1,058,412
NAF (With New Certification)	-	-	\$3,140	-	-	\$60,228	-	-	\$63,368
9. Large Scale Testing Fee									
10. Large Scale Testing Shipment⁴									
Standard/ULEF Certification	-	-	\$49,238	-	-	\$111,036	-	-	\$160,275
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
NAF (With Existing Certification)	-	-	\$500	-	-	\$4,995	-	-	\$5,495
11. On-site Audit Travel									
12. Desk Audits⁴									
Standard Certification	-	-	\$187,249	-	-	\$341,957	-	-	\$529,206
NAF (With New Certification)	-	-	-	-	-	-	-	-	-
13. Purchase of Small Chamber Testing Unit									
-									

Exhibit 6-17: Total (including baseline) Second and Third Year Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
14. Quality Control Testing ⁴									
Standard Certification	-	-	\$12,171,162	-	-	\$22,227,213	-	-	\$34,398,374
New NAF Certification	-	-	-	-	-	-	-	-	-
15. Lost Product	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping ⁵	-	-	-	-	-	-	-	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369		
Fabricators with costs - Employers ⁶	\$46,887,984	-	-	\$18,367,690	-	-	\$65,255,674	-	-
Fabricators with costs- Nonemployers ⁶	\$920,024	-	-	\$357,646	-	-	\$1,277,670	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$20,957,102	-	-	\$29,189,538	-	-	\$50,146,641	-	-
Wholesalers with costs - Nonemployers ⁵	\$610,100	-	-	\$849,690	-	-	\$1,459,815	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes - Producers ⁶	-	-	-	-	-	-	-	-	-
Minor Changes – Fabricators ⁷	-	-	-	-	-	-	-	-	-
Major Changes – Producers ⁶	-	-	-	-	-	-	-	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	-	-	-	-	-	-	-	-
Total - Years 2 and 3	\$70,748,176	-	\$12,786,214	\$52,953,967	-	\$23,436,907	\$123,702,169	-	\$36,223,122

Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.
2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.
3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.
4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.
5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.
6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators, and labeling for producers.
7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Exhibit 6-18: Three Year Average Labor Costs (including baseline), by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	\$36,309	-	-	\$110,793	-	-	\$147,102
Fabricators ¹	-	-	\$7,821,325	-	-	\$3,050,278	-	-	\$10,871,603
Wholesalers ²	-	-	\$10,642,523	-	-	\$4,150,534	-	-	\$14,793,057
Retailers ³	-	-	\$71,563,045	-	-	-	-	-	\$71,563,045
2. Certification Fee									
	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit ⁴									
With Existing Certifications	-	-	\$7,802	-	-	\$72,692	-	-	\$80,494
Without Existing Certifications	-	-	\$54,804	-	-	\$69,457	-	-	\$124,262
4. Develop Quality Control Manual ⁴									
	-	-	\$274,022	-	-	\$347,285	-	-	\$621,308
5. Qualifying Test									
	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment ⁴									
1 Product	-	-	\$71	-	-	\$761	-	-	\$833
2 Products	-	-	\$3,425	-	-	\$4,353	-	-	\$7,778
7. Correlation Test ⁴									
1 Product	-	-	\$1,189	-	-	\$15,223	-	-	\$16,413
2 Products	-	-	\$137,011	-	-	\$173,643	-	-	\$310,654
8. Quarterly On-site Audit ⁴									
Standard Certification	-	-	\$343,289	-	-	\$626,921	-	-	\$970,211
NAF (With New Certification)	-	-	\$3,140	-	-	\$60,228	-	-	\$63,368
9. Large Scale Testing Fee									
	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment ⁴									
Standard/ULEF Certification	-	-	\$45,147	-	-	\$101,783	-	-	\$146,931
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
NAF (With Existing Certification)	-	-	\$500	-	-	\$4,995	-	-	\$5,495
11. On-site Audit Travel									
	-	-	-	-	-	-	-	-	-
12. Desk Audits ⁴									
Standard Certification	-	-	\$187,249	-	-	\$341,957	-	-	\$529,206
NAF (With New Certification)	-	-	\$523	-	-	\$10,038	-	-	\$10,561
13. Purchase of Small									
	-	-	-	-	-	-	-	-	-

Exhibit 6-18: Three Year Average Labor Costs (including baseline), by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
Chamber Testing Unit									
14. Quality Control Testing⁴									
Standard Certification	-	-	\$12,171,162	-	-	\$22,227,213	-	-	\$34,398,374
New NAF Certification	-	-	\$34,015	-	-	\$652,468	-	-	\$686,483
15. Lost Product									
	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping⁵									
	\$4,318,559	-	-	\$6,015,070	-	-	\$10,333,629	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369	-	-
Fabricators with costs - Employers ⁶	\$46,887,984	-	-	\$18,367,690	-	-	\$65,255,674	-	-
Fabricators with costs - Nonemployers ⁶	\$920,024	-	-	\$357,646	-	-	\$1,277,670	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$20,957,102	-	-	\$29,189,538	-	-	\$50,146,641	-	-
Wholesalers with costs - Nonemployers ⁵	\$610,100	-	-	\$849,690	-	-	\$1,459,815	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes – Producers ⁶	\$4,620	-	-	\$50,723	-	-	\$55,344	-	-
Minor Changes – Fabricators ⁷	-	\$2,846,118	-	-	\$1,106,130	-	-	\$3,952,249	-
Major Changes – Producers ⁶	\$229,356	-	-	\$89,424	-	-	\$318,780	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	\$24,003,194	-	-	\$9,361,629	-	-	\$33,364,823	-
Total - Three Year Average	\$75,300,711	\$26,849,312	\$103,326,979	\$59,109,184	\$10,467,759	\$32,028,186	\$134,409,922	\$37,317,072	\$135,355,170

- Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.
2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.
3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.
4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.
5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.
6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators, and labeling for producers.
7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Exhibit 6-19: Incremental First Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	\$108,928	-	-	\$332,378	-	-	\$441,306
Fabricators ¹	-	-	\$23,463,974	-	-	\$9,150,835	-	-	\$32,614,810
Wholesalers ²	-	-	\$31,927,570	-	-	\$12,451,603	-	-	\$44,379,172
Retailers ³	-	-	\$214,689,136	-	-	-	-	-	\$214,689,136
2. Certification Fee									
	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit ⁴									
With Existing Certifications	-	-	\$23,406	-	-	\$218,076	-	-	\$241,482
Without Existing Certifications	-	-	\$164,413	-	-	\$208,371	-	-	\$372,785
4. Develop Quality Control Manual ⁴									
	-	-	\$822,067	-	-	\$1,041,856	-	-	\$1,863,923
5. Qualifying Test									
	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment ⁴									
1 Product	-	-	\$214	-	-	\$2,284	-	-	\$2,498
2 Products	-	-	\$10,276	-	-	\$13,059	-	-	\$23,335
7. Correlation Test ⁴									
1 Product	-	-	\$3,568	-	-	\$45,670	-	-	\$49,238
2 Products	-	-	\$411,034	-	-	\$520,928	-	-	\$931,962
8. Quarterly On-site Audit ⁴									
Uncertified to Standard	-	-	\$237,201	-	-	\$131,873	-	-	\$369,074
NAF (With New Certification)	-	-	\$3,140	-	-	\$60,228	-	-	\$63,368
9. Large Scale Testing Fee									
	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment ⁴									
Uncertified to Standard	-	-	\$29,686	-	-	\$16,484	-	-	\$46,170
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
11. On-site Audit Travel									
	-	-	-	-	-	-	-	-	-
12. Desk Audits ⁴									
Uncertified to Standard	-	-	\$158,134	-	-	\$87,916	-	-	\$246,049
NAF (With New Certification)	-	-	\$1,570	-	-	\$30,114	-	-	\$31,684
13. Purchase of Small Chamber Testing Unit									
	-	-	-	-	-	-	-	-	-
14. Quality Control Testing ⁴									

Exhibit 6-19: Incremental First Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
Standard Certification	-	-	\$10,278,694	-	-	\$5,714,509	-	-	\$15,993,203
New NAF Certification	-	-	\$102,045	-	-	\$1,957,405	-	-	\$2,059,450
15. Lost Product	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping ⁵	\$12,955,676	-	-	\$18,045,210	-	-	\$31,000,886	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369	-	-
Fabricators with costs - Employers ⁶	\$28,106,957	-	-	\$10,953,446	-	-	\$39,060,403	-	-
Fabricators with costs - Nonemployers ⁶	\$546,952	-	-	\$213,301	-	-	\$760,253	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$13,157,953	-	-	\$18,327,504	-	-	\$31,485,457	-	-
Wholesalers with costs - Nonemployers ⁵	\$383,049	-	-	\$533,735	-	-	\$916,758	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes - Producers ⁶	\$13,861	-	-	\$152,170	-	-	\$166,031	-	-
Minor Changes - Fabricators ⁷	-	\$8,538,355	-	-	\$3,318,391	-	-	\$11,856,746	-
Major Changes - Producers ⁶	\$688,068	-	-	\$268,272	-	-	\$956,340	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	\$72,009,582	-	-	\$28,084,888	-	-	\$100,094,470	-
Total - Year 1	\$57,225,482	\$80,547,937	\$282,435,484	\$52,683,041	\$31,403,279	\$31,991,153	\$109,908,497	\$111,951,216	\$314,426,637

- Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.
2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.
3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.
4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.
5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.
6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators and labeling for producers.
7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Exhibit 6-20: Incremental Second and Third Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	-	-	-	-	-	-	-
Fabricators ¹	-	-	-	-	-	-	-	-	-
Wholesalers ²	-	-	-	-	-	-	-	-	-
Retailers ³	-	-	-	-	-	-	-	-	-
2. Certification Fee	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit ⁴									
With Existing Certifications	-	-	-	-	-	-	-	-	-
Without Existing Certifications	-	-	-	-	-	-	-	-	-
4. Develop Quality Control Manual ⁴	-	-	-	-	-	-	-	-	-
5. Qualifying Test	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment ⁴									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
7. Correlation Test ⁴									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁴									
Uncertified to Standard	-	-	\$316,268	-	-	\$175,831	-	-	\$492,099
NAF (With New Certification)	-	-	\$9,420	-	-	\$180,684	-	-	\$190,103
9. Large Scale Testing Fee	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment ⁴									
Uncertified to Standard	-	-	\$39,533	-	-	\$21,979	-	-	\$61,512
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
11. On-site Audit Travel	-	-	-	-	-	-	-	-	-
12. Desk Audits ⁴									
Uncertified to Standard	-	-	\$158,134	-	-	\$87,916	-	-	\$246,049
NAF (With New Certification)	-	-	\$6,280	-	-	\$65,080	-	-	\$71,360
13. Purchase of Small Chamber Testing Unit	-	-	-	-	-	-	-	-	-
14. Quality Control Testing ⁴									
Standard Certification	-	-	\$10,278,694	-	-	\$5,714,509	-	-	\$15,993,203
New NAF Certification	-	-	-	-	-	-	-	-	-
15. Lost Product	-	-	-	-	-	-	-	-	-
16. Initial Recordkeeping ⁵	-	-	-	-	-	-	-	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369	-	-
Fabricators with costs - Employers ⁶	\$28,106,957	-	-	\$10,953,446	-	-	\$39,060,403	-	-

Exhibit 6-20: Incremental Second and Third Year Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
Fabricators with costs - Nonemployers ⁶	\$546,952	-	-	\$213,301	-	-	\$760,253	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$13,157,953	-	-	\$18,327,504	-	-	\$31,485,457	-	-
Wholesalers with costs - Nonemployers ⁵	\$383,049	-	-	\$533,735	-	-	\$916,758	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes - Producers ⁶	-	-	-	-	-	-	-	-	-
Minor Changes - Fabricators ⁷	-	-	-	-	-	-	-	-	-
Major Changes - Producers ⁶	-	-	-	-	-	-	-	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	-	-	-	-	-	-	-	-
Total - Years 2 and 3	\$43,567,877	-	\$10,802,477	\$34,217,389	-	\$6,188,483	\$77,785,240	-	\$16,990,958

Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.
 2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.
 3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.
 4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.
 5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.
 6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators and labeling for producers.
 7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Exhibit 6-21: Three Year Average Incremental Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1. Rule Familiarization									
Producers ¹	-	-	\$36,309	-	-	\$110,793	-	-	\$147,102
Fabricators ¹	-	-	\$7,821,325	-	-	\$3,050,278	-	-	\$10,871,603
Wholesalers ²	-	-	\$10,642,523	-	-	\$4,150,534	-	-	\$14,793,057
Retailers ³	-	-	\$71,563,045	-	-	-	-	-	\$71,563,045
2. Certification Fee									
	-	-	-	-	-	-	-	-	-
3. Initial On-site Audit ⁴									
With Existing Certifications	-	-	\$7,802	-	-	\$72,692	-	-	\$80,494
Without Existing Certifications	-	-	\$54,804	-	-	\$69,457	-	-	\$124,262
4. Develop Quality Control Manual ⁴									
	-	-	\$274,022	-	-	\$347,285	-	-	\$621,308
5. Qualifying Test									
	-	-	-	-	-	-	-	-	-
6. Qualifying Test Shipment ⁴									
1-Product by TPC	-	-	\$71	-	-	\$761	-	-	\$833
2-Product by TPC	-	-	\$3,425	-	-	\$4,353	-	-	\$7,778
7. Correlation Test ⁴									
1-Product by TPC	-	-	\$1,189	-	-	\$15,223	-	-	\$16,413
2-Product by TPC	-	-	\$137,011	-	-	\$173,643	-	-	\$310,654
8. Quarterly On-site Audit ⁴									
Uncertified to Standard	-	-	\$289,912	-	-	\$161,178	-	-	\$451,091
NAF (With New Certification)	-	-	\$7,327	-	-	\$140,532	-	-	\$147,858
9. Large Scale Testing Fee									
	-	-	-	-	-	-	-	-	-
10. Large Scale Testing Shipment ⁴									
Uncertified to Standard	-	-	\$36,251	-	-	\$20,147	-	-	\$56,398
NAF (With New Certification)	-	-	\$428	-	-	\$7,564	-	-	\$7,992
11. On-site Audit Travel									
	-	-	-	-	-	-	-	-	-
12. Desk Audits ⁴									
Uncertified to Standard	-	-	\$158,134	-	-	\$87,916	-	-	\$246,049
NAF (With New Certification)	-	-	\$523	-	-	\$10,038	-	-	\$10,561
13. Purchase of Small Chamber Testing Unit									
	-	-	-	-	-	-	-	-	-

Exhibit 6-21: Three Year Average Incremental Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
14. Quality Control Testing ⁴									
Standard Certification	-	-	\$10,278,694	-	-	\$5,714,509	-	-	\$15,993,203
New NAF Certification	-	-	\$34,015	-	-	\$652,468	-	-	\$686,483
15. Lost Product									
16. Initial Recordkeeping ⁵	\$4,318,559	-	-	\$6,015,070	-	-	\$10,333,629	-	-
17. Recurring Recordkeeping									
Producers ⁴	\$1,372,966	-	-	\$4,189,403	-	-	\$5,562,369	-	-
Fabricators with costs - Employers ⁶	\$28,106,957	-	-	\$10,953,446	-	-	\$39,060,403	-	-
Fabricators with costs - Nonemployers ⁶	\$546,952	-	-	\$213,301	-	-	\$760,253	-	-
Fabricators without costs	-	-	-	-	-	-	-	-	-
Wholesalers with costs - Employers ⁵	\$13,157,953	-	-	\$18,327,504	-	-	\$31,485,457	-	-
Wholesalers with costs - Nonemployers ⁵	\$383,049	-	-	\$533,735	-	-	\$916,758	-	-
Wholesalers without costs	-	-	-	-	-	-	-	-	-
Retailers	-	-	-	-	-	-	-	-	-
18. Initial Labeling									
Minor Changes – Producers ⁶	\$4,620	-	-	\$50,723	-	-	\$55,344	-	-
Minor Changes – Fabricators ⁷	-	\$2,846,118	-	-	\$1,106,130	-	-	\$3,952,249	-
Major Changes - Producers ⁶	\$229,356	-	-	\$89,424	-	-	\$318,780	-	-
Major Changes - Fabricators and Wholesalers ⁷	-	\$24,003,194	-	-	\$9,361,629	-	-	\$33,364,823	-
Total - Three Year Average	\$48,120,412	\$26,849,312	\$101,346,810	\$40,372,606	\$10,467,759	\$14,789,371	\$88,492,993	\$37,317,072	\$116,136,184

- Notes: 1. The analysis uses a loaded wage rate of \$73.60 for rule familiarization for composite panel producers and fabricators.
2. The analysis uses a loaded wage rate of \$93.29 for rule familiarization for wholesalers.
3. The analysis uses a loaded wage rate of \$70.71 for rule familiarization for retailers.
4. The analysis uses a loaded wage rate of \$71.36 for testing and certification and recordkeeping for composite panel producers.
5. The analysis uses a loaded wage rate of \$25.54 for recordkeeping for wholesalers.
6. The analysis uses a loaded wage rate of \$24.84 for recordkeeping for fabricators and labeling for producers.
7. The analysis uses a loaded wage rate of \$44.27 for labeling for fabricators and wholesalers.

Non-Labor Costs

This subsection presents the non-labor costs associated with the recordkeeping and reporting requirements of the proposed TSCA Title VI rule. The different categories of respondents (composite panel producers, fabricators, wholesalers, and retailers) are presented separately because they engage in different activities. There are no activities that are common to all respondents. Exhibit 6-23 through Exhibit 6-25 summarizes the number of respondents, per-respondent and total non-labor costs for each response activity over the next three years. Exhibit 6-26 through Exhibit 6-28 present the corresponding incremental costs.

(A). Composite Panel Producers

Composite panel producers will incur non-labor costs from testing and certification activities. As stated above, this analysis assumes that product lines that are certified under the CARB ATCM will not have to submit new data or resubmit existing data to their TPC in order to receive the equivalent certification under the TSCA Title VI regulations. In addition, this analysis assumes that two percent of wood veneer laminated product producers will continue to use added formaldehyde resins and thus be classified as hardwood plywood producers. These entities are not certified by CARB and so will incur the burdens associated with first time certification by a TPC.

Certification Fees (Activity #2)

CPA and HPVA charge administrative fees to mills for certifying their products. CPA charges a quarterly fee of \$1,500 regardless of NAF or ULEF status, which is equivalent to \$6,000 per year. HPVA charges an annual program fee of \$4,500 to \$5,500 (depending on membership status) to mills that are not NAF or ULEF certified. Mills with ULEF or NAF certifications are required to pay the standard annual program fee in the first year and an annual fee of \$2,700 to \$3,700 in all subsequent years. This analysis assumes that the annual certification fee for mills with standard certification is \$6,000, the fees for uncertified or standard-certified mills with new NAF certifications are \$6,000 in the first year and \$3,700 in all subsequent years, and the annual certification fee for mills with a current NAF or ULEF certification is \$3,700. REF_Ref305506961 \h * MERGEFORMAT

Exhibit 6-22: Certification Fees		
Cost Category	Certification Type	Fee
Initial Fee	All	\$6,000
Annual Fee	Standard	\$6,000
	NAF/ULEF	\$3,700

Qualifying Test (Activity #5)

Under TSCA Title VI, a composite panel producer is required to obtain five qualifying tests for each product type (e.g., hardwood plywood – veneer core) and production line from the mill for which certification is sought. This ICR assumes that all qualifying testing is performed

REF_Ref305506961 \h * MERGEFORMAT ULEF and NAF certifications apply to product lines, and not necessarily to the entire facility. Mills with multiple product lines could have one or more lines certified as ULEF or NAF and other lines that are not. The ULEF and NAF testing costs do not apply to any product lines that are not ULEF or NAF certified.

using the primary test method, large chamber test, as defined by ASTM International Standard E1333. This ICR assumes a cost of \$480 per large scale test based on HPVA's 2010 fee.^{REF_Ref305506961 \h * MERGEFORMAT} This analysis assumes that mills making product lines that have a standard certification or a NAF certification under the CARB ATCM will not need to submit new data or resubmit existing data to their existing TPC in order to receive the equivalent certification under the TSCA Title VI regulations. Thus, producers that are already CARB compliant and are not expected to adopt a more stringent certification type (e.g., NAF certification) will not incur this burden.

