

**Supporting Statement for OMB Review under  
the Paperwork Reduction Act**

**1. IDENTIFICATION OF THE INFORMATION COLLECTION**

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

**TITLE:            Formaldehyde Emissions Standards for Composite Wood Products Act (Final Rule) [RIN 2070-AJ44]**

**EPA ICR No.:        2446.02**

**OMB Control No.:  2070-0185**

**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. TSCA Title VI 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-based) 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 EPA TSCA Title VI Third-Party Certifier (TPC) or EPA-recognized TPC. This ICR covers the recordkeeping and reporting requirements for all aspects of the TSCA Title VI implementing regulations and regulations relating to accreditation bodies (ABs) and TPCs that wish to participate in this third-party certification program.

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

- EPA-recognized TPC notification to EPA and the panel producer in the event of a failed quarterly test
- Panel producers reporting of the results of quality control tests to TPCs
- Panel producer notifying a TPC of a change in quality control manager
- Submitting an application to EPA become recognized as an EPA TSCA Title VI Product or Laboratory Accreditation Body, also called an EPA-recognized Product AB or EPA-recognized Laboratory AB
- Submitting an application to EPA to become recognized an EPA-recognized TPC

Examples of 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
- Labeling requirements for manufacturers (including importers), fabricators, distributors, and wholesalers
- Minimized requirements for non-importing distributors, fabricators and retailers
- Records of panel producers and their respective product types, including resin systems used, that a EPA-recognized TPC has certified

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. Direct purchasers of composite wood products may use this information in order to determine that the composite wood products are 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 NAF-based resins or ULEF 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. The reported information allows EPA 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.

To meet its statutory obligations, EPA must obtain sufficient information to establish and oversee a credible third-party certification program for composite wood products. This information will help EPA ensure that all program participants are carrying out their responsibilities diligently, impartially, and uniformly. The regulations aim to ensure consistent application of the requirements of TSCA Title VI by using voluntary consensus standards as requirements, and by leveraging the expertise of international ABs.

High quality TPCs are essential in ensuring that domestic and foreign composite wood panel producers that are supplying products to the U.S. have adequate quality assurance and quality control procedures, are adequately testing their products to determine that they are compliant, and are otherwise acting in manner that is consistent with the requirements of TSCA Title VI. The reporting and record maintenance requirements in this ICR would help ensure that all program participants remain qualified and are held accountable for their activities, and would allow panel producers to obtain credible TSCA Title VI certifications for their regulated composite wood products.

## **2(b) Use of the Data**

EPA would use the information collected to evaluate compliance with the emissions standards. The information that is collected and required to be reported to TPCs is necessary to ensure that producers of composite wood products maintain proper quality assurance and control measures. TPCs 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 and chain of custody 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.

EPA would use information collected from TPCs and ABs to evaluate the credentials of entities that wish to participate in the EPA TSCA Title VI Third-Party Certification Program, oversee compliance with the program requirements, monitor issues as they arise, and inform interested parties where they can obtain EPA TSCA Title VI certification services.

## **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 composite 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 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 in order to ensure compliance with the emissions standards. Similarly, the third-party certification program is necessarily tailored to the unique TSCA Title VI requirements. The records and reports from TPCs and ABs are the sole source of information for EPA to rely on in determining the number of program participants, evaluating their credentials, monitoring their compliance with the program, determining the number of panel producers receiving certification services, and evaluating a panel producer's compliance history.

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

The notices of proposed rulemaking served as the public notice for this ICR. Interested

parties submitted comments referencing Docket ID No. EPA-HQ-OPPT-2011-0380 and EPA-HQ-OPPT-2012-0018 to the address listed at the end of this document. Comments addressing the paperwork activities required by the final rule, including the estimates costs and burdens, are addressed in the preamble of the final rule and in the final rule response to comments document.

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

On numerous occasions during the course of developing the proposed and final 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)*).

Additionally, in spring 2014, EPA provided an additional public comment period on the proposed rule and conducted a public meeting on laminated products to address issues of concern to stakeholders. EPA carried out further consultations and outreach with potentially regulated entities and public interest groups concurrent with the public comment period. These comments were used to update the final regulations and 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 EPA TSCA Title VI TPC 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 EPA TSCA Title VI TPC to monitor quality control testing and ensure that production at the facility remains in compliance with the statutory emission standards.

Although the third-party certification program is critical to the implementation of TSCA Title VI, EPA cannot subdelegate its statutory duty to ensure compliance with TSCA Title VI to TPCs. Likewise it cannot subdelegate its oversight duties to ABs. EPA believes that requiring applications, annual reports, and certain one-time notifications from the ABs and TPCs that wish to be recognized as program participants would allow EPA to effectively monitor the program. Annual reports and notifications that are triggered by specific occurrences will allow EPA to ensure compliance with the emission standards, as required by the statute. 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.

### **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](http://www.arb.ca.gov/toxics/compwood/outreach/11_01_advisory.pdf)). It is essential that regular business records and panel producer, importer, and laminator records 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 EPA TSCA Title VI TPC within 72 hours 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 rule, a change in circumstances could result in noncompliant products being distributed in commerce. Not only is this a violation of the statute, but it greatly increases the costs associated of segregating, treating and retesting these products.

### **3(f) Confidentiality**

Regulated entities may claim some of the information given to EPA as 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. For example, information on the names and contact information for TPCs and ABs is publicly available. Likewise the address of their domestic agents, and their status as participants in the program. EPA will nonetheless allow this information to be substantiated contemporaneously. A panel producer's quarterly test results is not eligible for treatment as CBI.

Note that the Frank R. Lautenberg Chemical Safety for the 21st Century Act (Pub. L. 114-182) was signed into law on June 22, 2016, and became immediately effective. Section 14(c) now requires a supporting statement and certification for confidentiality claims asserted after June 22, 2016. Thus, EPA is requiring a statement and certification consistent with the section 14(c)(1)(B) statement (and with a related certification requirement in section 14(c)(5) of the revised statute) to meet the new statutory requirements.

### **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). Engineering services (NAICS code 541330).
- Testing laboratories (NAICS code 541380).
- Administrative management and general management consulting services (NAICS code 541611).
- All other professional, scientific, and technical services (NAICS code 541990).
- All other support services (NAICS code 561990).
- Business associations (NAICS code 813910).
- Professional organizations (NAICS code 813920).

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

##### **(i) Data Items**

The 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. EPA considers these to be certifications, and not an “information” collection within the meaning of the Paperwork Reduction Act.
- Panel producers who lose their EPA-recognized TPC and are not able to obtain a new EPA-recognized TPC within 90 calendar days must submit an extension request to EPA for a 90 calendar day extension.

The reporting requirements for EPA-recognized TPCs and ABs are triggered when an entity desires to participate in the program either as an EPA-recognized AB or TPC. The reporting requirements for EPA-recognized ABs to EPA include:

- Product ABs that wish to participate in the program must submit an application to become recognized by EPA via a recognition agreement. The application must include: 1) The name, address, telephone number, and email address of the organization or primary contact; 2) Documentation of its International Accreditation Forum Inc. Multilateral Recognition Arrangement (IAF MLR) signatory status, or membership in an equivalent organization as determined by EPA; 3) A description of any other qualifications related to its experience in performing product accreditation of TPCs for manufactured products including an affirmation that assessors will be technically competent to assess a TPC’s ability to perform their activities; and 4) If not a domestic entity, name and address of an agent for service located in the United States. CBI claims

for items 1, 2, and 4 may be substantiated contemporaneously.

- Laboratory ABs that wish to participate in the program must submit an application to become recognized by EPA via a recognition agreement. The application must include: 1) The name, address, telephone number, and email address of the organization or primary contact; 2) Documentation of International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) signatory status, membership in one of the ILAC recognized regional accreditation cooperations, or an equivalent organization as determined by EPA; 3) A description of any other qualifications related to the laboratory AB's experience in performing laboratory accreditation including an affirmation that assessors will be technically competent to assess TPCs ability to perform their activities required under the rule.; and 4) If not a domestic entity, the name and address of an agent for service located in the United States. CBI claims for items 1, 2 and 4 may be substantiated contemporaneously.
- EPA-recognized product ABs would be required to submit an annual report to EPA on or before March 1st of each year for the AB services performed during the previous calendar year including the number and locations of assessment, reassessment, and surveillance on-site assessments performed for each EPA-recognized TPC.
- EPA-recognized laboratory ABs would be required to submit an annual report to EPA on or before March 1st of each year for AB services performed during the previous calendar year including the number and locations of assessment, reassessment, and surveillance on-site assessments performed for each TPC laboratory.
- EPA-recognized product ABs would be required to submit notice to EPA if it loses its status as a signatory to the IAF MLA, or loss of membership in one of the IAF recognized regional accreditation cooperations, or an equivalent organization as determined by EPA within five calendar days of the date that the body receives notification of the loss of its signatory or membership status. CBI claims for this information may be substantiated contemporaneously.
- EPA-recognized laboratory ABs would be required to submit notice to EPA if it loses its status as a signatory to the ILAC MRA, or loss of membership in one of the ILAC recognized regional accreditation cooperations, or an equivalent organization as determined by EPA within five calendar days of the date that the body receives notice of the loss of its signatory or membership status. CBI claims for this information may be substantiated contemporaneously.
- EPA-recognized ABs would be required to submit notice to EPA that an EPA-recognized TPC has failed to comply with any provision of the regulation within 72 hours of the time the AB identifies the deficiency. The notice must include a description of the steps taken to address the deficiency.
- EPA-recognized ABs would be required to submit notice to EPA of suspension, reduction or withdrawal of an EPA-recognized TPC's accreditation within 72 hours of



the time that the suspension, reduction or withdrawal takes effect.

- EPA-recognized ABs would be required to submit notice to EPA of a change in a non-domestic AB's agent for service within five calendar days. CBI claims for this information may be substantiated contemporaneously.

The reporting requirements for EPA-recognized TPCs to EPA include:

- TPCs that wish to participate in the program must submit an application to EPA. The application must include: 1) Email address of the organization or primary contact, organization name, organization telephone number, and organization address; 2) Type of composite wood products that the applicant intends to certify; 3) A copy of the TPC's certificate of accreditation from an EPA-recognized product AB to ISO/IEC 17065:2012(E) with a scope of accreditation that includes composite wood products and 40 CFR Part 770—Formaldehyde Standards for Composite Wood Products; 4) A copy of the TPC laboratory's certificate of accreditation from an EPA-recognized laboratory AB to ISO/IEC 17025:2005(E) with a scope of accreditation to include 40 CFR Part 770-- Formaldehyde Standards for Composite Wood Products and the formaldehyde test methods ASTM E1333-10 and ASTM D6007-02, if used; 5) An affirmation of the TPC's ability to conduct inspections of composite wood products and properly train and supervise inspectors to inspect composite wood products in conformance with ISO/IEC 17020:2012(E) as required under ISO/IEC 17065:2012(E) Section 6.2.1; 6) A description of the TPC's experience in the composite wood product industry with at least one type of composite wood product and indicate the specific product(s) the applicant intends to certify; 7) A description of the TPC's experience in performing or verifying formaldehyde emissions testing on composite wood products; 8) A description of the TPC's experience with test method ASTM E1333-10 and/or ASTM D6007-02, if used, and experience evaluating correlation between test methods; 9) If not a domestic entity, the name and address of an agent for service located in the United States. CBI claims for items 1-4 and 9 may be substantiated contemporaneously.
- If an EPA-recognized TPC receives an application for NAF or ULEF third-party certification exemption or ULEF reduced testing, it must notify EPA of an approved or rejected application, including a renewal application, must be provided within five calendar days of the approval or rejection and copies of all approved applications must be forwarded to EPA within 30 calendar days of approval.
- If an EPA-recognized TPC receives an application for reduced testing, it must notify EPA of an approved or rejected application, including a renewal application, for reduced testing for medium-density fiberboard or particleboard must be provided within five calendar days of the approval or rejection and copies of all approved applications must be forwarded to EPA within 30 calendar days of approval.
- EPA-recognized TPCs must notify EPA of a failed quarterly test in writing within 72 hours.

- EPA-recognized TPCs must notify EPA of a panel producer exceeding its established Quality Control Limit (QCL) for more than two consecutive quality control within 72 hours of the time that the TPC is made aware of the second exceedance.
- EPA-recognized TPCs must notify EPA of a change in a non-domestic TPC's agent for service within five calendar days. CBI claims for this information may be substantiated contemporaneously.
- EPA-recognized TPCs must notify EPA of a loss of accreditation or notification that the TPC has discontinued its participation in the EPA TSCA Title VI Third-Party Certification Program within 72 hours. CBI claims for this information may be substantiated contemporaneously.
- EPA-recognized TPCs must submit an annual report on or before March 1<sup>st</sup> of each year for the TPC services performed during the previous calendar year to EPA that includes the following elements, which aligns with the annual report requirements under the CARB ATCM, as applicable: For each panel producer making composite wood products certified by the TPC, the EPA-recognized TPC must provide the following information: 1) Composite wood products that the EPA-recognized TPC has certified during the previous calendar year; 2) Types of resin systems used for the composite wood products certified; 3) Dates of quarterly inspections; 4) For each quarterly test, the date, result, test method, and whether a contract laboratory was used; 5) For each failed quarterly test, the volume of product affected, the results of recertification testing, and a description of the final disposition of the affected product, including how the non-complying lot was addressed; 6) For each non-complying lot resulting from a failed quality control test, the test date, method, product type, volume of product affected, lot numbers, the results of retesting, and a description of the final disposition of the affected product, including how the non-complying lot was addressed; 7) Any corrective actions that resulted from quarterly tests and inspections; and 8) A list of laboratories and test methods used by the TPC, number and volume (cubic meters) of large and small chambers, date of equivalence determination and equivalence data; 9) Any non-conformities identified by its EPA-recognized AB(s) and how they were addressed; and 10) The results compared with the mean of the interlaboratory comparison for all formaldehyde emissions interlaboratory comparison tests outside of the CARB interlaboratory comparison or, if available, the results of an EPA-recognized proficiency testing program.

**(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 EPA-recognized TPC.

- Composite wood product panel producers must provide information on the qualifications of their quality control manager and quality control employees to the EPA-recognized TPC.
- Composite wood product panel producers must provide their EPA-recognized TPC with 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 EPA-recognized TPC if they change quality control managers. This notification must occur within 10 calendar 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 NAF-based or ULEF resins must apply to an EPA-recognized TPC or CARB. The application must include the panel producer's name and contact information as well as an identification of the specific product and resin system. 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 EPA-recognized TPC 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 EPA-recognized TPC, 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 NAF-based or ULEF resins may also be marked with indications that they were produced using NAF-based or ULEF 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, and must include the fabricator's name (or other responsible party), the date the finished good was produced and a marking to denote that the product was made in compliance with TSCA Title VI.

The third-party notifications/reports for TPCs include:

- EPA-recognized TPCs must provide their TPC numbers to any panel producers receiving their TSCA Title VI certification services.

- EPA-recognized TPCs must notify their panel producer of a failed quarterly test in writing within 72 hours.
- EPA-recognized TPCs must provide any changes in personnel qualifications, procedures, or laboratories used to their TPC's EPA-recognized ABs within 30 calendar days.
- Should an EPA-recognized TPC withdraw from the program or lose its accreditation, it will be required to notify all panel producers that receive its services within 72 hours.
- EPA-recognized TPCs that receive applications from panel producers for reduced testing or third-party certification exemptions for ULEF or NAF-based resins must act on those applications within 90 calendar days.

**(C) Records.** All records must be kept for three years, unless otherwise indicated. 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 TPCs, 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.
  - 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.
- Records demonstrating initial and continued eligibility for the reduced testing or third-party certification provisions in 40 CFR § 770.17 and 40 CFR § 770.18, if applicable.

These records must be kept for as long as the panel producer is producing composite wood products with reduced testing or under a third-party certification exemption.

- 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 phenol-formaldehyde resins or resins formulated with no added formaldehyde as part of the resin cross-linking structure. These records would include records of purchases of phenol-formaldehyde resins or resins formulated with no added formaldehyde as part of the resin cross-linking structure 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 EPA-recognized TPC and records demonstrating the production of phenol-formaldehyde resins or resins formulated with no added formaldehyde as part of the resin cross-linking structure.
- 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 bills of lading, invoices, or comparable documents that include a written affirmation from the supplier that the composite wood products are compliant or were produced before a date one year after publication of the final rule.
- Importers must also provide additional records if requested by EPA within 30 days of request. Additional records may include identification of the panel producer, the date the composite wood products were produced, identification of the supplier if different, and the date the composite wood products, component parts, or finished goods were purchased.
- Non-importing distributors and retailers must retain invoices and bills of lading and copies of labels used.

The recordkeeping requirements for EPA-recognized ABs and TPCs include:

- Each EPA-recognized product AB must maintain, in electronic form, checklists and other records documenting compliance with the requirements for assessment, reassessment, and surveillance on-site assessments of EPA-recognized TPCs for 3 years.
- Each EPA-recognized laboratory AB must maintain, in electronic form, the checklists and other records documenting compliance with the requirements for assessment, reassessment, and surveillance on-site assessments of TPC laboratories for 3 years.
- EPA-recognized TPCs- would be required to supply the following records to EPA within

30 days of request: 1) A list of panel producers that it has certified and their respective product types, including resin systems used; 2) The results of inspections and emission tests conducted for and linked to each panel producer and product type; 3) A list of laboratories it uses, test methods, including test conditions and conditioning time and quarterly test results; 4) The methods and results for establishing test method correlations and equivalence; 5) Documentation for NAF or ULEF third-party certification exemptions or ULEF reduced testing approvals, including the name of the panel producer, facility, products approved, type of resin systems used and dates of approval; 6) Documentation of reduced testing approval for panel producers of medium-density fiberboard or particleboard, including the name of the panel producer, products approved and dates of approval; and 7) A copy of the most recent assessment, reassessment, and/or surveillance on-site assessment report provided by its EPA-recognized ABs. These records must be maintained for 3 years.

### **(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, reviewing and analyzing data submissions, maintaining files of submitted data, responding to public inquiries, providing regulatory interpretations and developing rulemakings. EPA plans to publish certain information on the Internet, including a list of EPA-recognized TPCEPA-recognized TPCs and recognized ABs. EPA plans to continue/expand its review of the use of the Internet to facilitate the transfer of information from EPA to the public. More specific Agency activities are as follows:

- Receive and evaluate applications from ABs and TPCs that wish to participate in the program.
- Develop and enter into recognition agreements with qualified ABs.
- Supply a point of contact for each recognition agreement for ABs to consult with on implementation of the recognition agreement.
- Maintain a current and publically available list of EPA-recognized ABs and TPCs.
- Evaluate the annual reports from EPA-recognized ABs and TPCs.

- Evaluate all notices received from EPA-recognized ABs and TPCs to determine whether further agency action is warranted.
- Review 90 calendar day extension requests from panel producers who lose their EPA-recognized TPC and are not able to obtain a new EPA-recognized TPC within the initial 90 calendar days.

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

At this time, the majority of the information requirements for panel producers 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 for these entities are third-party reporting requirements, in that panel producers are required to submit information to TPCs. EPA wishes to give maximum latitude to panel producers as they choose how to most expediently structure their communications.

The reporting requirements for EPA-recognized ABs and TPCs are required to be submitted via the Internet through EPA's Central Data Exchange (CDX). The required use of CDX for submission of TSCA Title VI notices and reports is consistent with the Government Paperwork Elimination Act (GPEA, Pub. L. 105-277), which requires that, when practicable, federal organizations use electronic forms, electronic filings, and electronic signatures to conduct official business with the public. EPA's Cross-Media Electronic Reporting Regulation (CROMERR) (October 13, 2005; 70 FR 59848; FRL-7977-1) provides that any requirement in Title 40 of the Code of Federal Regulations to submit a report directly to EPA can be satisfied with an electronic submission that meets certain conditions once the Agency publishes a notice that electronic document submission is available for that requirement.

To register in CDX, the CDX registrant (also referred to as "Electronic Signature Holder" or "Public/Private Key Holder") downloads two forms: the Electronic Signature Agreement and the Verification of Company Authorizing Official form. Registration enables CDX to perform two important functions: authentication of identity and verification of authorization. Within the "Electronic Signature Agreement" form, the Authorized Official (AO) agrees to certain CDX security conditions. On the "Verification of Company Authorizing Official" form, the AO designates himself/herself as the AO and attest to the completeness and accuracy of the submitted information. When these forms are received, EPA activates the submitter's registration in CDX and sends him or her an e-mail notification.

Most of the information requested in the reporting requirements of these collections is not of a confidential nature. Nonetheless, the electronic reporting application is designed to support TSCA Confidential Business Information needs by providing a secure environment that meets Federal standards. Users are able to claim CBI for appropriate data fields. The electronic reporting application would use Transportation Layer Security (TLS) with 256-bit digital encryption, and the data would be encrypted at rest using a key that only a user knows. All data remains encrypted until it is behind several EPA firewalls and within the EPA CBI LAN, and all encryption modules are Federal Information Processing Standard (FIPS) 140-2 compliant. Also, users are required to have valid CDX credentials (user name and password combination) to

access the application, and they are required to know the answers to the 20-5-1 series of questions associated with a CDX account in order to submit data to the EPA.

EPA believes the adoption of electronic communications may reduce the reporting burden on industry by reducing both the cost and the time required to review, edit and transmit data to the Agency. All information sent via CDX is transmitted securely to protect CBI. Furthermore, if anything in the submission has been claimed CBI, a sanitized copy of the notice must be provided by the submitter. With electronic reporting, this can be done automatically during the submission process, eliminating the need for the submitter to do this manually. Electronic reporting also allows submitters to share a draft notice within their company during the creation of a notice and to save a copy of the final file for future use. Appendix B provides mock ups illustrating the electronic reporting system for TSCA Title VI submissions.

The Agency also benefits from receiving electronic submissions. Data systems are populated electronically, as oppose to manual data entry, reducing the potential for human error that exists when data are entered by hand. Agency personnel are also able to communicate more efficiently with submitters electronically, compared to using mail.

#### **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 TPCs and ABs that wish to participate in the program. EPA has elected to require equal disclosure by all participating ABs and TPCs because the third-party certification program is essential to ensuring compliance with the highly technical requirements of TSCA Title VI. During the Small Business Advocacy Review Panel process, the Panel recommended regulatory flexibility alternatives to alleviate burden on small business that EPA has implemented in its final rule. For example, EPA allows 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 EPA-recognized TPCs with monthly product data reports. Reporting activities for ABs and TPCs are mostly triggered by specific events or on an as needed basis rather than by specific dates, as shown in **Exhibit 1**.



**Exhibit 1: Collection Requirements and Schedule for ABs and TPCs**

<b>Ref. #</b>	<b>Collection Requirement</b>	<b>Collection Schedule</b>
1	Application to EPA from a product AB	When product AB wishes to participate in the program and every three years thereafter for as long as it wishes to continue to participate
2	Application to EPA from a laboratory AB	When laboratory AB wishes to participate in the program and every three years thereafter for as long as it wishes to continue to participate
3	Annual report to EPA from an EPA-recognized product AB	Annually, on or before March 1 <sup>st</sup> each year
4	Annual report to EPA from an EPA-recognized laboratory AB	Annually, on or before March 1 <sup>st</sup> each year
5	EPA-recognized product ABs must provide notification of the loss of its status as a signatory to the ILAC MRA, or loss of membership in one of the ILAC recognized regional accreditation cooperations, or an equivalent organization as determined by EPA	Within 5 calendar days of being informed of loss of status
6	EPA-recognized laboratory AB must provide notification of the loss of its status as a signatory to the IAF MLA, or loss of membership in one of the IAF recognized regional accreditation cooperations, or an equivalent organization as determined by EPA	Within 5 calendar days of being informed of loss of status
7	An EPA-recognized AB must submit notice that a EPA-recognized TPC has failed to comply with any provision of the regulation	Within 72 hours of the time the AB identifies the deficiency
8	An EPA-recognized AB must submit notice when it suspends, reduces or withdraws a TPC's accreditation	Within 72 hours of the time that the suspension, reduction or withdrawal takes effect
9	A TPC that wishes to participate in the program must submit an application for EPA recognition	When it desires to become recognized to perform TSCA Title VI certification services, and every two years thereafter for as long as it desires to continue providing TSCA Title VI certification services
10	An EPA-recognized TPC must supply the following records to EPA: 1)A list of panel producers and their respective products and product types, including type of resin systems used, that the EPA-recognized TPC has certified; 2) Results of inspections and formaldehyde emissions tests conducted for and linked to each panel producer and product type; 3) A list of laboratories used by the EPA-recognized TPC, as well as all test methods used, including test conditions and conditioning time, and	Within 30 calendar days of request by EPA