Qualifying Test Shipping (Activity #6)

Mills are expected to ship at least five 4' x 8' panels for each product type via a commercial shipping carrier. Panels must be dead-stacked (i.e., having no layers between panels), bundled air-tight, wrapped in polyethylene, and protected by cover sheets. Based on conversations with CPA and with CARB-certified mills, the total shipping cost for the qualifying tests is estimated to be approximately \$200 per product line. This analysis assumes that mills making product lines that are certified under the CARB ATCM will not need to submit new data or resubmit existing data to their existing TPC in order to receive the equivalent certification under the TSCA Title VI regulations. Thus, producers that are already CARB compliant and are not expected to adopt a more stringent certification type will not incur this burden.

Quarterly On-site Audit (Activity #8)

The TPC is responsible for conducting on-site visits to certified mills. Before the initial certification, the TPC is expected to make at least one trip to the mill to inspect the mill's quality control systems and employees. During the initial visit, the TPC will assist the mill in setting up quality control systems, including the small scale testing facility, if applicable, and methods for selecting samples. After certification has been granted, the TPC is obligated to perform an on-site audit at least once quarterly, unless the mill obtains a ULEF or NAF certification. Audits typically do not take more than one day of travel and visitation, though if the mill requires a substantial number of modifications or is unprepared, the duration of the visit may be longer.^{REF_Ref305506961 \h * MERGEFORMAT}

The cost of the audit is borne by the composite panel producer and has two components: audit fees and travel costs. Site audit fees can range from \$300 to \$450 for initial visits and from \$400 to \$450 for quarterly visits, depending on the TPC. Based on these ranges, this analysis assumes that will mills will pay a fee of \$450 per visit.

As in the burden section, this analysis assumes that producers with new NAF certifications will incur the costs associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. The initial on-site audit is assumed to be sufficient for producers with existing ULEF or NAF certifications. All ULEF and NAF-certified producers will have one on-site audit annually thereafter.

^{REF_Ref305506961 \h * MERGEFORMAT} This is the rate charged by HPVA's Reston Lab to non-members for testing panels. This lab charges non-members \$660 to test doors, \$840 to test finished engineered wood flooring, and \$480 to test furniture and cabinets.

^{REF_Ref305506961 \h * MERGEFORMAT} Personal Communication with HPVA 2011

Large Scale Testing Fees (Activity #9)

As described above, it is assumed that each large scale test costs \$480. Mills are assumed to perform large scale testing quarterly unless all products are certified as NAF. It is assumed that mills with only NAF-certified products will perform large scale testing annually. In the first year, mills with added-formaldehyde products will test those products three times in addition to the qualifying testing, and mills with NAF products will test those once at the end of the qualifying process. Note that some respondents are assumed to have different certifications for different product lines (i.e., combinations of standard, ULEF and NAF certifications).

Large Scale Testing Shipping (Activity #10)

Mills are expected to ship one 4' x 8' panel for each product type via a commercial shipping carrier. Panels must be dead-stacked (i.e., having no layers between panels), bundled air-tight, wrapped in polyethylene, and protected by cover sheets. Based on conversations with CPA and with CARB-certified mills, the total shipping cost for the quarterly tests is estimated to be approximately \$50 per product line. Note that some respondents are assumed to have different certifications for different product lines (i.e., combinations of standard, ULEF and NAF certifications).

On-site Audit Travel (Activity #11)

Travel costs can vary depending on the relative location of the mill to the TPC; mills within a close proximity may not incur any travel costs, whereas a mill across the country may incur travel costs of up to \$2,000 per visit. It is assumed that travel is only necessary for the annual audits, as other intermediate audits can be performed by contracting inspectors closer to the mill. Therefore, this analysis assumes that each annual audit costs \$1,500 in travel costs. All composite panel producers are assumed to incur this cost.

Desk Audits (Activity #12)

TPCs may conduct periodic “desk audits,” which are quality control checks performed over the phone in which the mill’s small scale testing procedures and data are reviewed. Desk audits are assumed to occur monthly, except in months with quarterly on-site audits. Based on fees charged by CPA and HPVA, it is assumed that each desk audit costs \$250.

As in the burden section, this analysis assumes that producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are performed in subsequent years. No additional desk audits are assumed to be performed as a result of this rule for respondents with existing NAF or ULEF certification.

Small Chamber Testing Unit (Activity #13)

This analysis assumes that all panel manufacturers that are required to perform routine quality control testing will use their own small chamber testing unit rather than have the TPC

perform the testing. It is assumed that the unit costs \$10,000 to purchase.

Quality Control Testing (Activities #14)

To maintain certification, a mill must perform small scale quality control testing for each certified product type and production line. Mills have the option of constructing an on-site lab and having it approved by a TPC, or contracting a certified third-party lab to perform small scale quality control testing. According to CPA and HPVA, particleboard and MDF mills already have their own on-site labs to test for formaldehyde (because they have to test their products on a daily basis under the CARB ATCM), while most smaller hardwood plywood mills pay their TPC to conduct their quality control testing. (In part because hardwood plywood mills often use ULEF or NAF resins to qualify for exemptions from some of the on-going testing requirements under the CARB ATCM.) However, the CARB ATCM allows mills to ship panels from certified product lines before test results are available. By contrast, the proposed TSCA rule requires mills to wait until test results indicate that the emissions standards have been met before shipping a lot that has been tested. It is uncertain how often mills currently ship product from a lot being tested before the test results are available and therefore it is uncertain how mills will choose to comply with this requirement. It may be the case that some mills normally maintain a level of inventory where they would typically not ship any panels before test results have been determined for that lot, but other mills may ship out panels on the same day they are produced. This analysis assumes that all mills that do not already do so will opt to set up and operate a quality control testing facility on-site, in order to minimize the time spent waiting for test results, and to maximize their flexibility to ship out panels shortly after they have been produced. (Assuming that mills conduct on-site testing may overstate the costs of this requirement if some mills find it more cost effective to hold products in inventory until test results have been determined by an outside lab. Producers that are already CARB compliant and are not expected to adopt a more stringent certification type will not need to perform correlation testing.

HPVA typically uses a desiccator test for small scale testing, but small chamber tests may also be performed. Each instance of desiccator testing requires three small samples to be cut from a larger panel and tested. It is assumed that mills will incur fees of \$70 per desiccator test and \$405 per small chamber test. The mean cost, weighted by the number of tests needed (three for desiccator testing), is \$154.

Lost Product (Activity #15)

Mills will need to forfeit a number of panels for initial and on-going testing. Mills are expected to ship five 4' x 8' panels per product type for qualifying testing. Producers will lose one panel per product type for each day that quality control testing is performed. In addition to routine small scale testing, standard certification and ULEF mills are assumed to send one panel per product type to the TPC for large scale testing each quarter. However, product lines that are certified as NAF are exempt from routine quality control testing after the three month qualifying period, and need only have large scale testing performed annually. Note that the total respondents with lost product costs presented in the exhibits below sum to more than the total number of respondents because some respondents are assumed to have different certifications for different product lines (i.e., combinations of standard, ULEF and NAF certifications).

This analysis estimated the cost of each panel using the average cost per square foot of hardwood plywood, \$0.49 and particleboard, \$0.28 (RISI 2010). Assuming a panel size of 32 sq. ft., each hardwood plywood panel will cost the mill \$15.68, and each particleboard panel will cost \$8.96.

(B). Fabricators

Fabricators are subject to the proposed rule's recordkeeping and labeling requirements. However, not all fabricators incur the non-labor costs associated with proposed rule because 1) they may already be complying with the CARB ATCM (Exhibit 6-6) or 2) their existing systems are sufficient to meet the requirements. As stated above, this analysis assumes that 98 percent of wood veneer laminated product producers will likely switch to NAF resins and be classified as fabricators. It is assumed that the entirety of this subset of fabricators will incur the non-labor costs associated with supplier notification.

As described in the Economic Analysis for the rulemaking, one respondent to the fabricator questionnaire reported that they would incur a one-time cost of \$250 for purchasing new stamps for labeling. To remain consistent with the labor section, this cost was averaged across the two firms that reported more significant costs. As a result, this analysis assumes that the 33 percent of fabricators that are not CARB compliant in the baseline will incur an initial non-labor cost of approximately \$125.00 ($\$250/2$) associated with the labeling requirements. There are not expected to be any non-labor costs associated with recordkeeping for fabricators.

(C). Wholesalers

Wholesalers are subject to the proposed rule's recordkeeping and labeling requirements. This analysis assumes that 1 percent of wholesalers will repackage their products and so will incur an initial non-labor labeling cost. It is assumed that these wholesalers incur the same costs as the fabricators described above (an average of \$125.00). In addition, not all wholesalers will incur the non-labor costs associated with recordkeeping because 1) they are already complying with the CARB ATCM (Exhibit 6-7), 2) their existing systems are sufficient to meet the requirements, or 3) they do not import composite wood products or articles that contain composite wood products and so are only required to keep ordinary business records.

As described in the Economic Analysis for the rulemaking, only one respondent to the wholesaler questionnaire reported that they incurred non-labor costs (a one-time cost of \$2,000 for programming changes). The average non-labor cost is calculated for firms reporting quantified costs. As a result, this analysis assumes that the 57 percent of wholesalers that import composite wood products and/or articles that contain composite wood products will incur an initial non-labor cost of approximately \$1,000 ($\$2,000/2$) associated with the recordkeeping requirements (since one of two firms reporting costs reported a non-labor cost of \$2,000). As indicated above, this analysis assumes that 28 percent of domestic wholesalers import composite wood products and/or articles that contain composite wood products. There are not expected to be any non-labor costs associated with recurring recordkeeping costs.