**Exhibit 1: Collection Requirements and Schedule for ABs and TPCs**

Ref. #	Collection Requirement	Collection Schedule
	quarterly test results; 4) Methods and results for establishing test method correlations and equivalence; 5) Documentation for NAF or ULEF third-party certification exemptions or ULEF reduced testing approvals, including the name of the panel producer, facility, products approved, type of resin systems used and dates of approval; 6) Documentation of reduced testing approval for panel producers of medium-density fiberboard or particleboard, including the name of the panel producer, products approved and dates of approval; and 7) A copy of the most recent assessment, reassessment, and/or surveillance on-site assessment report provided by its EPA-recognized ABs	
11	An EPA-recognized TPC would be required to provide its TPC number to any panel producer receiving its TSCA Title VI certification services	When a panel producer begins receiving its services
12	An EPA-recognized TPC must submit an annual report to EPA on its TSCA Title VI certification activities	Annual, the 1 <sup>st</sup> of March every year.
13	Should an EPA-recognized TPC withdraw from the program or lose its accreditation, it would be required to notify all panel producers that receive its TSCA Title VI certification services	Within 72 hours
14	A TSCA Title VI TPC will notify EPA of an application approval for reduced testing and forward copies of all approved applications for reduced testing to EPA.	Notification within 5 calendar days of approval. Forward copy of application within 30 calendar days of receipt
15	EPA-recognized TPCs must act on applications for reduced testing	Within 90 calendar days of receipt of a complete application
16	In the event of a failed quarterly test, the EPA-recognized TPC that conducted the test must notify the panel producer and EPA	Within 72 hours of the failed test result
17	A Panel Producer that wishes to apply for reduced testing or third-party certification for products made with NAF or ULEF resins must submit an application to their EPA-recognized TPC or CARB and then the EPA-recognized TPC or CARB will send a copy to EPA	When they wish to receive the exemption and renewal applications every two years thereafter.
18	Panel Producers must submit product data reports to their EPA-recognized TPC	Monthly
19	Panel Producers must notify their EPA-recognized TPC of changes in quality control manager	Within 10 calendar days
20	Panel Producers must inform their EPA-recognized TPC of any significant changes in production that could affect formaldehyde emissions	Within 72 hours of making those changes.
21	Should a non-complying lot be distributed the Panel Producer is responsible for notifying the recipients	Within 72 hours
22	Panel producers who are not able to obtain a new TSCA Title VI TPC within 90 calendar days must submit an	Prior to 90 calendar days following loss of their TSCA

Exhibit 1: Collection Requirements and Schedule for ABs and TPCs		
Ref. #	Collection Requirement	Collection Schedule
	extension request to EPA for a 90 calendar day extension, for good cause	Title VI TPC

## 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 final TSCA Title VI 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 2013 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 or require only minor modifications.

- **Rule Familiarization:** All respondents will need to read the rule in order to understand the requirements;
- **Testing and Certification:** Composite panel producers that do not qualify for an exemption will need to perform formaldehyde emission testing on their composite wood products and attain certification from an EPA-recognized 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 and certification requirements;
- **Recordkeeping:** Panel producers must maintain various records including emissions testing results, product and production records, and representative copies of labels used. Laminated product producers whose products are exempt from the definition of hardwood plywood must keep records demonstrating eligibility for the exemption. Firms that import composite wood panels, component parts, or finished goods must be able to provide additional records identifying the panel producer, supplier, date of manufacture, and date of purchase to EPA within 30 days of request. Fabricators, retailers, and wholesalers that do not import or produce composite wood panels are only required to maintain invoices, bills of lading, or comparable documents. Accreditation bodies are required to maintain records documenting compliance with on-site assessments, reassessments, and/or surveillance on-site assessments of third-party certifiers. Third-party certifiers are required to retain records on the results of inspections audits, and emission tests conducted for each panel producer, a list of panel producers that it has certified and their respective product types, a list of laboratories that it uses, test methods, and test results, methods and results for establishing test method correlations, and a copy of the most recent assessment report conducted by its EPA-recognized accreditation body.

- **Labeling:** Panel producers, fabricators, and wholesalers that package or repackage composite wood products or finished goods containing composite wood products will need to ensure their labels to include their name, the date the finished good was produced, and a statement of compliance.
- **CDX Electronic Reporting:** All accreditation bodies and TPCs spend time in the first year to complete a subscriber agreement and register with CDX. Some of these respondents will spend time in subsequent years due to employee turnover or compromised electronic signatures. These burdens are offset by reductions in reporting and recordkeeping burden due to electronic reporting;  
**Application Submission:** Accreditation bodies and TPCs will need to submit an application to EPA;
- **Prepare a Recognition Agreement:** If their application is approved, accreditation bodies will enter into a recognition agreement with EPA;
- **Notifications to EPA:** Accreditation bodies are required to provide EPA with notifications in the following instances: loss of signatory status; TPC accreditation; or TPC compliance failures;
- **Notification to TPC:** Accreditation bodies are required to provide TPCs with notifications if they withdraw or are removed from the program;
- **EPA Reporting:** Accreditation bodies are required to provide an annual report to EPA with the AB services performed during the previous calendar year including the number and locations of assessment, reassessment, and surveillance on-site assessments performed for each TPC and/or TPC laboratory. TPCs are required to provide an annual report to EPA on their TSCA Title VI certification activities;
- **Obtain Accreditation:** TPCs will need to initially obtain accreditation (i.e., to demonstrate compliance with the relevant ISO/IEC standards and test methods and experience correlating between test methods);
- **Manufacturer Notifications and Recordkeeping:** TPCs have annual costs for manufacturer notification and maintaining records; and
- **Accrediting Body Notifications:** TPCs are required to provide notifications to the accrediting body of any changes in personnel qualifications, procedures, or laboratories used.

Exhibit 2 summarizes the recordkeeping and reporting activities for respondents as a result of the rule:

**Exhibit 2: Summary of Recordkeeping and Reporting Activities, by Sector and Activity**

Activity	Composite Panel Producer <sup>1</sup>			Fabricator	Wholesaler	Retailer	AB	TPC
	Standard	ULEF	NAF					
1. Rule Familiarization	1-time			1-time	1-time	1-time	-	-
2. TPC Fee	Annual			-	-	-	-	-
3. Develop Quality Control Manual	1-time			-	-	-	-	-
4. Qualifying Test	1-time			-	-	-	-	-
5. Qualifying Test Shipment	1-time			-	-	-	-	-
6. Correlation Test	1-time			-	-	-	-	-
7. Initial On-site Audit	1-time	-		-	-	-	-	-
8. Recurring On-site Audit <sup>2</sup>	Quarterly	Annual		-	-	-	-	-
9. Large Scale Testing Fee <sup>3</sup>	Quarterly		Annual	-	-	-	-	-
10. Large Scale Testing Shipment <sup>3</sup>	Quarterly		Annual	-	-	-	-	-
11. On-site Audit Travel <sup>4</sup>	Annual			-	-	-	-	-
12. Desk Audits <sup>5</sup>	8 per year	-	-	-	-	-	-	-
13. Purchase of Laboratory Equipment and Supplies	Annual			-	-	-	-	-
14. Quality Control Testing <sup>6</sup>	Up to Daily			-	-	-	-	-
15. Quality Control Testing <sup>7</sup> Shipping	Weekly			-	-	-	-	-
16. Lost Product <sup>8</sup>	Up to Daily			-	-	-	-	-
17. Recurring Recordkeeping <sup>9</sup>	Annual			-	-	-	Annual	Annual
18. Labeling	1-time			1-time	1-time	-	-	-
19. CDX Electronic Reporting <sup>10</sup>	-			-	-	-	1-time	1-time
20. Application Submission	-			-	-	-	Every 3 years	Every 2 years
21. Recognition Agreement	-			-	-	-	Every 3 years	-
22. Notifications to EPA	-			-	-	-	As needed	As needed
23. Notifications to Others	-			-	-	-	As needed	As needed
24. Annual Report to EPA	-			-	-	-	Annual	Annual
25. Assign a Registered Agent (foreign only)	-			-	-	-	Annual	Annual
26. Documentation of CARB Reciprocity	-			-	-	-	-	Every 2 years

Notes:

1. This analysis assumes that panel producers with standard (Phase 2) certifications, or ULEF or NAF exemptions from TPC oversight under the CARB ATCM will retain those certifications or exemptions under the TSCA Title VI rule, but that product lines being newly certified as a result of the TSCA Title VI rule will receive standard 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 products, and quarterly for ULEF products, which is more frequently than the CARB ATCM requires. This analysis therefore assumes that TPCs test and audit mills with NAF or ULEF product lines more frequently than the CARB ATCM or the TSCA Title VI rule require.

2. This analysis assumes that the initial on-site audit is sufficient for producers with existing ULEF or NAF exemptions from TPC oversight. All ULEF or NAF producers will have one on-site audit annually thereafter.

3. Mills are assumed to perform large scale testing quarterly unless all products are exempted from TPC oversight as NAF. It is assumed that mills with only NAF 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. ULEF or NAF producers will not have any desk audits in subsequent years.
6. 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 week. Testing costs for laminated products defined as HWPW are not considered in this analysis (which reflects the rule's first 3 years) due to the 7 year delay in testing requirements for these entities.
7. Particleboard and MDF mills are assumed to test products on-site and therefore are not expected to ship products for quality control testing. Composite panel producers are assumed to send products to a TPC for quality control testing once per week.
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 for each quality control test. In addition, mills are required to send one panel per product type to the TPC for large scale testing each quarter. However, NAF product lines that are exempt from TPC oversight are exempt from routine quality control testing after the three month qualifying period, and need only have large scale testing performed annually. ULEF product lines that are exempt from TPC oversight are exempt from routine quality control testing after the six month qualifying period, and are assumed to have large scale testing performed quarterly.
9. Records kept as ordinary business practices are assumed to be sufficient to meet recordkeeping requirements for fabricators, wholesalers and retailers that do not import or laminate. Therefore, these firms are not anticipated to incur additional recordkeeping costs as a result of the rule.
10. TPCs and accreditation bodies will only need to register with CDX in the first year. However some of these respondents will spend additional time on CDX registration due to employee turnover or compromised electronic signatures.

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 3 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 3 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<sup>1</sup> or a ULEF or NAF exemption from TPC oversight 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

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<sup>1</sup> The term standard certification is used here to describe a compliance status other than an ultra-low-emitting formaldehyde (ULEF) or NAF exemption from TPC oversight.

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 final 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 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.

<b>Exhibit 3: Summary of Recordkeeping and Reporting Activities, by Activity</b>						
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 <sup>1</sup>	Baseline CARB-Compliant	Not Baseline CARB-Compliant <sup>1</sup>
			Yes	Yes	Yes	Yes
1. Rule Familiarization	Yes		Yes	Yes	Yes	Yes
2. TPC Fee		Yes	Incremental Only	Yes	Yes	Yes
3. Develop Quality Control Manual	Yes			Yes		Yes
4. Qualifying Test		Yes		Yes		Yes
5. Qualifying Test Shipment	Yes	Yes		Yes		Yes
6. Correlation Test	Yes	Yes		Yes		Yes
7. Initial On-site Audit	Yes	Yes	Incremental Only	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. Quality Control Testing	Yes		Incremental Only	Yes	Yes	Yes
14. Quality Control Testing Shipping	Yes	Yes	Incremental Only	Yes	Yes	Yes
15. Lost Product		Yes	Incremental Only	Yes	Yes	Yes
16. Recurring Recordkeeping (except TPCs and accreditation bodies)	Yes			Yes	Yes	Yes
17. Recordkeeping (TPCs and accreditation bodies)	Yes		Yes		Yes	
18. Initial Labeling	Yes	Yes	Yes	Yes	Yes	Yes
19. CDX Electronic Reporting	Yes		Yes		Yes	
20. Application Submission	Yes		Yes		Yes	
21. Recognition Agreement	Yes		Yes		Yes	
22. Notifications to EPA	Yes		Yes		Yes	
23. Notifications to Others	Yes		Yes		Yes	
24. Annual Report to EPA	Yes		Yes		Yes	
25. Assign a Registered Agent (foreign only)		Yes	Yes		Yes	Yes
26. Documentation of CARB Reciprocity	Yes		Yes		Yes	

1. All accreditation bodies and TPCs are assumed to be CARB-compliant.

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., all groups of requirements except rule familiarization and labeling also apply to entities outside the U.S. Therefore, this analysis estimates both domestic and foreign entities.<sup>2</sup> The number of respondents is estimated separately by sector (i.e., panel producers, fabricators, wholesalers, retailers, accreditation bodies, and TPCs).

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.<sup>3</sup> To remain consistent with the Economic Analysis, which 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 7,050 to 13,518 domestic entities making wood veneer laminated products. The high end estimate (13,518) is used here. Under the high end estimate, 3,870 firms are estimated to use urea formaldehyde resins in the baseline. Under the rule, wood veneer laminated products are exempted from the definition of hardwood plywood if they are made with compliant platforms and phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure. The Economic Analysis estimates that 25 to 75% of domestic laminators not already using phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure will switch to them so that their products will be exempted from the definition of hardwood plywood. For the purposes of this analysis, fifty percent of wood veneer laminated product producers using urea formaldehyde resins in the baseline (1,960 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 (11,558 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.

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<sup>2</sup> EPA's Economic Analysis for the rulemaking (*Economic Analysis of the Formaldehyde Standards for Composite Wood Products Act Implementing Regulations Final 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.

<sup>3</sup> California Air Resources Board 2011a.



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.<sup>4</sup> 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 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.<sup>5</sup>

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 4 presents the customs value of imports and the domestic value of shipments for the affected industries.

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<sup>4</sup>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.

<sup>5</sup> U.S. Census Bureau 2010i; U.S. Census Bureau 2011.

<b>Exhibit 4: Customs Value of Imports and Domestic Value of Shipments, by NAICS (millions, 2013\$)</b>				
<b>NAICS</b>	<b>Description</b>	<b>Customs Value of Imports</b>	<b>Domestic Value of Shipments</b>	<b>Sum of Imports and Domestic Shipments</b>
321211	Hardwood veneer and plywood manufacturing	\$1,811	\$3,554	\$5,365
321219	Reconstituted wood product manufacturing	\$2,241	\$7,179	\$9,420
321911	Wood window and door manufacturing	\$538	\$15,128	\$15,666
321918	Other millwork (including flooring)	\$1,032	\$7,994	\$9,026
321991	Manufactured home (mobile home) manufacturing	\$1	\$6,502	\$6,503
321992	Prefabricated wood building manufacturing	\$65	\$4,503	\$4,568
321999	All other miscellaneous wood product manufacturing	\$2,321	\$6,471	\$8,792
336213	Motor home manufacturing	\$274	\$6,173	\$6,447
336214	Travel trailer and camper manufacturing	\$991	\$11,367	\$12,358
337110	Wood kitchen cabinet and countertop manufacturing	\$737	\$19,931	\$20,668
337121	Upholstered household furniture manufacturing	\$191	\$12,037	\$12,228
337122	Nonupholstered wood household furniture manufacturing	-	-	\$0
337124	Metal household furniture manufacturing	\$6,826	\$2,556	\$9,382
337127	Institutional furniture manufacturing	\$14,144	\$6,194	\$20,338
337129	Wood television, radio, and sewing machine cabinet manufacturing	\$4	\$435	\$439
337211	Wood office furniture manufacturing	\$814	\$3,102	\$3,916
337212	Custom architectural woodwork and millwork manufacturing	-	-	\$0
337214	Office furniture (except wood) manufacturing	\$443	\$9,590	\$10,033
337215	Showcase, partition, shelving, and locker manufacturing	\$5,085	\$8,410	\$13,495
339920	Sporting and athletic goods manufacturing	\$6,892	\$13,364	\$20,256
339932	Game, toy, and children's vehicle manufacturing	\$17,346	\$2,898	\$20,244
339950	Sign manufacturing	\$241	\$13,890	\$14,131
339992	Musical instrument manufacturing	\$1,233	\$1,918	\$3,151
<b>Total</b>		<b>\$63,230</b>	<b>\$163,196</b>	<b>\$226,426</b>
<b>Ratio of Customs Value of Imports Domestic Shipments</b>			<b>39%</b>	
<b>Ratio of Customs Value of Imports to Sum of Imports and Domestic Shipments</b>				<b>28%</b>
<i>Source: U.S. Census Bureau 2010g; U.S. Bureau of Labor Statistics (U.S. BLS) 2014b; U.S. International Trade Commission (US ITC) 2014</i>				

As indicated in Exhibit 4 imports are 39 percent of the U.S. value of shipments for these goods. Therefore, as shown in Exhibit 6, it is assumed that there are 39 percent as many foreign fabricators that export products to the U.S. as there are domestic fabricators (30,425 foreign fabricators compared to 78,018 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 (33,256 foreign wholesalers compared to 85,559 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 4, 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 23,949 of the 85,559 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).

There are 4 domestic accreditation bodies that currently accredit U.S. TPCs participating in the CARB ATCM program. Of the 4 domestic accrediting bodies, 2 were determined to be small entities. The number of foreign accreditation bodies was estimated to be 28, the number of signatories for ISO Guide 65, ISO 17020, or ISO 17025 in countries with CARB-approved TPCs. Based on the small business determinations for domestic accrediting bodies, it is estimated that 14 of the foreign accrediting bodies are small entities.

As shown in Exhibit 5, CARB has approved a total of 40 TPCs, 11 of which are located in the U.S. (although most U.S. TPCs provide services internationally). Of the 11 U.S. firms, 7 are classified as “small” based on the U.S. Small Business Administration’s size standards, and 4 are classified as large. Thus, it is estimated that about 64 percent of all TPCs (both foreign and domestic) are small entities. It is assumed that there will be 11 domestic TPCs and 29 foreign TPCs in the TSCA Title VI program, the same as in the CARB program.

<b>Exhibit 5: Summary of CARB-Approved Third Party Certifiers</b>	
<b>Country Where TPC is Located</b>	<b>Number of TPCs</b>
Australia	1
Austria	1
Belgium	1
China	6
Czech Republic	1
Denmark	1
France	1
Germany	4
Hong Kong	3
Indonesia	1
Italy	3
New Zealand	1
Poland	2
Spain	1
Sweden	1
Taiwan	1
United States	11
<b>Total</b>	<b>40</b>
<i>Source: California Air Resources Board 2011b. List of CARB Approved TPCs.</i>	

<b>Exhibit 6: Summary of Respondents, by Sector and Geographic Location</b>			
<b>Sector</b>	<b>Domestic Respondents</b>	<b>Foreign Respondents<sub>1</sub></b>	<b>Total Respondents</b>
<b>Composite Panel Producers (Mills)</b>			
<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)<sup>2</sup></i>	1,960	757	2,717
<b>Total Composite Panel Producers</b>	<b>2,053</b>	<b>1,778</b>	<b>3,831</b>
<b>Fabricators (Firms)</b>			
<i>Wood Veneer Laminated Product Producers (Classified as Fabricators)</i>	11,558	4,504	16,062
<i>Other Fabricators</i>	66,460	25,921	92,381
<b>Total Fabricators</b>	<b>78,018</b>	<b>30,425</b>	<b>108,443</b>
<b>Wholesalers (Firms)</b>			
<i>Wholesalers that import</i>	23,949	9,309	33,258
<i>Wholesalers that do not import</i>	61,610	23,947	85,557
<b>Total Wholesalers</b>	<b>85,559</b>	<b>33,256</b>	<b>118,815</b>
<b>Retailers(Firms)<sup>3</sup></b>	<b>759,046</b>	-	<b>759,046</b>
<b>Accrediting Bodies</b>	<b>4</b>	<b>28</b>	<b>32</b>
<b>Third Party Certifiers</b>	<b>11</b>	<b>29</b>	<b>40</b>
<b>Total</b>	<b>924,691</b>	<b>65,516</b>	<b>990,207</b>
<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. The number of foreign accreditation bodies was estimated as the number of signatories for ISO Guide 65 or ISO 17025 in countries with CARB-approved TPCs. The number of foreign TPCs is the number of foreign CARB-approved TPCs.</p> <p>2. These are laminators that are assumed to continue using urea 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: U.S. Census Bureau 2009; U.S. Census Bureau 2010f; U.S. Census Bureau 2010e; U.S. Census Bureau 2010c; U.S. Census Bureau 2010i; U.S. Census Bureau 2010g; U.S. Census Bureau 2010j; U.S. Census Bureau 2010d; U.S. Census Bureau 2010b; California Air Resources Board 2011a; Composite Panel Association 2011; U.S. Census Bureau 2011; U.S. International Trade Commission (US ITC) 2014</p>			

As indicated in Exhibit 6, there are an estimated total of 990,207 domestic and foreign respondents. Domestic respondents account for an estimated 93 percent of the total. Retailers account for the largest proportion of the total respondents (77 percent). Wholesalers, fabricators, and composite panel producers account for approximately 12 percent, 11 percent, and less than 1 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 TSCA Title VI rule. Where some TPCs have more stringent requirements than the 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 products, and quarterly for ULEF products, which is more frequently than the CARB ATCM or the TSCA Title VI rule require. Therefore this analysis estimates the burden

and cost estimates for mills based on the requirements that may be imposed by some TPCs, rather than the requirements in the CARB ATCM or the TSCA Title VI rules. Therefore these burden and cost estimates do not reflect the rule’s requirements. Exhibit 7 summarizes the differences between how TPCs are assumed to implement a standard certification and a NAF or ULEF exemption from TPC oversight.

<b>Exhibit 7: Testing and Certification Frequencies Assumed to be Implemented by TPCs</b>			
<b>Category</b>	<b>Standard</b>	<b>NAF</b>	<b>ULEF</b>
TPC 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 exemption from TPC oversight receive two audits in the first year and then are audited annually thereafter.<sup>6</sup> 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 or exemption 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 or exemption 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 affected sectors. For example, this analysis assumes that the 7 of 41 domestic hardwood plywood respondents (or 17.1 percent) that currently have a NAF exemption from TPC oversight under the CARB ATCM and will maintain their NAF exemption 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 approval) are currently exempt as NAF under the CARB rule and will maintain their NAF exemption under the TSCA Title VI rule.

<sup>6</sup> This is an example where the TPC requirements are more stringent than the regulatory requirements.

### (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 respondents will spend between 1 and 40 managerial labor hours on rule familiarization, depending on their size and the industry. 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 or have a NAF or ULEF exemption from TPC oversight 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 or exemption 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. 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, 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.

Because wood veneer laminated product producers defined as hardwood plywood producers are not required to comply with testing and certification requirements until 7 years after the rule is promulgated, testing and certification activities for these producers are not included in this analysis, since these estimates reflect the burden and cost for the first three years of the program.

TSCA Title VI requires panel producers to perform formaldehyde emission testing on their composite wood products and obtain and to maintain certification from an EPA-recognized TPC or to receive a NAF or ULEF exemption from TPC oversight. 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 that meet more stringent emissions limits may apply for renewable two-year NAF or ULEF exemptions from some of the on-going testing and certification requirements.

NAF exemptions can be achieved by performing three months of routine small scale testing and one quarterly primary or secondary method test at the TPC. ULEF exemptions 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 exemptions 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 exemption 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 mills with ULEF or NAF products will be subject to an annual TPC audit. These additional requirements may be imposed by some TPCs, but are not required by the rule. Where the frequency of testing is different for composite panel producers with ULEF or NAF exemptions and standard certification, these groups are presented separately.

#### *Initial On-site Audit (Activity #7)*

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.<sup>7</sup> 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 #3)*

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.

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

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<sup>7</sup> Personal Communication with HPVA 2011.

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 #4 and #5)*

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 or a NAF or ULEF exemption 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.<sup>8</sup> 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 pursue a NAF or ULEF exemption thus will not incur this burden.

#### *Quality Control Audits (Activities #7 and #8)*

The TPC is obligated to perform an on-site audit at least once quarterly, unless the mill obtains ULEF or NAF exemption. 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.

The initial on-site audit is assumed to be sufficient for producers with existing ULEF and NAF exemptions. All producers of ULEF and NAF exempt products will have one on-site audit annually thereafter.

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<sup>8</sup> 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.



### *Quality Control Testing (Activity #13)*

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 chamber and quality control test method 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. HPVA performs two sets of desiccator test correlations: one to correlate the standard seven day conditioning and also a modified 24-hour conditioning test. Each large chamber test requires results from three desiccator tests to calculate the correlation. Equivalence data is not required for approved small chamber methods when conducting quality control testing. 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 30 desiccator tests or zero small chamber tests. Producers that are already CARB compliant and are not expected to pursue a NAF or ULEF exemption will not need to perform correlation testing.

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 low emitting or NAF resins to qualify for ULEF or NAF exemptions from some of the on-going testing requirements under the CARB ATCM.) Both the CARB ATCM and TSCA Title VI allow mills to ship panels from certified product lines before test results are available, so this analysis assumes that hardwood plywood producers will opt to not perform on-site testing.