(D). Retailers

As stated above, retailer's customary business practices are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements. REF_Ref305506961 \h * MERGEFORMAT

(E). Summary

Exhibit 6-23 and Exhibit 6-24 summarize the total (including baseline) per-activity non-labor costs for all the respondents over the first year, and second and third years of the rule, respectively. Exhibit 6-25 presents the average non-labor costs over the first three years of the rule, respectively. Exhibit 6-26 through Exhibit 6-28 mirror the previous three tables, except that they account for incremental non-labor costs (excluding baseline non-labor costs). Note that the number of respondents cannot be summed across activities because many respondents are incurring multiple burdens. As indicated, the average total annual non-labor cost (including baseline) over the first three years of the rule is estimated at approximately \$35 million, while the incremental non-labor costs are \$24 million. The domestic non-labor costs account for approximately 36 percent (\$13 million) and 49 percent (\$12 million) of these totals, respectively.

REF_Ref305506961 \h * MERGEFORMAT Personal Communication with California Retailers Association 2011).

Exhibit 6-23: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
2. Certification Fee ²								
Standard ³	328	599	927	1	6,000	\$1,968,000	\$3,594,000	\$5,562,000
NAF (From Uncertified or Standard)	11	211	222	1	6,000	\$66,000	\$1,266,000	\$1,332,000
NAF/ULEF (From NAF or ULEF)	31	319	350	1	3,700	\$114,700	\$1,180,300	\$1,295,000
3. Initial On-site Audit								
With Existing Certifications	82	764	846	1	\$450	\$36,900	\$343,800	\$380,700
Without Existing Certifications ^{3,4}	288	365	653	1	\$450	\$129,600	\$164,250	\$293,850
4. Develop Quality Control Manual	-	-	-	-	-	-	-	-
5. Qualifying Test ⁵								
1 Product	5	64	69	5	480	\$12,000	\$153,600	\$165,600
2 Products ^{3,4}	288	365	653	10	\$480	\$1,382,400	\$1,752,000	\$3,134,400
6. Qualifying Test Shipping ⁵								
1 Product	5	64	69	1	200	\$1,000	\$12,800	\$13,800
2 Products ^{3,4}	288	365	653	2	\$200	\$115,200	\$146,000	\$261,200
7. Correlation Test	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁶								
Standard ^{3,4}	328	599	927	3	450	\$442,800	\$808,650	\$1,251,450
NAF (With New Certification)	11	211	222	1	450	\$4,950	\$94,950	\$99,900
9. Large Scale Testing Fee ⁷								
1 Standard (Existing)	8	86	94	4	\$480	\$15,360	\$165,120	\$180,480
2 Standard (New) ^{3,4}	277	154	431	6	\$480	\$797,760	\$443,520	\$1,241,280
2 Standard/ULEF (Existing)	54	473	527	8	\$480	\$207,360	\$1,816,320	\$2,023,680
1 NAF	3	22	25	1	\$480	\$1,440	\$10,560	\$12,000
2 NAF	25	351	376	2	480	\$24,000	\$336,960	\$360,960
1 NAF and 1 ULEF	6	65	71	5	480	\$14,400	\$156,000	\$170,400
10. Large Scale Testing Shipment ⁷								
1 Standard (Existing)	8	86	94	4	\$50	\$1,600	\$17,200	\$18,800
2 Standard (New) ^{3,4}	277	154	431	6	\$50	\$83,100	\$46,200	\$129,300
2 Standard (Existing)	54	473	527	8	\$50	\$21,600	\$189,200	\$210,800
1 NAF	3	22	25	1	\$50	\$150	\$1,100	\$1,250
2 NAF	25	351	376	2	\$50	\$2,500	\$35,100	\$37,600
1 NAF and 1 ULEF	6	65	71	5	\$50	\$1,500	\$16,250	\$17,750
11. On-site Audit Travel	370	1,129	1,499	1	\$1,500	\$555,000	\$1,693,500	\$2,248,500
12. Desk Audits ⁸								
Standard ^{3,4}	328	599	927	8	\$250	\$656,000	\$1,198,000	\$1,854,000

Exhibit 6-23: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
NAF	11	211	222	2	\$250	\$5,500	\$105,500	\$111,000
13. Purchase of Small Chamber Testing Unit ³	282	208	490	1	\$10,000	\$2,820,000	\$2,080,000	\$4,900,000
14. Quality Control Testing	-	-	-	-	-	-	-	-
15. Lost Product ⁷								
2 Standard (HWPW - Existing) ^{3,4}	10	109	119	528	\$15.68	\$82,790	\$902,415	\$985,206
1 NAF (HWPW - New)	277	108	385	536	\$15.68	\$2,328,041	\$907,684	\$3,235,725
1 NAF (HWPW - Existing)	8	87	95	8	\$15.68	\$1,004	\$10,913	\$11,917
2 NAF (HWPW - New)	5	55	60	5	\$15.68	\$392	\$4,312	\$4,704
2 NAF (HWPW - Existing)	11	211	222	142	\$15.68	\$24,492	\$469,804	\$494,296
1 Standard (PB/MDF - Existing)	7	76	83	2	\$15.68	\$220	\$2,383	\$2,603
2 Standard (PB/MDF - New)	3	22	25	265	\$8.96	\$7,123	\$52,237	\$59,360
2 Standard (PB/MDF - Existing)	5	110	115	532	\$8.96	\$23,834	\$524,339	\$548,173
1 NAF (PB/MDF - New)	33	250	283	528	\$8.96	\$156,119	\$1,182,720	\$1,338,839
1 NAF (PB/MDF - Existing)	3	27	30	8	\$8.96	\$215	\$1,935	\$2,150
2 NAF (PB/MDF - Existing)	7	64	71	2	\$8.96	\$125	\$1,147	\$1,272
1 NAF and 1 ULEF (PB/MDF - Existing)	1	10	11	5	\$8.96	\$45	\$448	\$493

Exhibit 6-23: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
16. Initial Recordkeeping ⁹	8,576	11,945	20,521	1	\$1,000	\$8,576,000	\$11,945,000	\$20,521,000
17. Recurring Recordkeeping	-	-	-	-	-	-	-	-
18. Initial Labeling ¹⁰								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Major Changes – Producers ³	277	108	385	1	\$125	\$34,625	\$13,500	\$48,125
Major Changes - Fabricators and Wholesalers ¹¹	16,266	6,344	22,610	1	\$125	\$2,033,250	\$793,000	\$2,826,250
Total - Year 1						\$22,749,095	\$34,638,718	\$57,387,813

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that there foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

5. Producers that are already CARB compliant are assumed not to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

7. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification type (i.e., standard, ULEF, and NAF).

8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

9. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

10. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.

11. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

Exhibit 6-24: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
2. Certification Fee ²								
Standard ³	328	599	927	1	\$6,000	\$1,968,000	\$3,594,000	\$5,562,000
NAF (From Uncertified or Standard)	11	211	222	1	\$3,700	\$40,700	\$780,700	\$821,400
NAF/ULEF (From NAF or ULEF)	31	319	350	1	\$3,700	\$114,700	\$1,180,300	\$1,295,000
3. Initial On-site Audit								
With Existing Certifications	-	-	-	-	-	-	-	-
Without Existing Certifications ^{3,4}	-	-	-	-	-	-	-	-
4. Develop Quality Control Manual	-	-	-	-	-	-	-	-
5. Qualifying Test ⁵								
1 Product	-	-	-	-	-	-	-	-
2 Products ^{3,4}	-	-	-	-	-	-	-	-
6. Qualifying Test Shipping ⁵								
1 Product	-	-	-	-	-	-	-	-
2 Products ^{3,4}	-	-	-	-	-	-	-	-
7. Correlation Test ⁵	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁶								
Standard ^{3,4}	328	599	927	4	\$450	\$590,400	\$1,078,200	\$1,668,600
NAF (With New Certification)	11	211	222	1	\$450	\$4,950	\$94,950	\$99,900
9. Large Scale Testing Fee ⁷								
1 Standard (Existing)	8	86	94	4	\$480	\$15,360	\$165,120	\$180,480
2 Standard (New) ^{3,4}	277	154	431	6	\$480	\$797,760	\$443,520	\$1,241,280
2 Standard/ULEF (Existing)	54	473	527	8	\$480	\$207,360	\$1,816,320	\$2,023,680
1 NAF	3	22	25	1	\$480	\$1,440	\$10,560	\$12,000
2 NAF	25	351	376	2	\$480	\$24,000	\$336,960	\$360,960
1 NAF and 1 ULEF	6	65	71	5	\$480	\$14,400	\$156,000	\$170,400
10. Large Scale Testing Shipment ⁷								
1 Standard (Existing)	8	86	94	4	\$50	\$1,600	\$17,200	\$18,800
2 Standard (New) ^{3,4}	277	154	431	6	\$50	\$83,100	\$46,200	\$129,300
2 Standard (Existing)	54	473	527	8	\$50	\$21,600	\$189,200	\$210,800
1 NAF	3	22	25	1	\$50	\$150	\$1,100	\$1,250
2 NAF	25	351	376	2	\$50	\$2,500	\$35,100	\$37,600
1 NAF and 1 ULEF	6	65	71	5	\$50	\$1,500	\$16,250	\$17,750
11. On-site Audit Travel	370	1,129	1,499	1	\$1,500	\$555,000	\$1,693,500	\$2,248,500
12. Desk Audits ⁸								
Standard ^{3,4}	328	599	927	8	\$250	\$656,000	\$1,198,000	\$1,854,000
NAF	-	-	-	-	-	-	-	-