The frequency of small scale testing without a ULEF or NAF exemption 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; or, if less than 100,000 square feet of a particular product type is produced, one quality control test of that product type every month that it is produced. 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 particleboard and MDF producers will test each production line once daily and that all

hardwood plywood producers will test weekly.<sup>9</sup> It is assumed that the quality control manager will spend two hours each day performing routine quality control testing.

It is assumed that producers with existing ULEF or NAF exemptions will not incur the burden associated with initial quality control testing, and that uncertified firms will seek standard certification rather than ULEF or NAF exemptions. Existing ULEF and NAF producers will not incur any additional burden associated with quality control testing. 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 #16)*

Panel producers are assumed to incur an average labor burden of one hour of managerial labor per week (equivalent to \$3,827.20 per year) to maintain the following records for 3 years:

- Records of quarterly emission testing and quality control testing that identify the EPA-recognized 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, 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 exemption from TPC oversight for ULEF or NAF products, 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.

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<sup>9</sup> Testing requirements for laminators defined as hardwood plywood producers are not considered in this ICR, since the rule has a 7 year delay for laminated product testing and this ICR covers the initial 3 years of the rule.

### *Initial Labeling (Activity #17)*

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. Although CARB-certified products made before the TSCA rule goes into effect are already labeled with the date of manufacture, this analysis makes the conservative assumption that both CARB and non-CARB compliant producers in the baseline will change their labels twice.

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 fabricators (an average of either 3 hours or 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 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 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 keep bills of lading, invoices, or other written statements from the supplier that the composite wood products, component parts, or finished goods are TSCA Title VI compliant or were produced before a date one year after publication of the final rule. These records are assumed to be kept as ordinary business records and therefore no additional burden is estimated.

### *Baseline Compliance for Fabricators*

The baseline level of compliance for most fabricators was determined based on conversations with industry trade associations.<sup>10</sup> 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 8 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 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.

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<sup>10</sup> 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.

<b>Exhibit 8: Baseline CARB Compliance of Fabricator Industries</b>		
<b>NAICS</b>	<b>NAICS Definition</b>	<b>Baseline CARB Compliance<sup>a</sup></b>
321211 <sup>b</sup>	Hardwood Veneer and Plywood Manufacturing	100%
321219 <sup>b</sup>	Reconstituted Wood Product Manufacturing	100%
337110 <sup>b</sup>	Wood Kitchen Cabinet and Countertop Manufacturing	50%
337129 <sup>b</sup>	Wood Television, Radio, and Sewing Machine Cabinet Manufacturing	50%
321911 <sup>b</sup>	Wood Window and Door Manufacturing	100%
337121 <sup>b</sup>	Upholstered House Furniture Manufacturing	100%
337122 <sup>b</sup>	Non-upholstered Wood Household Furniture Manufacturing	100%
337124 <sup>b</sup>	Metal Household Furniture Manufacturing	100%
337127 <sup>b</sup>	Institutional Furniture Manufacturing	100%
337211 <sup>b</sup>	Wood Office Furniture Manufacturing	100%
337214 <sup>b</sup>	Office Furniture (except Wood) Manufacturing	100%
337215 <sup>b</sup>	Showcase, Partition, Shelving, and Locker Manufacturing	100%
321918 <sup>c</sup>	Other Millwork (including Flooring)	9.23%
337212 <sup>c</sup>	Custom Architectural Woodwork and Millwork	9.83%
321999 <sup>c</sup>	All Other Miscellaneous Wood Product Manufacturing	7.84%
336213 <sup>c</sup>	Motor Home Manufacturing	100%
336214 <sup>c</sup>	Travel Trailer and Camper	100%
321991 <sup>c</sup>	Manufactured Home (Mobile Home) Manufacturing	10.90%
321992 <sup>c</sup>	Prefabricated Building Manufacturing	5.92%
339950 <sup>c</sup>	Sign Manufacturing	10.09%
236118 <sup>c</sup>	Flooring Contractors	11.52%
238350 <sup>c</sup>	Finish Carpentry Contractors	6.59%
238390 <sup>c</sup>	Other Building Finishing Contractors	12.51%
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; U.S. Census Bureau 2010a		

### *Fabricators incurring Labeling Costs*

The 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 labeling requirements that are similar to the proposed TSCA Title VI rule. To learn about the experiences of the firms that 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.<sup>11</sup> 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 CARB labeling requirements. 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

<sup>11</sup> 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.

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.<sup>12</sup> 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 hours).<sup>13</sup> 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 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 final rule’s requirements without any significant modifications. All wholesalers must keep invoices or bills of lading. Most wholesalers are likely to keep such documents as part of their customary business practices.<sup>14</sup> Therefore the recordkeeping requirement is not assumed to impose any additional burden on wholesalers. Wholesalers that import composite wood products or finished goods containing composite wood products are required to provide additional records upon EPA request identifying the producer, supplier, date of production, and date of purchase of the composite wood products.

#### *Baseline Compliance for Wholesalers*

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<sup>12</sup> 67 percent is calculated as 4/6 since 4 of the 6 firms that reported labeling their products are assumed to have these costs.

<sup>13</sup> 33 percent is calculated as 2/6 since 6 firms reported that they labeled their product.

<sup>14</sup> 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.

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 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<sup>15</sup> (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 (423210) and Home Furnishing Merchant Wholesalers (423220) -- are assumed to be fully compliant with the CARB ATCM chain of custody requirements in the baseline.<sup>16</sup> Exhibit 9 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.

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<sup>15</sup> U.S. Census Bureau 2009; U.S. Census Bureau 2010e; U.S. Census Bureau 2010f.

<sup>16</sup> Personal Communication with AHFA 2010; Personal Communication with BIFMA 2010.

**Exhibit 9: Baseline CARB Compliance of Wholesale Industries**

NAICS	NAICS Description	Baseline CARB Compliance <sup>a</sup>
423210 <sup>b</sup>	Furniture merchant wholesalers	100%
423220 <sup>b</sup>	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%
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

<b>Exhibit 9: Baseline CARB Compliance of Wholesale Industries</b>		
<b>NAICS</b>	<b>NAICS Description</b>	<b>Baseline CARB Compliance<sup>a</sup></b>
(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). <i>Sources: U.S. Census Bureau 2010e; U.S. Census Bureau 2010f</i>		

### *Wholesalers incurring 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.

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

Retailers must keep invoices, bills of lading, or comparable documents. Retailer's customary business practices are assumed to be generally sufficient to meet the proposed rule's recordkeeping requirements.<sup>17</sup> Therefore the recordkeeping requirements are not assumed to impose any additional burden on retailers.<sup>18</sup>

### *Baseline Compliance for Retailers*

Exhibit 10 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.

<sup>17</sup> Personal Communication with CRA 2011.

<sup>18</sup> While retailers are assumed to meet the 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 11 through Exhibit 16



**Exhibit 10: Baseline CARB Compliance of Retail Industries**

<b>NAICS</b>	<b>NAICS Description</b>	<b>Baseline CARB Compliance</b>
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%
452990	All other general merchandise stores	9.8%

<b>Exhibit 10: Baseline CARB Compliance of Retail Industries</b>		
<b>NAICS</b>	<b>NAICS Description</b>	<b>Baseline CARB Compliance</b>
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%
236115	New single-family housing construction (except for-sale builders)	9.08%
236116	New multifamily housing construction (except for-sale builders)	8.87%
236117	New housing for-sale builders	6.83%
236210	New single-family housing construction (except for-sale builders)	9.87%
236220	New multifamily housing construction (except for-sale builders)	10.68%
236118	New housing for-sale builders	11.52%
238330	Flooring contractors	10.39%
238350	Finish carpentry contractors	6.59%
238390	Other building finishing contractors	12.51%
<b>Total Retailers</b>		<b>28.0%</b>
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. <i>Sources: U.S. Census Bureau 1997; U.S. Census Bureau 2010k; U.S. Census Bureau 2010j; U.S. Census Bureau 2010h</i>		

**(F). Summary of Composite Panel Producers, Fabricators, Wholesalers, and Retailers**

Exhibit 11 and Exhibit 12 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, for composite panel producers, fabricators, wholesalers and retailers. Exhibit 13 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 14 through Exhibit 16 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 1.7 million hours, while the incremental burden over this time period is estimated at 1.5 million hours. The domestic burden accounts for approximately 65.2 percent and 73.4 percent of the totals, respectively.

Exhibit 11: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	M	41	538	579	1	31	1,271	16,678	17,949
Producers – PB	M	30	209	239	1	21	630	4,389	5,019
Producers - MDF	M	22	274	296	1	25	550	6,850	7,400
Fabricators and Laminators									
Non-employer	M	46,704	18,215	64,919	1	4.00	186,816	72,860	259,676
Small employer	M	33,163	12,934	46,097	1	8.00	265,304	103,472	368,776
Large employer	M	111	43	154	1	40.00	4,440	1,720	6,160
Wholesalers									
Non-Importer – Small (including non-employer)	M	61,158	23,852	85,010	1	1.00	61,158	23,852	85,010
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	M	24,109	9,403	33,512	1	4.00	96,436	37,612	134,048
Importer - Large single establishment	M	125	49	174	1	8.00	1,000	392	1,392
Large multi-establishment	M	167	65	232	1	40.00	6,680	2,600	9,280
Retailers									
Small (including non-employer)	M	756,750	-	756,750	1	1	756,750	0	756,750
Large single-establishment	M	2,113	-	2,113	1	4	8,452	0	8,452
Large multi-establishment	M	183	-	183	1	40	7,320	0	7,320
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>	M	11	211	222	1	40	440	8,440	8,880
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	M	11	211	222	1	1	11	211	222
<b>6. Correlation Test<sup>3</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit<sup>4</sup></b>	M	11	211	222	1	8	88	1,688	1,776
<b>8. Quarterly On-Site Audit<sup>4</sup></b>									

Exhibit 11: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
NAF Exemption	M	31	319	350	1	4	124	1,276	1,400
Standard Certification (Existing)	M	51	445	496	4	4	816	7,120	7,936
Standard Certification (New)	M	11	211	222	3	4	132	2,532	2,664
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	M	54	473	527	4	1	216	1,892	2,108
Particleboard- 2 Standard (New)	M	5	64	69	4	1	20	256	276
HWPW – 2 Standard (New)	M	11	211	222	3	1	33	633	666
1 ULEF & 1 NAF/1 NAF & 1 Standard	M	9	87	96	4	1	36	348	384
2 NAF	M	14	140	154	1	1	14	140	154
<b>11. On-site Audit Travel <sup>4</sup></b>									
	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits <sup>5</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	62	656	718	8	1	496	5,248	5,744
<b>13. Quality Control Testing <sup>6</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	M	10	109	119	1	78	780	8,502	9,282
HWPW - Standard Certification (New)	M	11	211	222	1	78	858	16,458	17,316
PB/MDF – Standard Certification	M	41	336	377	1	520	21,320	174,720	196,040
<b>14. Quality Control Testing Shipping <sup>6</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product <sup>6</sup></b>									
HWPW - NAF	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-

Exhibit 11: Total (including baseline) First Year Burden Hours, by Activity and Geographic Location									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping</b> <sup>7</sup>									
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739
Producers – PB	M	30	209	239	1	28	840	5,852	6,692
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768
<b>17. Labeling</b> <sup>8</sup>									
Minor Changes – Laminators and Fabricators	T	64,290	25,073	89,363	1	3	192,870	75,219	268,089
Major Changes – Laminators and Fabricators	T	15,688	6,118	21,806	1	100	1,568,800	611,800	2,180,600
Producers-HWPW	C	41	538	579	1	5	205	2,690	2,895
Producers – PB	C	30	209	239	1	3	90	627	717
Producers - MDF	C	22	274	296	1	4	88	1,096	1,184
Wholesalers	T	841	328	1,169	1	100	84,100	32,800	116,900
<b>Total - Year 1</b>							<b>3,271,591</b>	<b>1,261,073</b>	<b>4,532,664</b>
<p>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.</p> <p>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.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.</p> <p>6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemptions will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years.</p> <p>7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements.</p> <p>8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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>									

<b>Exhibit 12: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	-	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-	-
Fabricators and Laminators									
Non-employer	-	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-	-
Wholesalers									
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
Retailers									
Small (including non-employer)	-	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>									
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>6. Correlation Test <sup>3</sup></b>									

<b>Exhibit 12: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit</b> <sup>4</sup>	-	-	-	-	-	-	-	-	-
<b>8. Quarterly On-Site Audit</b> <sup>4</sup>									
NAF Exemption	M	31	319	350	1	4	124	1,276	1,400
Standard Certification (Existing)	M	62	656	718	4	4	992	10,496	11,488
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	M	54	473	527	4	1	216	1,892	2,108
Particleboard- 2 Standard (New)	M	11	211	222	4	1	44	844	888
HWPW – 2 Standard (New)	M	5	64	69	4	1	20	256	276
1 ULEF & 1 NAF/1 NAF & 1 Standard	M	9	87	96	4	1	36	348	384
2 NAF	M	14	140	154	1	1	14	140	154
<b>11. On-site Audit Travel</b> <sup>4</sup>	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits</b> <sup>5</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	62	656	718	8	1	496	5,248	5,744
<b>13. Quality Control Testing</b> <sup>6</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification	M	21	320	341	1	78	1,638	24,960	26,598
PB/MDF – Standard Certification	M	41	336	377	1	520	21,320	174,720	196,040
<b>14. Quality Control Testing Shipping</b> <sup>6</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b> <sup>6</sup>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-

<b>Exhibit 12: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping <sup>7</sup></b>									
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739
Producers – PB	M	30	209	239	1	28	840	5,852	6,692
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768
<b>17. Labeling <sup>8</sup></b>									
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-	-
Producers-HWPW	-	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-	-
Wholesalers	-	-	-	-	-	-	-	-	-



<b>Exhibit 12: Total (including baseline) Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>Total - Year 2 and 3</b>							<b>28,147</b>	<b>257,132</b>	<b>285,279</b>
<p>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.</p> <p>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.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.</p> <p>6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemption will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years.</p> <p>7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements.</p> <p>8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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>									

<b>Exhibit 13: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	M	41	538	579	0.3333	31	424	5,559	5,983
Producers – PB	M	30	209	239	0.3333	21	210	1,463	1,673
Producers - MDF	M	22	274	296	0.3333	25	183	2,283	2,467
Fabricators and Laminators\									
Non-employer	M	46,704	18,215	64,919	0.3333	4.00	62,272	24,287	86,559
Small employer	M	33,163	12,934	46,097	0.3333	8.00	88,435	34,491	122,925
Large employer	M	111	43	154	0.3333	40.00	1,480	573	2,053
Wholesalers									
Non-Importer – Small (including non-employer)	M	61,158	23,852	85,010	0.3333	1.00	20,386	7,951	28,337
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	M	24,109	9,403	33,512	0.3333	4.00	32,145	12,537	44,683
Importer - Large single	M	125	49	174	0.3333	8.00	333	131	464

**Exhibit 13: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
establishment									
Large multi-establishment	M	167	65	232	0.3333	40.00	2,227	867	3,093
<b>Retailers</b>									
Small (including non-employer)	M	756,750	-	756,750	0.3333	1	252,250	-	252,250
Large single-establishment	M	2,113	-	2,113	0.3333	4	2,817	-	2,817
Large multi-establishment	M	183	-	183	0.3333	40	2,440	-	2,440
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>	M	11	211	222	0.3333	40	147	2,813	2,960
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	M	11	211	222	0.3333	1	4	70	74
<b>6. Correlation Test<sup>3</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit<sup>4</sup></b>	M	11	211	222	0.3333	8	29	563	592
<b>8. Quarterly On-Site Audit<sup>4</sup></b>									
NAF Exemption	M	31	319	350	1	4	124	1,276	1,400
Standard Certification (Existing)	M	51	445	496	4	4	816	7,120	7,936
Standard Certification (New)	M	11	211	222	3.6667	4	161	3,095	3,256
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	M	54	473	527	4	1	216	1,892	2,108
Particleboard- 2 Standard (New)	M	5	64	69	4	1	20	256	276
HWPW – 2 Standard (New)	M	11	211	222	3.6667	1	40	774	814
1 ULEF & 1 NAF/1 NAF & 1 Standard	M	9	87	96	4	1	36	348	384
2 NAF	M	14	140	154	1	1	14	140	154
<b>11. On-site Audit Travel<sup>4</sup></b>	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits<sup>5</sup></b>	-	-	-	-	-	-	-	-	-

**Exhibit 13: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	62	656	718	8	1	496	5,248	5,744
<b>13. Quality Control Testing</b> <sup>6</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	M	10	109	119	1	78	780	8,502	9,282
HWPW - Standard Certification (New)	M	11	211	222	1	78	858	16,458	17,316
PB/MDF – Standard Certification	M	41	336	377	1	520	21,320	174,720	196,040
<b>14. Quality Control Testing Shipping</b> <sup>6</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b> <sup>6</sup>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping</b> <sup>7</sup>									
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739
Producers – PB	M	30	209	239	1	28	840	5,852	6,692
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768
<b>17. Labeling</b> <sup>8</sup>									
Minor Changes – Laminators and Fabricators	T	64,290	25,073	89,363	0.3333	3	64,290	25,073	89,363
Major Changes – Laminators and Fabricators	T	15,688	6,118	21,806	0.3333	100	522,933	203,933	726,867
Producers-HWPW	C	41	538	579	0.3333	5	68	897	965
Producers – PB	C	30	209	239	0.3333	3	30	209	239
Producers - MDF	C	22	274	296	0.3333	4	29	365	395
Wholesalers	T	841	328	1,169	0.3333	100	28,033	10,933	38,967

**Exhibit 13: Three Year Average Burden Hours (including baseline), by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>Total – Three Year Average</b>							<b>1,109,295</b>	<b>591,779</b>	<b>1,701,074</b>

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. 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.  
 4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.  
 5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption.  
 6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemptions will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years.  
 7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements.  
 8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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).

**Exhibit 14: Incremental First Year Burden Hours, by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	M	41	538	579	1	31	1,271	16,678	17,949
Producers – PB	M	30	209	239	1	21	630	4,389	5,019
Producers - MDF	M	22	274	296	1	25	550	6,850	7,400
Fabricators and Laminators									
Non-employer	M	46,704	18,215	64,919	1	4.00	186,816	72,860	259,676
Small employer	M	33,163	12,934	46,097	1	8.00	265,304	103,472	368,776
Large employer	M	111	43	154	1	40.00	4,440	1,720	6,160
Wholesalers									
Non-Importer – Small (including non-employer)	M	61,158	23,852	85,010	1	1.00	61,158	23,852	85,010
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	M	24,109	9,403	33,512	1	4.00	96,436	37,612	134,048

<b>Exhibit 14: Incremental First Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
Importer - Large single establishment	M	125	49	174	1	8.00	1,000	392	1,392
Large multi-establishment	M	167	65	232	1	40.00	6,680	2,600	9,280
<b>Retailers</b>									
Small (including non-employer)	M	756,750	-	756,750	1	1	756,750	-	756,750
Large single-establishment	M	2,113	-	2,113	1	4	8,452	-	8,452
Large multi-establishment	M	183	-	183	1	40	7,320	-	7,320
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>	M	11	211	222	1	40	440	8,440	8,880
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	M	11	211	222	1	1	11	211	222
<b>6. Correlation Test <sup>3</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit <sup>4</sup></b>	M	11	211	222	1	8	88	1,688	1,776
<b>8. Quarterly On-Site Audit <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
Standard Certification (New)	M	11	211	222	3	4	132	2,532	2,664
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	M	11	211	222	3	1	33	633	666
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel <sup>4</sup></b>	-	-	-	-	-	-	-	-	-

<b>Exhibit 14: Incremental First Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>12. Desk Audits<sup>5</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	11	211	222	8	1	88	1,688	1,776
<b>13. Quality Control Testing<sup>6</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	M	11	211	222	1	78	858	16,458	17,316
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping<sup>6</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product<sup>6</sup></b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping<sup>7</sup></b>									
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739
Producers – PB	M	30	209	239	1	28	840	5,852	6,692
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768
<b>17. Labeling<sup>8</sup></b>									
Minor Changes – Laminators and Fabricators	T	64,290	25,073	89,363	1	3	192,870	75,219	268,089
Major Changes – Laminators and Fabricators	T	15,688	6,118	21,806	1	100	1,568,800	611,800	2,180,600
Producers-HWPW	C	41	538	579	1	5	205	2,690	2,895
Producers – PB	C	30	209	239	1	3	90	627	717
Producers - MDF	C	22	274	296	1	4	88	1,096	1,184
Wholesalers	T	841	328	1,169	1	100	84,100	32,800	116,900

<b>Exhibit 14: Incremental First Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>Total - Year 1</b>							<b>3,247,857</b>	<b>1,063,259</b>	<b>4,311,116</b>
<p>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.</p> <p>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.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC certification. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.</p> <p>6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemption will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years.</p> <p>7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements.</p> <p>8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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>									

<b>Exhibit 15: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	-	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-	-
Fabricators and Laminators									
Non-employer	-	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-	-
Wholesalers									
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
Retailers									
Small (including non-employer)	-	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>									
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>6. Correlation Test <sup>3</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-



<b>Exhibit 15: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit</b> <sup>4</sup>	-	-	-	-	-	-	-	-	-
<b>8. Quarterly On-Site Audit</b> <sup>4</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification (Existing)	M	11	211	222	4	4	176	3,376	3,552
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	M	11	211	222	4	1	44	844	888
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b> <sup>4</sup>	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits</b> <sup>5</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	11	211	222	8	1	88	1,688	1,776
<b>13. Quality Control Testing</b> <sup>6</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification	M	11	211	222	1	78	858	16,458	17,316
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b> <sup>6</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b> <sup>6</sup>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-

<b>Exhibit 15: Incremental Second and Third Year Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
HWPW- Standard Certification	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping <sup>7</sup></b>									
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739
Producers – PB	M	30	209	239	1	28	840	5,852	6,692
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768
<b>17. Labeling <sup>8</sup></b>									
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-	-
Producers-HWPW	-	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-	-
Wholesalers	-	-	-	-	-	-	-	-	-
<b>Total - Year 2 and 3</b>							<b>4,413</b>	<b>59,318</b>	<b>63,731</b>
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. 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. 4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemption will have one on-site audit annually thereafter. 5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption. 6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemption will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years. 7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements. 8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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).									

<b>Exhibit 16: Three Year Average Incremental Burden Hours, by Activity and Geographic Location</b>									
Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities Per Respondent	Burden Per Activity (Hours)	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>									
Producers - HWPW	M	41	538	579	0.3333	31	424	5,559	5,983
Producers – PB	M	30	209	239	0.3333	21	210	1,463	1,673
Producers - MDF	M	22	274	296	0.3333	25	183	2,283	2,467
Fabricators and Laminators									
Non-employer	M	46,704	18,215	64,919	0.3333	4.00	62,272	24,287	86,559
Small employer	M	33,163	12,934	46,097	0.3333	8.00	88,435	34,491	122,925
Large employer	M	111	43	154	0.3333	40.00	1,480	573	2,053
Wholesalers									
Non-Importer – Small (including non-employer)	M	61,158	23,852	85,010	0.3333	1.00	20,386	7,951	28,337
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	M	24,109	9,403	33,512	0.3333	4.00	32,145	12,537	44,683
Importer - Large single establishment	M	125	49	174	0.3333	8.00	333	131	464
Large multi-establishment	M	167	65	232	0.3333	40.00	2,227	867	3,093
Retailers									
Small (including non-employer)	M	756,750	-	756,750	0.3333	1	252,250	-	252,250
Large single-establishment	M	2,113	-	2,113	0.3333	4	2,817	-	2,817
Large multi-establishment	M	183	-	183	0.3333	40	2,440	-	2,440
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>	M	11	211	222	0.3333	40	147	2,813	2,960
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	M	11	211	222	0.3333	1	4	70	74
<b>6. Correlation Test<sup>3</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-

**Exhibit 16: Three Year Average Incremental Burden Hours, by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)		
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit</b> <sup>4</sup>	M	11	211	222	0.3333	8	29	563	592
<b>8. Quarterly On-Site Audit</b> <sup>4</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
Standard Certification (New)	M	11	211	222	3.6667	4	161	3,095	3,256
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	M	11	211	222	3.6667	1	40	774	814
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b> <sup>4</sup>									
<b>12. Desk Audits</b> <sup>5</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	M	11	211	222	8	1	88	1,688	1,776
<b>13. Quality Control Testing</b> <sup>6</sup>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	M	11	211	222	1	78	858	16,458	17,316
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b> <sup>6</sup>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b> <sup>6</sup>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-

**Exhibit 16: Three Year Average Incremental Burden Hours, by Activity and Geographic Location**

Activity	Labor Type <sup>1</sup>	Number of Entities			Number of Activities	Burden Per	Total Burden (Hours)			
		Domestic	Foreign <sup>2</sup>	Total			Domestic	Foreign	Total	
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-	
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-	
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-	
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-	
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-	
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-	
<b>16. Recurring Recordkeeping<sup>7</sup></b>										
Producers - HWPW	M	41	538	579	1	41	1,681	22,058	23,739	
Producers – PB	M	30	209	239	1	28	840	5,852	6,692	
Producers - MDF	M	22	274	296	1	33	726	9,042	9,768	
<b>17. Labeling<sup>8</sup></b>										
Minor Changes – Laminators and Fabricators	T	64,290	25,073	89,363	0.3333	3	522,933	203,933	726,867	
Major Changes – Laminators and Fabricators	T	15,688	6,118	21,806	0.3333	100	64,290	25,073	89,363	
Producers-HWPW	C	41	538	579	0.3333	5	68	897	965	
Producers – PB	C	30	209	239	0.3333	3	30	209	239	
Producers - MDF	C	22	274	296	0.3333	4	29	365	395	
Wholesalers	T	841	328	1,169	0.3333	100	28,033	10,933	38,967	
<b>Total – Three Year Average</b>							<b>1,085,561</b>	<b>393,965</b>	<b>1,479,526</b>	

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. 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.