Exhibit 6-24: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
13. Purchase of Small Chamber Testing Unit ³	-	-	-	-	-	-	-	-
14. Quality Control Testing	-	-	-	-	-	-	-	-
15. Lost Product ⁷								
2 Standard (HWPW - Existing) ^{3,4}	10	109	119	528	\$15.68	\$82,790	\$902,415	\$985,206
1 NAF (HWPW - New)	277	108	385	528	\$15.68	\$2,293,294	\$894,136	\$3,187,430
1 NAF (HWPW - Existing)	8	87	95	8	\$15.68	\$1,004	\$10,913	\$11,917
2 NAF (HWPW - New)	5	55	60	5	\$15.68	\$392	\$4,312	\$4,704
2 NAF (HWPW - Existing)	11	211	222	2	\$15.68	\$345	\$6,617	\$6,962
1 Standard (PB/MDF - Existing)	7	76	83	2	\$15.68	\$220	\$2,383	\$2,603
2 Standard (PB/MDF - New)	3	22	25	265	\$8.96	\$7,123	\$52,237	\$59,360
2 Standard (PB/MDF - Existing)	5	110	115	528	\$8.96	\$23,654	\$520,397	\$544,051
1 NAF (PB/MDF - New)	33	250	283	528	\$8.96	\$156,119	\$1,182,720	\$1,338,839
1 NAF (PB/MDF - Existing)	3	27	30	8	\$8.96	\$215	\$1,935	\$2,150
2 NAF (PB/MDF - Existing)	7	64	71	2	\$8.96	\$125	\$1,147	\$1,272
1 NAF and 1 ULEF (PB/MDF - Existing)	1	10	11	5	\$8.96	\$45	\$448	\$493
16. Initial Recordkeeping ⁹	-	-	-	-	-	-	-	-
17. Recurring Recordkeeping	-	-	-	-	-	-	-	-
18. Initial Labeling ¹⁰								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Minor Changes – Wholesalers ³	-	-	-	-	-	-	-	-
Major Changes – Fabricators ¹¹	-	-	-	-	-	-	-	-
Total - Years 2 and 3						\$7,665,846	\$16,432,841	\$24,098,688

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that there foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

5. Producers that are already CARB compliant are assumed not to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

7. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification type (i.e., standard, ULEF, and NAF).

8. Desk audits for standard certifications are assumed to occur monthly, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with

Exhibit 6-24: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
<p>two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.</p> <p>9. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.</p> <p>10. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p> <p>11. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.</p>								

Exhibit 6-25: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
2. Certification Fee ²								
Standard ³	328	599	927	1.0000	\$6,000	\$1,968,000	\$3,594,000	\$5,562,000
NAF (From Uncertified or Standard)	11	211	222	1.0000	\$6,000	\$49,133	\$942,467	\$991,600
NAF/ULEF (From NAF or ULEF)	31	319	350	1.0000	\$3,700	\$114,700	\$1,180,300	\$1,295,000
3. Initial On-site Audit								
With Existing Certifications	82	764	846	0.3333	\$450.00	\$12,300	\$114,600	\$126,900
Without Existing Certifications ^{3,4}	288	365	653	0.3333	\$450.00	\$43,200	\$54,750	\$97,950
4. Develop Quality Control Manual	-	-	-	-	-	-	-	-
5. Qualifying Test ⁵								
1 Product	5	64	69	1.6667	\$480	\$4,000	\$51,200	\$55,200
2 Products ^{3,4}	288	365	653	3.3333	\$480	\$460,800	\$584,000	\$1,044,800
6. Qualifying Test Shipping ⁵								
1 Product	5	64	69	0.3333	\$200	\$333	\$4,267	\$4,600
2 Products ^{3,4}	288	365	653	0.6667	\$200	\$38,400	\$48,667	\$87,067
7. Correlation Test	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁶								
Standard ^{3,4}	328	599	927	3.6667	\$450	\$541,200	\$988,350	\$1,529,550
NAF (With New Certification)	11	211	222	1.0000	\$450	\$4,950	\$94,950	\$99,900
9. Large Scale Testing Fee ⁷								
1 Standard (Existing)	8	86	94	4.0000	\$480	\$15,360	\$165,120	\$180,480
2 Standard (New) ^{3,4}	277	154	431	6.0000	\$480	\$797,760	\$443,520	\$1,241,280
2 Standard/ULEF (Existing)	54	473	527	8.0000	\$480	\$207,360	\$1,816,320	\$2,023,680
1 NAF	3	22	25	1.0000	\$480	\$1,440	\$10,560	\$12,000
2 NAF	25	351	376	2.0000	\$480	\$24,000	\$336,960	\$360,960
1 NAF and 1 ULEF	6	65	71	5.0000	\$480	\$14,400	\$156,000	\$170,400
10. Large Scale Testing Shipment ⁷								
1 Standard (Existing)	8	86	94	4.0000	\$50	\$1,600	\$17,200	\$18,800
2 Standard (New) ^{3,4}	277	154	431	6.0000	\$50	\$83,100	\$46,200	\$129,300
2 Standard (Existing)	54	473	527	8.0000	\$50	\$21,600	\$189,200	\$210,800
1 NAF	3	22	25	1.0000	\$50	\$150	\$1,100	\$1,250
2 NAF	25	351	376	2.0000	\$50	\$2,500	\$35,100	\$37,600
1 NAF and 1 ULEF	6	65	71	5.0000	\$50	\$1,500	\$16,250	\$17,750
11. On-site Audit Travel	370	1,129	1,499	1.0000	\$1,500	\$555,000	\$1,693,500	\$2,248,500
12. Desk Audits ⁸								
Standard ^{3,4}	328	599	927	8.0000	\$250	\$656,000	\$1,198,000	\$1,854,000
NAF	11	211	222	0.6667	\$250	\$1,833	\$35,167	\$37,000

Exhibit 6-25: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
13. Purchase of Small Chamber Testing Unit ³	282	208	490	0.3333	\$10,000	\$940,000	\$693,333	\$1,633,333
14. Quality Control Testing	-	-	-	-	-	-	-	-
15. Lost Product ⁷								
2 Standard (HWPW - Existing) ^{3,4}	10	109	119	528.0000	\$15.68	\$82,790	\$902,415	\$985,206
1 NAF (HWPW - New)	277	108	385	530.6667	\$15.68	\$2,304,876	\$898,652	\$3,203,529
1 NAF (HWPW - Existing)	8	87	95	8.0000	\$15.68	\$1,004	\$10,913	\$11,917
2 NAF (HWPW - New)	5	55	60	5.0000	\$15.68	\$392	\$4,312	\$4,704
2 NAF (HWPW - Existing)	11	211	222	48.6667	\$15.68	\$8,394	\$161,013	\$169,407
1 Standard (PB/MDF - Existing)	7	76	83	2.0000	\$15.68	\$220	\$2,383	\$2,603
2 Standard (PB/MDF - New)	3	22	25	265.0000	\$8.96	\$7,123	\$52,237	\$59,360
2 Standard (PB/MDF - Existing)	5	110	115	529.3333	\$8.96	\$23,714	\$521,711	\$545,425
1 NAF (PB/MDF - New)	33	250	283	528.0000	\$8.96	\$156,119	\$1,182,720	\$1,338,839
1 NAF (PB/MDF - Existing)	3	27	30	8.0000	\$8.96	\$215	\$1,935	\$2,150
2 NAF (PB/MDF - Existing)	7	64	71	2.0000	\$8.96	\$125	\$1,147	\$1,272
1 NAF and 1 ULEF (PB/MDF - Existing)	1	10	11	5.0000	\$8.96	\$45	\$448	\$493
16. Initial Recordkeeping ⁹	8,576	11,945	20,521	0.3333	\$1,000	\$2,858,667	\$3,981,667	\$6,840,333
17. Recurring Recordkeeping	-	-	-	-	-	-	-	-
18. Initial Labeling ¹⁰								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Major Changes - Producers ³	277	108	385	0.3333	\$125.00	\$11,542	\$4,500	\$16,042
Major Changes - Fabricators and Wholesalers ¹¹	16,266	6,344	22,610	0.3333	\$125.00	\$677,750	\$264,333	\$942,083
Three-Year Average Cost						\$12,693,595	\$22,501,467	\$35,195,063

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that there foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

5. Producers that are already CARB compliant are assumed not to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

Exhibit 6-25: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Response	Total Cost		
	Domestic	Foreign ¹	Total		Domestic	Foreign	Total
<p>7. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification type (i.e., standard, ULEF, and NAF certifications).</p> <p>8. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.</p> <p>9. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.</p> <p>10. Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p> <p>11. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.</p>							

Exhibit 6-26: Incremental First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
2. Certification Fee ²								
Uncertified to Standard ^{3,4}	277	154	431	1	\$6,000	\$1,662,000	\$924,000	\$2,586,000
NAF (With New Certification)	11	211	222	1	\$6,000	\$66,000	\$1,266,000	\$1,332,000
3. Initial On-site Audit								
With Existing Certifications	82	764	846	-	\$450	-	-	-
Without Existing Certifications ^{3,4}	288	365	653	1	\$450	\$129,600	\$164,250	\$293,850
4. Develop Quality Control Manual	-	-	-	-	-	-	-	-
5. Qualifying Test ⁵								
1 Product	5	64	69	5	\$480	\$12,000	\$153,600	\$165,600
2 Products ^{3,4}	288	365	653	10	\$480	\$1,382,400	\$1,752,000	\$3,134,400
6. Qualifying Test Shipping ⁵								
1 Product	5	64	69	1	\$200	\$1,000	\$12,800	\$13,800
2 Products ^{3,4}	288	365	653	2	\$200	\$115,200	\$146,000	\$261,200
7. Correlation Test ⁵	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁶								
Uncertified to Standard ^{3,4}	277	154	431	3	\$450	\$373,950	\$207,900	\$581,850
NAF (With New Certification)	11	211	222	1	\$450	\$4,950	\$94,950	\$99,900
9. Large Scale Testing Fee								
1 New Standard	5	64	69	3	\$480	\$7,200	\$92,160	\$99,360
2 New Standard ^{3,4}	277	154	431	6	\$480	\$797,760	\$443,520	\$1,241,280
2 ULEF to 2 Standard	11	114	125	6	\$480	\$31,680	\$328,320	\$360,000
1 New NAF	6	65	71	1	\$480	\$2,880	\$31,200	\$34,080
2 New NAF	5	146	151	2	\$480	\$4,800	\$140,160	\$144,960
1 NAF and 1 ULEF	6	65	71	5	\$480	\$14,400	\$156,000	\$170,400
10. Large Scale Testing Shipment								
1 New Standard	5	64	69	3	\$50	\$750	\$9,600	\$10,350
2 New Standard ^{3,4}	277	154	431	6	\$50	\$83,100	\$46,200	\$129,300
2 ULEF to 2 Standard	11	114	125	6	\$50	\$3,300	\$34,200	\$37,500
1 New NAF	6	65	71	1	\$50	\$300	\$3,250	\$3,550
2 New NAF	5	146	151	2	\$50	\$500	\$14,600	\$15,100
1 NAF and 1 ULEF	6	65	71	5	\$50	\$1,500	\$16,250	\$17,750
11. On-site Audit Travel	288	365	653	1	\$1,500	\$432,000	\$547,500	\$979,500
12. Desk Audits ⁷								
Uncertified to Standard ^{3,4}	277	154	431	8	\$250	\$554,000	\$308,000	\$862,000
NAF (With New Certification)	11	211	222	2	\$250	\$5,500	\$105,500	\$111,000
13. Purchase of Small Chamber Testing Unit ²	282	208	490	1	\$10,000	\$2,820,000	\$2,080,000	\$4,900,000