4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. This analysis assumes that producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemption will have one on-site audit annually thereafter.

5. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption.

6. This analysis assumes that hardwood plywood producers with a standard certification test each production line once weekly. Particleboard and MDF producers with a standard certification are assumed to test each production line once daily. Producers with an existing ULEF or NAF exemption will already have been exempted from quality control testing. Laminators defined as hardwood plywood producers are allowed a 7 year delay in testing requirements and therefore testing costs for these entities are not considered in this analysis, which reflects the rule's first 3 years.

7. While recordkeeping is required for all respondents, not all entities will incur additional recordkeeping burden and costs. This analysis assumes that fabricators (including laminators not defined as hardwood plywood), retailers and wholesalers have existing recordkeeping systems that are sufficient to meet the rule's requirements.

8. Panel producers, laminators, 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 laminators and fabricators that are not already complying with the CARB ATCM, and 1 percent of wholesalers will incur the cost associated with 3 hours of labor for making small changes to their labels. The remaining laminators and 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)

(G). Accreditation Bodies and Third Party Certifiers

Exhibit 17 and exhibit 18 present the estimated per-activity recordkeeping and reporting burdens for accreditation bodies and third party certifiers, respectively. Exhibit 19 summarizes the total hour burden by type of firm. Exhibit 18 provides separate estimates for TPCs that are accredited for both relevant ISO/IEC standards (Guide 65 and 17025) and for those that need to obtain an additional accreditation. The latter group will pay fees to an accreditation body, which are accounted for as costs in section 6(b)(ii), and described in more detail there. The recordkeeping and reporting requirements do not differ between TPCs that have all of their accreditations and those that do not, so the two groups have identical burdens. The two groups are listed separately here in order to carry them through the analysis consistently.

Exhibit 17: Recordkeeping and Reporting Burden for Accreditation Bodies, by Activity					
Activity <sup>1</sup>	Per Activity Burden Hours				
	Clerical	Technical	Managerial	Number of Annual Activities	Total Burden (hours)
	(a)	(b)	(c)	(d)	(e) = (d)*[(a)+(b)+(c)]
1. Rule Familiarization	0.00	20	20	1	40
2. CDX Electronic Reporting (First Year)					
CDX Registration	0.00	0.67	0.17	1.00	0.8400
Electronic Subscriber Agreements (domestic firms)	0.00	0.00	0.25	1.00	0.2500
Paper Subscriber Agreements (foreign firms)	0.00	0.00	0.33	1.00	0.3300
Help Desk	0.00	0.27	0.07	1.00	0.3400
Problem Resolution	0.00	1.00	0.00	0.03	0.0300
3. CDX Electronic Reporting (Subsequent Years)					
CDX Registration	0.00	0.67	0.17	0.10	0.0840
Electronic Subscriber Agreements (domestic firms)	0.00	0.00	0.25	0.10	0.0250
Paper Subscriber Agreements (foreign firms)	0.00	0.00	0.33	0.10	0.0330
Help Desk	0.00	0.27	0.07	0.10	0.0340
Report Compromised Signature	0.00	0.00	0.40	0.01	0.0040
4. Application Submission					
Company Information (Name, Address, Telephone Number, and Email Address of Primary Contact) <sup>2</sup>	0	0.04	0.02	1	0.06
Documentation of IAF MLA, ILAC MRA, or Equivalent Signatory Status <sup>2</sup>	0	0.04	0.02	1	0.06
Description of Any Other Qualifications Related to Experience in Performing Accreditation of Conformity Assessment Bodies or Third Party Certifiers <sup>3</sup>	0	0.83	0.51	1	1.34
5. Recognition Agreement	0.00	1	4	1	5
6. Notifications to EPA					
Loss of Status as a Signatory to the IAF MLA, ILAC MRA, or Equivalent Organization <sup>5</sup>	0.00	0.08	0.04	0.05	0.006
Third Party Certifier Applications <sup>5</sup>	0	0.08	0.04	3	0.36
Third Party Certifier Accreditation <sup>5</sup>	0	0.08	0.04	3	0.36
Third Party Certifier Compliance Failure <sup>5</sup>	0	0.08	0.04	0.33	0.0396
Third Party Certifier Accreditation Suspension or Revocation (Product ABs) / Accredited Laboratory Compliance Failure (Laboratory ABs) <sup>5</sup>	0	0.08	0.04	0.33	0.0396
Change to Organizational Policy or Management Structure that Could Adversely Affect Accreditation Program <sup>5</sup>	0	0.08	0.04	0.2	0.024

Exhibit 17: Recordkeeping and Reporting Burden for Accreditation Bodies, by Activity					
Activity <sup>1</sup>	Per Activity Burden Hours				
	Clerical	Technical	Managerial	Number of Annual Activities	Total Burden (hours)
	(a)	(b)	(c)	(d)	(e) = (d)*[(a)+(b)+(c)]
Change in Name or Address of Domestic Agent ( <i>Foreign Entities Only</i> ) <sup>5</sup>	0	0.08	0.04	0.5	0.06
<b>7. Third Party Certifier Notification</b>					
Unique Tracking Number <sup>2</sup>	0.00	0.04	0.02	3	0.18
Withdraw from or be Removed from Program <sup>2</sup>	0	0.04	0.02	0.25	0.015
<b>8. Recordkeeping</b>					
Accreditation Applications <sup>6</sup>	0.00	1	0.5	1	1.5
Checklists and Other Records Documenting Compliance with the Requirements for Systems Audits and On-site Assessment of Third Party Certifiers <sup>6</sup>	0	1	0.5	1	1.5
<b>9. Annual Report to EPA</b>					
Number of Third Party Certifier Applications Received <sup>7</sup>	0.00	0.5	0.25	1	0.75
Number of Third Party Certifier Applications Approved and Denied <sup>7</sup>	0	0.5	0.25	1	0.75
The Names and Contact Information of All Accredited Third Party Certifiers <sup>7</sup>	0	0.5	0.25	1	0.75
Number and Locations of Systems Audits and On-site Assessments <sup>7</sup>	0	0.5	0.25	1	0.75
Results of Accredited Third Party Certifier Laboratory Proficiency Testing or Inter-laboratory Comparisons <sup>7</sup>	0	0.5	0.25	1	0.75
10. Assign a Registered Agent (foreign only)	0.00	1	4	1	5
<b>Domestic Total in First Year</b>					<b>55.6942</b>
<b>Foreign Total in First Year</b>					<b>60.8342</b>
<b>Domestic Total in Year 2</b>					<b>7.9212</b>
<b>Foreign Total in Year 2</b>					<b>7.9892</b>
<b>Domestic Total in Year 3</b>					<b>14.3812</b>
<b>Foreign Total in Year 3</b>					<b>14.4492</b>
Notes: 1. Under the final rule, accreditation bodies are required to submit an application to renew their recognition agreement every 3 years. As a result, this analysis assumes that accreditation bodies incur application submission and recognition agreement preparation costs in the first year and subsequently every 3 years thereafter.					
2. Based on the estimated burden associated with reporting "company information" (EPA 2011).					
3. Based on the estimated burden associated with answering substantiation questions when making plant site confidentiality claims (EPA 2011).					
4. Based on conversations with accreditation bodies.					
5. Based on the estimated burden associated with reporting "company information" (EPA 2011). Values have been doubled based on best professional judgment.					
6. Based on the estimated burden associated with "recordkeeping" (EPA 2011). The rule requires that records be kept for 3 years that show the production volume, plant site, and site-limited status of each reported substance.					
7. Estimated as one-third of the burden associated with "recordkeeping" (EPA 2011). Estimate based on best professional judgment.					
Source: U.S. Environmental Protection Agency 2011.					

**Exhibit 18: Recordkeeping and Reporting Burden for Third Party Certifiers, by Activity**

Activity <sup>1</sup>	Per Activity Burden Hours			Number of Annual Activities	Total Burden (hours)
	Clerical	Technical	Managerial		
	(a)	(b)	(c)	(d)	(e) = (d)*[(a)+(b)+(c)]
1. Rule Familiarization	0.00	20	20	1	40
<b>2. CDX Electronic Reporting (First Year)</b>					
CDX Registration	0.00	0.67	0.17	1.00	0.84
Electronic Subscriber Agreements (domestic firms)	0.00	0.00	0.25	1.00	0.25
Paper Subscriber Agreements (foreign firms)	0.00	0.00	0.33	1.00	0.33
Help Desk	0.00	0.27	0.07	1.00	0.34
Problem Resolution	0.00	1.00	0.00	0.03	0.03
<b>3. CDX Electronic Reporting (Subsequent Years)</b>					
CDX Registration	0.00	0.67	0.17	0.10	0.08
Electronic Subscriber Agreements (domestic firms)	0.00	0.00	0.25	0.10	0.03
Paper Subscriber Agreements (foreign firms)	0.00	0.00	0.33	0.10	0.03
Help Desk	0.00	0.27	0.07	0.10	0.03
Report Compromised Signature	0.00	0.00	0.40	0.01	0.00
4. Provide Documentation of CARB Reciprocity	0.00	0.50	0.25	1.00	0.75
<b>5. Notifications to Manufacturers</b>					
Third Party Certifier Number <sup>2</sup>	0.00	0.04	0.02	1.00	0.06
Withdraw from Program or Lose Accreditation <sup>2</sup>	0.00	0.04	0.02	0.25	0.02
<b>6. Recordkeeping</b>					
List of Manufacturers and their Product Types (including Resin Systems Used) Certified by TPC <sup>4</sup>	0.00	1.00	0.50	1.00	1.50
Results of Inspections, Audits, and Emission Tests Conducted for Each Manufacturer and Product Type <sup>4</sup>	0.00	1.00	0.50	1.00	1.50
List of the TPC's Laboratories, Test Methods (including Test Conditions and Conditioning Time), and Test Results <sup>4</sup>	0.00	1.00	0.50	1.00	1.50
Methods and Results for Establishing Test Method Correlations and Equivalence <sup>4</sup>	0.00	1.00	0.50	1.00	1.50
List of Manufacturers and Products Approved for Reduced Testing <sup>4</sup>	0.00	1.00	0.50	1.00	1.50
Copy of the most recent assessment report conducted by EPA-recognized AB	0.00	1.00	0.50	1.00	1.50
<b>7. Annual Report to EPA</b>					
List of Manufacturers and their Products Certified by the TPC during the Previous Year (including Resin Systems Used, and the Average and Range of Formaldehyde Emissions by Manufacturer, Resin, and Product Type) <sup>5</sup>	0.00	0.50	0.25	1.00	0.75