Exhibit 6-26: Incremental First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
14. Quality Control Testing	-	-	-	-	-	-	-	-
15. Lost Product								
2 Standard (HWPW – Existing) ^{3,4}	10	109	119	416	\$15.68	\$65,229	\$710,994	\$776,223
2 Standard (HWPW-New) ^{3,4}	277	108	385	536	\$15.68	\$2,328,041	\$907,684	\$3,235,725
2 NAF (HWPW-New)	11	211	222	142	\$15.68	\$24,492	\$469,804	\$494,296
2 Standard (PB/MDF - New)	5	110	115	268	\$8.96	\$12,006	\$264,141	\$276,147
16. Initial Recordkeeping ⁸	8,576	11,945	20,521	1	\$1,000	\$8,576,000	\$11,945,000	\$20,521,000
17. Recurring Recordkeeping	-	-	-	-	-	-	-	-
18. Initial Labeling ⁹								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Major Changes – Producers ³	277	108	385	1	\$125	\$34,625	\$13,500	\$48,125
Major Changes - Fabricators and Wholesalers ¹⁰	16,266	6,344	22,610	1	\$125	\$2,033,250	\$793,000	\$2,826,250
Total - Year 1						\$21,580,413	\$24,182,083	\$45,762,496

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

5. Producers that are already CARB compliant are not assumed to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

7. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

8. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

9. Panel producers, fabricators, and wholesalers that package or repack composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.

Exhibit 6-26: Incremental First Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
10. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.								

Exhibit 6-27: Incremental Second and Third Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
3. Certification Fee ²								
Uncertified to Standard ^{3,4}	277	154	431	1	\$6,000	\$1,662,000	\$924,000	\$2,586,000
NAF (With New Certification)	11	211	222	1	\$3,700	\$40,700	\$780,700	\$821,400
4. Initial On-site Audit								
With Existing Certifications	-	-	-	-	-	-	-	-
Without Existing Certifications ^{3,4}	-	-	-	-	-	-	-	-
5. Develop Quality Control Manual	-	-	-	-	-	-	-	-
6. Qualifying Test ⁵								
1 Product	-	-	-	-	-	-	-	-
2 Products ^{3,4}	-	-	-	-	-	-	-	-
7. Qualifying Test Shipping ⁵								
1 Product	-	-	-	-	-	-	-	-
2 Products ^{3,4}	-	-	-	-	-	-	-	-
8. Correlation Test ⁵	-	-	-	-	-	-	-	-
9. Quarterly On-site Audit ⁶								
Uncertified to Standard ^{3,4}	277	154	431	4	\$450	\$498,600	\$277,200	\$775,800
NAF (With New Certification)	11	211	222	3	\$450	\$14,850	\$284,850	\$299,700
10. Large Scale Testing Fee								
1 New Standard	5	64	69	4	\$480	\$9,600	\$122,880	\$132,480
2 New Standard ^{3,4}	277	154	431	8	\$480	\$1,063,680	\$591,360	\$1,655,040
2 ULEF to 2 Standard	11	114	125	6	\$480	\$31,680	\$328,320	\$360,000
1 New NAF	6	65	71	1	\$480	\$2,880	\$31,200	\$34,080
2 New NAF	5	146	151	2	\$480	\$4,800	\$140,160	\$144,960
1 NAF and 1 ULEF	6	65	71	5	\$480	\$14,400	\$156,000	\$170,400
11. Large Scale Testing Shipment								
1 New Standard	5	64	69	4	\$50	\$1,000	\$12,800	\$13,800
2 New Standard ^{3,4}	277	154	431	8	\$50	\$110,800	\$61,600	\$172,400
2 ULEF to 2 Standard	11	114	125	6	\$50	\$3,300	\$34,200	\$37,500
1 New NAF	6	65	71	1	\$50	\$300	\$3,250	\$3,550
2 New NAF	5	146	151	2	\$50	\$500	\$14,600	\$15,100
1 NAF and 1 ULEF	6	65	71	5	\$50	\$1,500	\$16,250	\$17,750
12. On-site Audit Travel	288	365	653	1	\$1,500	\$432,000	\$547,500	\$979,500
13. Desk Audits ⁷								
Uncertified to Standard ^{3,4}	277	154	431	8	\$250	\$554,000	\$308,000	\$862,000
NAF (With New Certification)	-	-	-	-	-	-	-	-
14. Purchase of Small Chamber Testing Unit	-	-	-	-	-	-	-	-
15. Quality Control Testing	-	-	-	-	-	-	-	-

Exhibit 6-27: Incremental Second and Third Year Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
16. Lost Product								
2 Standard (HWPW – Existing) ^{3,4}	10	109	119	416	\$16	\$65,229	\$710,994	\$776,223
2 Standard (HWPW-New) ^{3,4}	277	108	385	528	\$16	\$2,293,294	\$894,136	\$3,187,430
2 NAF (HWPW-New)	11	211	222	2	\$16	\$345	\$6,617	\$6,962
2 Standard (PB/MDF - New)	5	110	115	264	\$9	\$11,827	\$260,198	\$272,026
17. Initial Recordkeeping ⁸	-	-	-	-	-	-	-	-
18. Recurring Recordkeeping	-	-	-	-	-	-	-	-
19. Initial Labeling ⁹								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Major Changes – Producers ³	-	-	-	-	-	-	-	-
Major Changes - Fabricators and Wholesalers ¹⁰	-	-	-	-	-	-	-	-
Total - Years 2 and 3						\$6,817,285	\$6,506,816	\$13,324,101

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

5. Producers that are already CARB compliant are not assumed to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

7. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

8. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

9. Panel producers, fabricators, and wholesalers that package or repack composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.

10. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.

Exhibit 6-28: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
1. Rule Familiarization	-	-	-	-	-	-	-	-
2. Certification Fee ²								
Uncertified to Standard ^{3,4}	277	154	431	1.0000	\$6,000.00	\$1,662,000	\$924,000	\$2,586,000
NAF (With New Certification)	11	211	222	1.0000	\$4,466.67	\$49,133	\$942,467	\$991,60
3. Initial On-site Audit								
With Existing Certifications	82	764	846	-	\$450.00	-	-	-
Without Existing Certifications ^{3,4}	288	365	653	0.3333	\$450.00	\$43,200	\$54,750	\$97,950
4. Develop Quality Control Manual	-	-	-	-	-	-	-	-
5. Qualifying Test ⁵								
1 Product	5	64	69	1.6667	\$480	\$4,000	\$51,200	\$55,200
2 Products ^{3,4}	288	365	653	3.3333	\$480	\$460,800	\$584,000	\$1,044,800
6. Qualifying Test Shipping ⁵								
1 Product	5	64	69	0.3333	\$200	\$333	\$4,267	\$4,600
2 Products ^{3,4}	288	365	653	0.6667	\$200	\$38,400	\$48,667	\$87,067
7. Correlation Test	-	-	-	-	-	-	-	-
8. Quarterly On-site Audit ⁵								
Uncertified to Standard ^{3,4}	277	154	431	3.6667	\$450	\$457,050	\$254,100	\$711,150
NAF (With New Certification)	11	211	222	2.3333	\$450	\$11,550	\$221,550	\$233,100
9. Large Scale Testing Fee								
1 New Standard	5	64	69	3.6667	\$480	\$8,800	\$112,640	\$121,440
2 New Standard ^{3,4}	277	154	431	7.3333	\$480	\$975,040	\$542,080	\$1,517,120
2 ULEF to 2 Standard	11	114	125	6.0000	\$480	\$31,680	\$328,320	\$360,000
1 New NAF	6	65	71	1.0000	\$480	\$2,880	\$31,200	\$34,080
2 New NAF	5	146	151	2.0000	\$480	\$4,800	\$140,160	\$144,960
1 NAF and 1 ULEF	6	65	71	5.0000	\$480	\$14,400	\$156,000	\$170,400
10. Large Scale Testing Shipment								
1 New Standard	5	64	69	3.6667	\$50	\$917	\$11,733	\$12,650
2 New Standard ^{3,4}	277	154	431	7.3333	\$50	\$101,567	\$56,467	\$158,033
2 ULEF to 2 Standard	11	114	125	6.0000	\$50	\$3,300	\$34,200	\$37,500
1 New NAF	6	65	71	1.0000	\$50	\$300	\$3,250	\$3,550
2 New NAF	5	146	151	2.0000	\$50	\$500	\$14,600	\$15,100
1 NAF and 1 ULEF	6	65	71	5.0000	\$50	\$1,500	\$16,250	\$17,750
11. On-site Audit Travel	288	365	653	1.0000	\$1,500	\$432,000	\$547,500	\$979,500
12. Desk Audits ⁷								
Uncertified to Standard ^{3,4}	277	154	431	8.0000	\$250.00	\$554,000	\$308,000	\$862,000
NAF (With New Certification)	11	211	222	0.6667	\$250	\$1,833	\$35,167	\$37,000
13. Purchase of Small Chamber Testing Unit	282	208	490	0.3333	\$10,000	\$940,000	\$693,333	\$1,633,333

Exhibit 6-28: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
14. Quality Control Testing	-	-	-	-	-	-	-	-
15. Lost Product								
2 Standard (HWPW – Existing) ^{3,4}	10	109	119	416.0000	\$16	\$65,229	\$710,994	\$776,223
2 Standard (HWPW-New) ^{3,4}	277	108	385	530.6667	\$16	\$2,304,876	\$898,652	\$3,203,529
2 NAF (HWPW-New)	11	211	222	48.6667	\$16	\$8,394	\$161,013	\$169,407
2 Standard (PB/MDF - New)	5	110	115	265.3333	\$9	\$11,887	\$261,513	\$273,399
16. Initial Recordkeeping ⁸	8,576	11,945	20,521	0.3333	\$1,000	\$2,858,667	\$3,981,667	\$6,840,333
17. Recurring Recordkeeping	-	-	-	-	-	-	-	-
18. Initial Labeling ⁹								
Minor Changes - Producers	-	-	-	-	-	-	-	-
Minor Changes - Fabricators	-	-	-	-	-	-	-	-
Major Changes – Producers ³	277	108	385	0.3333	\$125.00	\$11,542	\$4,500	\$16,042
Major Changes - Fabricators and Wholesalers ¹⁰	16,266	6,344	22,610	0.3333	\$125.00	\$677,750	\$264,333	\$942,083
Three-Year Average Cost						\$11,738,328	\$12,398,573	\$24,136,899

Notes: 1. The numbers of foreign fabricators, and wholesalers were estimated by 1) calculating the ratio of the total customs value of imports for the affected fabricator NAICS to the total domestic value of shipments for these NAICS (which is 39 percent) and 2) applying it to the number of domestic firms in each sector. The analysis assumes that foreign retailers do not typically export composite wood products or goods containing composite wood products into the United States. To remain consistent with the Economic Analysis, which assumes that there is uncertified product being imported into the U.S., the analysis estimates the number of certified foreign mills as 20 percent of the total number of certified mills.

2. This analysis assumes that mills will seek standard certification for uncertified product lines. The exceptions are uncertified hardwood plywood producers, which are assumed to switch to NAF certification.

3. This analysis assumes that two percent of wood veneer laminated product producers (277 domestic entities) will continue to use added formaldehyde resins and therefore their products will be defined as hardwood plywood. A similar proportion of foreign laminators exporting to the U.S. are also assumed to continue to use added formaldehyde resins.

4. Since CARB does not certify wood veneer laminated products, all producers of wood veneer laminated products defined as hardwood plywood will incur costs to have their products certified by a TPC as a result of the TSCA Title VI rule.

5. Producers that are already CARB compliant are not assumed to need to perform qualifying or correlation testing because it is assumed that their previous testing is sufficient.

6. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF certification. This analysis assumes that producers with new NAF certifications will incur the burden associated with one on-site audit (in addition to the initial audit) and two desk audits in the first year. Producers with existing ULEF or NAF certifications under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF certification will have one on-site audit annually thereafter.

7. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. Producers with new NAF certifications will incur the costs associated with two desk audits in the first year; none are required in subsequent years. No desk audits are required for respondents with existing ULEF or NAF certification.

8. Firms that are manufacturers under TSCA (i.e., composite panel producers [including the estimated two percent of wood veneer laminated product producers defined as hardwood plywood producers], fabricators, and wholesalers that import composite wood products) must keep records showing the date of purchase, the supplier, and all precautions taken to ensure that the product meets the emissions standards. However, composite panel producers and fabricators are not expected to need to make any initial changes to their recordkeeping systems. This analysis assumes that 28 percent of domestic wholesalers import composite wood products or articles that contain composite wood products. In addition, it is assumed that 57 percent of wholesalers that are not already complying with the CARB ATCM will have initial burden to change their recordkeeping systems to comply with the TSCA Title VI rule.

9. Panel producers, fabricators, and wholesalers that package or repack composite wood products or finished goods containing composite wood products will need to modify their labels to include their name, the date the finished good was produced, and a statement of compliance. This analysis assumes that all 33 percent of fabricators that are not already complying with the CARB ATCM (because their products are not sold in California) will incur a non-labor cost of \$125.00 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.

Exhibit 6-28: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location (\$2010)

Activity	Number of Respondents			Number of Activities Per	Cost Per Activity	Total Cost		
	Domestic	Foreign ¹	Total			Domestic	Foreign	Total
10. Total excludes the estimated 2 percent of wood veneer laminated product producers expected to continue to use added formaldehyde resins.								

(iii) Total Burden and Costs

Exhibit 6-29 presents a summary of the total non-incremental burden and costs for this information collection request over the first three years of the rule, by geographic location. Exhibit 6-30 presents a summary of the total incremental burden and costs for this information collection request over the first three years of the rule, by geographic location. As indicated, the total average domestic incremental cost over the first three years of the rule is approximately 86 percent of the total domestic cost of the rule. Note that the incremental costs for domestic respondents presented in Exhibit 6-30 differ from the values in the Economic Analysis. This is due to two factors: 1) the Economic Analysis includes the costs of changes to raw materials for composite panel producers, while the ICR does not (because it is not a reporting or recordkeeping cost); and 2) the burden in the ICR is calculated at the activity level and rounded to nearest tenth of a percentage, while the costs in the Economic Analysis are calculated at the establishment level.

Exhibit 6-29: Total (including baseline) Burden and Costs (\$2010)				
Geographic Location of Respondents	Labor		Non-Labor Cost	Total Cost
	Hours	Cost		
Year 1				
Domestic Respondents	9,041,296	\$449,362,235	\$22,749,095	\$472,111,329
Foreign Respondents	4,066,091	\$152,033,647	\$34,638,718	\$186,672,365
Total Respondents	13,107,388	\$601,395,909	\$57,387,813	\$658,783,722
Years 2 and 3				
Domestic Respondents	2,967,505	\$83,534,390	\$7,665,846	\$91,200,236
Foreign Respondents	2,317,142	\$76,390,874	\$16,432,841	\$92,823,715
Total Respondents	5,284,648	\$159,925,291	\$24,098,688	\$184,023,979
Three Year Average				
Domestic Respondents	4,991,901	\$205,477,002	\$12,693,595	\$218,170,598
Foreign Respondents	2,900,068	\$101,605,129	\$22,501,467	\$124,106,597
Total Respondents	7,891,969	\$307,082,164	\$35,195,063	\$342,277,228
Notes: Values may not sum to totals due to rounding				

Exhibit 6-30: Total Incremental Burden and Costs, by Geographic Location (\$2010)				
Geographic Location of Respondents	Labor		Non-Labor Cost	Total Incremental Cost
	Hours	Cost		
Year 1				
Domestic Respondents	7,928,288	\$420,208,903	\$21,580,413	\$441,789,316
Foreign Respondents	3,082,828	\$116,077,473	\$24,182,083	\$140,259,556
Total Respondents	11,011,115	\$536,286,350	\$45,762,496	\$582,048,846
Years 2 and 3				
Domestic Respondents	1,854,347	\$54,370,354	\$6,817,285	\$61,187,639
Foreign Respondents	1,333,475	\$40,405,872	\$6,506,816	\$46,912,688
Total Respondents	3,187,821	\$94,776,198	\$13,324,101	\$108,100,299
Three Year Average				
Domestic Respondents	3,878,793	\$176,316,534	\$11,738,328	\$188,054,863
Foreign Respondents	1,916,536	\$65,629,736	\$12,398,573	\$78,028,310
Total Respondents	5,795,329	\$241,946,249	\$24,136,899	\$266,083,149
Notes: Values may not sum to totals due to rounding				

6(c) Estimating Agency Burden and Cost

EPA resources would be devoted to reviewing and analyzing data submissions, compiling and recording data, maintaining hard-copy files of submitted data, auditing and inspecting facilities, producing audit and inspection reports, responding to public inquiries, and providing regulatory interpretations. EPA anticipates that these activities will require the equivalent of one full-time employee (FTE) at Headquarters. Using the 2010 Washington/Baltimore area annual salary rate for a GS-13, Step 5 employee (\$100,904), and multiplying by a loading factor of 1.6 to reflect overhead and fringe benefits results in an estimated EPA cost of \$161,446 per year.

6(d) Bottom Line Burden Hours and Costs/Master Table

Exhibit 6-31 presents the frequency for each of the respondent activities assumed in the bottom line burden hour and cost tables. Exhibit 6-32 and Exhibit 6-33 present the respective total and incremental bottom line burden and costs, by activity frequency and respondent type. In Exhibit 6-32, all activities of a given frequency that a single respondent performs are accounted for as a single response for that time period. For example, if a respondent performs two different quarterly activities per quarter this is accounted for as a single response per quarter or four responses per year (e.g., paying the large scale testing fee and paying shipment costs for large scale testing is counted as a single response not two separate responses).

Exhibit 6-31: Frequency of Activities	
Activity	Assumed Activity Frequency ¹
1. Rule Familiarization	
Producers	One-Time
Fabricators	One-Time
Wholesalers	One-Time
Retailers	One-Time
2. Certification Fee	
Standard	Annual
New NAF	Annual
Existing NAF/ULEF	Annual
3. Initial On-site Audit	
With Existing Certifications	One-Time
Without Existing Certifications	One-Time
4. Develop Quality Control Manual	One-Time
5. Qualifying Test	
1 Product	One-Time
2 Products	One-Time
6. Qualifying Test Shipping	
1 Product	One-Time
2 Products	One-Time
7. Correlation Test	
1 Product	One-Time
2 Products	One-Time
8. Quarterly On-site Audit	
Standard	Quarterly
NAF (With New Certification)	Annual
NAF (Existing Certifications Only)	Annual
9. Large Scale Testing Fee	
1 Product with Standard Certification (Existing)	Quarterly
2 Products with Standard Certification (New)	Quarterly
2 Products with Standard Certification (Existing)	Quarterly
1 Product with NAF Certification	Annual
2 Product with NAF Certification	Annual
10. Quarterly On-site Audit Shipment	
Standard Certification	Quarterly
NAF (With New Certification)	Annual
NAF (With Existing Certification)	Annual
10a. Large Scale Testing Shipment	
1 Product with Standard Certification (Existing)	Quarterly
2 Products with Standard Certification (New)	Quarterly
2 Products with Standard Certification (Existing)	Quarterly
1 Product with NAF Certification	Annual
2 Product with NAF Certification	Annual
1 ULEF and 1 NAF Certification	Annual
11. On-site Audit Travel	Annual
12. Desk Audits	
Standard	Annual
NAF (With New Certification)	Annual
13. Purchase of Small Chamber Testing Unit	One-Time
14. Quality Control Testing - HWPW	
Standard Certification	Daily
New NAF Certification	One-Time
15. Lost Product	
2 Products with Standard Certification (HWPW - Existing)	Daily
2 Products with Standard Certification (HWPW - New)	Daily
2 Products with ULEF Certification (HWPW - New)	Annual
1 ULEF and 1 NAF Certification (HWPW - Existing)	

Exhibit 6-31: Frequency of Activities	
Activity	Assumed Activity Frequency ¹
1 Product with NAF Certification (HWPW - New)	Annual
1 Product with NAF Certification (HWPW - Existing)	Annual
2 Products with NAF Certification (HWPW - New)	Annual
2 Products with NAF Certification (HWPW - Existing)	Annual
1 Standard and 1 NAF Certification (PB/MDF - Existing)	Daily
2 Products with Standard Certification (PB/MDF - New)	Daily
2 Products with Standard Certification (PB/MDF - Existing)	Daily
1 Product with NAF Certification (PB/MDF - New)	Annual
1 ULEF and 1 NAF Certification (PB/MDF - Existing)	Annual
1 Product with NAF Certification (PB/MDF - Existing)	Annual
2 Products with NAF Certification (PB/MDF - Existing)	Annual
16. Initial Recordkeeping	One-Time
17. Recurring Recordkeeping	
Producers	Annual
Fabricators	Annual
Wholesalers	Annual
Retailers	Annual
18. Initial Labeling	
Minor Changes - Producers	One-Time
Minor Changes - Fabricators	One-Time
Major Changes - Producers	One-Time
Major Changes - Fabricators and Wholesalers	One-Time
¹ This represents the activity frequency assumed for the purpose of the calculations in Exhibit 6-33 (which classifies activities as one-time, annual, quarterly, or daily), not the frequency required by the rule. For example, the rule requires panel producers to be certified by a TPC every two years. Exhibit 6-33 assumes that certification occurs annually but halves the average burden per response, so that the total burden is unchanged.	

Exhibit 6-32: Summary of Three Year Average Total (including baseline) Burden and Costs, by Geographic Location (\$2010)

Response and Respondent Type	Number of Respondents	Average Responses per Respondent	Average Burden per Response (hours)	Total Burden	Total Cost
Domestic					
Producers					
One-Time	370	0.3333	138.5895	17,091	\$2,293,200
Annual	370	1.0000	59.2649	21,928	\$4,975,931
Quarterly	370	4.0000	3.6784	5,444	\$2,056,416
Daily	370	260.0000	1.7730	170,560	\$14,738,661
Fabricators					
One-Time	79,701	0.3333	26.8287	712,687	\$35,348,387
Daily	79,701	1.0000	24.1482	1,924,638	\$47,808,008
Wholesalers					
One-Time	85,560	0.3333	9.9288	283,142	\$17,819,748
Annual	85,560	1.0000	9.8697	844,448	\$21,567,202
Retailers					
One-Time	759,048	0.3333	4.0000	1,011,963	\$71,563,045
Annual ¹	759,048	1.0000	-	-	-
Total	924,679			4,991,901	\$218,170,598
Foreign					
Producers					
One-Time	1,129	0.3333	68.7385	25,866	\$3,142,139
Annual	1,129	1.0000	57.2728	64,661	\$14,142,927
Quarterly	1,129	4.0000	2.2611	10,211	\$4,394,614
Daily	1,129	260.0000	1.0611	311,480	\$25,732,711
Fabricators					
One-Time	31,083	0.3333	26.8215	277,870	\$13,782,371
Daily	31,083	1.0000	24.2524	753,838	\$18,725,336
Wholesalers					
One-Time	33,368	0.3333	25.1744	279,978	\$14,147,271
Annual	33,368	1.0000	-	1,176,164	\$30,039,228
Retailers					
One-Time	-	0.3333	-	-	-
Total	65,580			2,900,068	124,106,597
Total					
Producers					
One-Time	1,499	0.3333	85.9799	42,957	\$5,435,343
Annual	1,499	1.0000	57.7645	86,589	\$19,118,857
Quarterly	1,499	4.0000	2.6109	15,655	\$6,451,032
Daily	1,499	260.0000	1.2368	482,040	\$40,471,373
Fabricators					
One-Time	110,784	0.3333	26.8267	990,557	\$49,130,759
Daily	110,784	1.0000	24.1775	2,678,476	\$66,533,344
Wholesalers					
One-Time	118,928	0.3333	14.2063	563,120	\$31,967,019
Annual	118,928	1.0000	16.9902	2,020,612	\$51,606,456
Retailers					
One-Time	759,048	0.3333	4.0000	1,011,963	\$71,563,045
Annual ¹	759,048	1.0000	-	-	-
Total	990,259			7,891,969	\$342,277,228

1. Retailers are assumed not to import products directly, in which case they are only required to keep invoices and bills of lading. These records are typically kept as a customary business practice, so no annual burden is attributed to retailers.

Exhibit 6-33: Summary of Three Year Average Total Incremental Burden and Costs, by Geographic Location (\$2010)

Response and Respondent Type	Number of Respondents	Average Activities per Respondent	Average Burden per Response (hours)	Total Burden	Total Cost
Domestic					
Producers					
One-Time	370	0.3333	138.5895	17,091	\$2,280,900
Annual	370	1.0000	58.3027	21,572	\$4,282,669
Quarterly	370	4.0000	3.0885	4,571	\$1,904,517
Daily	370	260.0000	1.4973	144,040	\$12,660,686
Fabricators					
One-Time	79,701	0.3333	26.8287	712,687	\$35,348,387
Annual	47,540	1.0000	24.2646	1,153,539	\$28,653,909
Wholesalers					
One-Time	85,560	0.3333	9.9288	283,142	\$17,819,748
Annual	85,560	1.0000	0.0002	530,188	\$13,541,002
Retailers					
One-Time	759,048	0.3333	4.0000	1,011,963	\$71,563,045
Annual ¹	658,150	1.0000	-	-	-
Total	924,679			3,878,793	\$188,054,863
Foreign					
Producers					
One-Time	1,129	0.3333	68.7385	25,866	\$3,027,539
Annual	1,129	1.0000	55.0540	62,156	\$7,936,610
Quarterly	1,129	4.0000	0.5627	2,541	\$1,520,865
Daily	1,129	260.0000	0.2728	80,080	\$7,585,668
Fabricators					
One-Time	31,083	0.3333	26.8215	277,870	\$13,782,371
Annual	18,476	1.0000	24.3314	449,547	\$11,166,747
Wholesalers					
One-Time	33,368	0.3333	25.1744	279,978	\$14,147,271
Annual	20,955	1.0000	35.2421	738,498	\$18,861,239
Retailers					
One-Time	-	0.3333	-	-	-
Total	65,580			1,916,536	78,028,310
Total					
Producers					
One-Time	1,499	0.3333	85.9799	42,957	\$5,308,443
Annual	1,499	1.0000	55.8559	83,728	\$12,219,276
Quarterly	1,499	4.0000	1.1861	7,112	\$3,425,382
Daily	1,499	260.0000	0.5751	224,120	\$20,246,354
Fabricators					
One-Time	110,784	0.3333	26.8267	990,557	\$49,130,759
Annual	66,016	1.0000	24.2833	1,603,086	\$39,820,656
Wholesalers					
One-Time	118,928	0.3333	14.2063	563,120	\$31,967,019
Annual	74,686	1.0000	16.9869	1,268,686	\$32,402,215
Retailers					
One-Time	759,048	0.3333	4.0000	1,011,963	\$71,563,045
Annual ¹	658,150	1.0000	-	-	-
Total	990,259			5,795,329	\$266,083,149

1. Retailers are assumed not to import products directly, in which case they are only required to keep invoices and bills of lading. These records are typically kept as a customary business practice, so no annual burden is attributed to retailers.

6(e) Reasons for Changes in Burden

Not applicable. These are new requirements so there was no previous ICR.

6(f) Burden Statement

The annual public burden for this collection of information, which is approved under OMB Control No. 2070-NEW, is estimated to be 4.60 hours per response (i.e., 7,891,969 burden hours for an estimated 1,716,048 responses).¹ According to the Paperwork Reduction Act, “burden” means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For this collection it includes such activities as annual familiarization with requirements, recordkeeping, notification, and reporting requirements. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA’s regulations in title 40 of the CFR, after appearing in the Federal Register, are listed in 40 CFR part 9 and included on the related collection instrument or form, if applicable.

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-OPPT-2012-0018. The docket is available for public viewing at the Pollution Prevention and Toxics Docket in the EPA Docket Center (EPA/DC). The EPA/DC Public Reading Room is located in the EPA West Building, Room 3334, 1301 Constitution Ave., NW., Washington, DC. The EPA/DC 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 EPA/DC Public Reading Room is (202) 566-1744, and the telephone number for the Pollution Prevention and Toxics Docket is (202) 566-0280. An electronic version of the public docket is available through the Federal Docket Management System (FDMS) at www.regulations.gov. Use FDMS 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. Once 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-OPPT-2012-0018 and OMB control number 2070-NEW in any correspondence.

¹ The total number of responses is calculated by taking the sum of the products of the number of respondents and the number of responses presented in Exhibit 6-32.

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