Exhibit 18: Recordkeeping and Reporting Burden for Third Party Certifiers, by Activity					
Activity <sup>1</sup>	Per Activity Burden Hours			Number of Annual	Total Burden (hours)
	Clerical	Technical	Managerial		
	(a)	(b)	(c)	(d)	(e) = (d)*[(a)+(b)+(c)]
List of Noncomplying Products or Events by Manufacturer <sup>5</sup>	0.00	0.50	0.25	1.00	0.75
List of Laboratories and Test Methods Used by the TPC <sup>5</sup>	0.00	0.50	0.25	1.00	0.75
Results of Inter-Laboratory Comparison or Proficiency Testing for the Laboratories Used by the TPC <sup>4</sup>	0.00	0.50	0.25	1.00	0.75
8. Notifications to Accreditation Bodies					
Personnel Qualification Changes <sup>2</sup>	0.00	0.04	0.02	0.50	0.03
Procedure Changes <sup>2</sup>	0.00	0.04	0.02	0.50	0.03
Laboratory Changes <sup>2</sup>	0.00	0.04	0.02	0.50	0.03
9. Notifications to EPA					
Checklists and Other Records	0.00	0.08	0.04	1.00	0.12
Change in Name or Address of Domestic Agent ( <i>Foreign TPCs Only</i> ) <sup>2</sup>	0.00	0.04	0.02	0.50	0.03
10. Assign a Registered Agent (foreign only)	0.00	1.00	4.00	1.00	5.00
<b>Domestic Total in First Year</b>					<b>54.495</b>
<b>Foreign Total in First Year</b>					<b>59.605</b>
<b>Domestic Total in Non-Reapplication Years (Year 2)</b>					<b>12.432</b>
<b>Foreign Total in Non-Reapplication Years (Year 2)</b>					<b>12.470</b>
<b>Domestic Total in Reapplication Year (Year 3)</b>					<b>13.182</b>
<b>Foreign Total in Reapplication Year (Year 3)</b>					<b>13.220</b>
Notes: 1. Under the final rule, TPCs are required to apply for re-accreditation every two years. As a result, application and accreditation costs are incurred every second year. 2. Based on the estimated burden associated with reporting "company information" (EPA 2011). 3. Based on the estimated burden associated with answering substantiation questions when making plant site confidentiality claims (EPA 2011). 4. Based on the estimated burden associated with "recordkeeping" (EPA 2011). The rule requires that records be kept for 3 years that show the production volume, plant site, and site-limited status of each reported substance. 5. Estimated as one-third of the burden associated with "recordkeeping" (EPA 2011). Estimate based on best professional judgment. Source: U.S. Environmental Protection Agency 2011					

Exhibit 19: Total Burden by Firm Type (2013\$)			
Firm Type	Number of Firms	Burden Per Firm	Total Burden
<b>Year 1</b>			
Domestic Accrediting Body	4	55.694	223
Foreign Accrediting Body	28	60.834	1703
Domestic TPC obtaining one additional accreditation	2	54.495	109
Domestic TPC with current accreditations	9	54.495	490
Foreign TPC obtaining one additional accreditation	6	59.605	358
Foreign TPC with current accreditations	23	59.605	1371
<b>Year 2</b>			
Domestic Accrediting Body	4	7.9212	32
Foreign Accrediting Body	28	7.9892	224
Domestic TPC obtaining one additional accreditation	2	12.432	25
Domestic TPC with current accreditations	9	12.432	112
Foreign TPC obtaining one additional accreditation	6	12.470	75
Foreign TPC with current accreditations	23	12.470	287
<b>Year 3</b>			
Domestic Accrediting Body	4	14.381	58
Foreign Accrediting Body	28	14.449	405
Domestic TPC obtaining one additional accreditation	2	13.182	26
Domestic TPC with current accreditations	9	13.182	119
Foreign TPC obtaining one additional accreditation	6	13.220	79
Foreign TPC with current accreditations	23	13.220	304
<b>Three Year Average</b>			
Domestic Accrediting Body	4	25.999	104
Foreign Accrediting Body	28	27.758	777
Domestic TPC obtaining one additional accreditation	2	26.703	53
Domestic TPC with current accreditations	9	26.703	240
Foreign TPC obtaining one additional accreditation	6	28.432	171
Foreign TPC with current accreditations	23	28.432	654
<b>All Entities</b>	<b>72</b>	<b>27.764</b>	<b>1,999</b>

## 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 2012 National Industry-Specific Occupational Employment and Wage Estimates estimated as part of the Bureau of

Labor Statistics' (BLS') Occupational Employment Statistics Program (OES)<sup>19</sup> and the BLS' September 2014 Employer Costs for Employee Compensation Supplementary Tables (ECEC)<sup>20</sup>. The OES values were inflated to 2013 dollars using data from the ECEC for all private industry for 2013. 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 2013, resulting in a fringe benefit rate ranging from 40 to 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 (1.57 to 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 20.

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<sup>19</sup> U.S. Bureau of Labor Statistics (U.S. BLS) 2014b

<sup>20</sup> U.S. Bureau of Labor Statistics (U.S. BLS) 2014a

<b>Exhibit 20: Derivation of Loaded Industry Wage Rates</b>						
<b>Labor Category</b>	<b>Entity Type</b>	<b>Burden Type</b>	<b>Data Source for Wage Information</b>	<b>Wage (\$2013)</b>	<b>Fringe and Overhead Factor</b>	<b>Loaded Wages (\$2013)</b>
				<b>(a)</b>	<b>(b)</b>	<b>(c) = (a)*(b)</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	\$61.49		\$97.77
	Retailers		BLS OES, Managerial Occupations, 321200 - Veneer, Plywood, and Engineered Wood Product Manufacturing	\$52.98		\$84.24
	ABs and TPCs	All Activities	BLS ECEC, Private Professional and Business Services Industries, "Mgt, Business and Financial"	\$43.49		\$69.15
Technical	Fabricators / Wholesalers	Labeling	BLS OES, Computer and Mathematical Science Occupations, 321200 - Veneer, Plywood, and Engineered Wood Product Manufacturing	\$31.11	1.58	\$49.46
	ABs and TPCs	All Activities	BLS ECEC, Private Professional and Business Services Industries, "Professional and Related"	\$36.77		\$58.10
Clerical	Composite Panel Producers	Recordkeeping and Labeling	BLS OES, Office and Administrative Support Occupations, NAICS 321000 - Wood Product Manufacturing	\$16.37	1.59	\$26.03

## **(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***

xhibit 21 and Exhibit 22 summarize the total per-activity recordkeeping and reporting labor costs for all composite panel producers, fabricators, wholesalers, and retailers over the first year, and second and third years of the rule, respectively. Exhibit 23 presents the average labor costs over the first three years of the rule, by activity. xhibit 24 through Exhibit 26 present the same information as the previous three tables, except for the incremental labor costs. xhibit 27 and Exhibit 28 present labor costs for accreditation bodies and third-party certifiers, respectively. All labor costs were estimated by multiplying the labor burdens summarized in xhibit 11 through xhibit 18 by the loaded wage rates presented in Exhibit 20. As indicated, the estimated average annual total labor cost over the first three years of the rule is approximately \$109 million, while the incremental labor costs are \$92.8 million. The domestic labor cost accounts for approximately 65 percent (\$70.9 million) and 74 percent (\$69.1 million) of these totals, respectively.

<b>Exhibit 21: Total (including baseline) First Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	\$93,546	-	-	\$1,227,501	-	-	\$1,321,046
Producers – PB <sup>1</sup>	-	-	\$46,368	-	-	\$323,030	-	-	\$369,398
Producers – MDF <sup>1</sup>	-	-	\$40,480	-	-	\$504,160	-	-	\$544,640
Fabricators and Laminators <sup>1</sup>									
Non-employer	-	-	\$13,749,658	-	-	\$5,362,496	-	-	\$19,112,154
Small employer	-	-	\$19,526,374	-	-	\$7,615,539	-	-	\$27,141,914
Large employer	-	-	\$326,784	-	-	\$126,592	-	-	\$453,376
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	\$5,979,418	-	-	\$2,332,010	-	-	\$8,311,428
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	\$9,428,548	-	-	\$3,677,325	-	-	\$13,105,873
Importer - Large single establishment	-	-	\$97,770	-	-	\$38,326	-	-	\$136,096
Large multi-establishment	-	-	\$653,104	-	-	\$254,202	-	-	\$907,306
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	\$63,748,620	-	-	-	-	-	\$63,748,620
Large single-establishment	-	-	\$711,996	-	-	-	-	-	\$711,996
Large multi-establishment	-	-	\$616,637	-	-	-	-	-	\$616,637
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual<sup>4</sup></b>									
	-	-	\$32,384	-	-	\$621,184	-	-	\$653,568
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	\$810	-	-	\$15,530	-	-	\$16,339
<b>6. Correlation Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit<sup>4</sup></b>									
	-	-	\$6,477	-	-	\$124,237	-	-	\$130,714
<b>8. Quarterly On-Site Audit<sup>4</sup></b>									
NAF Exemption	-	-	\$9,126	-	-	\$93,914	-	-	\$103,040

<b>Exhibit 21: Total (including baseline) First Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
Standard Certification (Existing)	-	-	\$60,058	-	-	\$524,032	-	-	\$584,090
Standard Certification (New)	-	-	\$9,715	-	-	\$186,355	-	-	\$196,070
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>4</sup></b>									
2 Standard (Existing)/2 ULEF	-	-	\$15,898	-	-	\$139,251	-	-	\$155,149
Particleboard- 2 Standard (New)	-	-	\$1,472	-	-	\$18,842	-	-	\$20,314
HWPW – 2 Standard (New)	-	-	\$2,429	-	-	\$46,589	-	-	\$49,018
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	\$2,650	-	-	\$25,613	-	-	\$28,262
2 NAF	-	-	\$1,030	-	-	\$10,304	-	-	\$11,334
<b>11. On-site Audit Travel</b>									
	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$36,506	-	-	\$386,253	-	-	\$422,758
<b>13. Quality Control Testing <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	\$57,408	-	-	\$625,747	-	-	\$683,155
HWPW - Standard Certification (New)	-	-	\$63,149	-	-	\$1,211,309	-	-	\$1,274,458
PB/MDF – Standard Certification	-	-	\$1,569,152	-	-	\$12,859,392	-	-	\$14,428,544
<b>14. Quality Control Testing Shipping</b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-

**Exhibit 21: Total (including baseline) First Year Labor Costs, by Activity and Geographic Location**

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping <sup>4</sup></b>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>17. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	\$9,539,350	-	-	\$3,720,332	-	-	\$13,259,682	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	\$77,592,848	-	-	\$30,259,628	-	-	\$107,852,476	-
Producers-HWPW <sup>6</sup>	\$5,336	-	-	\$70,021	-	-	\$75,357	-	-
Producers – PB <sup>6</sup>	\$2,343	-	-	\$16,321	-	-	\$18,664	-	-
Producers – MDF <sup>6</sup>	\$2,291	-	-	\$28,529	-	-	\$30,820	-	-
Wholesalers <sup>6</sup>	-	\$4,159,586	-	-	\$1,622,288	-	-	\$5,781,874	-
<b>Total - Year 1</b>	<b>\$9,969</b>	<b>\$91,291,784</b>	<b>\$117,126,543</b>	<b>\$114,870</b>	<b>\$35,602,248</b>	<b>\$41,069,399</b>	<b>\$124,840</b>	<b>\$126,894,032</b>	<b>\$158,195,943</b>

- 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 \$97.77 for rule familiarization for wholesalers.  
3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers.  
4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers.  
5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers.  
6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.



<b>Exhibit 22: Total (including baseline) Second and Third Year Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	-	-	-	-	-	-	-
Producers – PB <sup>1</sup>	-	-	-	-	-	-	-	-	-
Producers – MDF <sup>1</sup>	-	-	-	-	-	-	-	-	-
Fabricators and Laminators <sup>1</sup>									
Non-employer	-	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-	-
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>									
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>6. Correlation Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-

<b>Exhibit 22: Total (including baseline) Second and Third Year Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>7. Initial Audit</b>	-	-	-	-	-	-	-	-	-
<b>8. Quarterly On-Site Audit <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	\$9,126	-	-	\$93,914	-	-	\$103,040
Standard Certification	-	-	\$73,011	-	-	\$772,506	-	-	\$845,517
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>4</sup></b>									
Standard (Existing)/2 ULEF	-	-	\$15,898	-	-	\$139,251	-	-	\$155,149
PB/MDF – 2 Standard (New)	-	-	\$3,238	-	-	\$62,118	-	-	\$65,357
HWPW - Standard (New)	-	-	\$1,472	-	-	\$18,842	-	-	\$20,314
1 ULEF & 1 NAF/ 1 Standard & 1 NAF	-	-	\$2,650	-	-	\$25,613	-	-	\$28,262
2 NAF	-	-	\$1,030	-	-	\$10,304	-	-	\$11,334
<b>11. On-site Audit Travel</b>	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$36,506	-	-	\$386,253	-	-	\$422,758
<b>13. Quality Control Testing <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification	-	-	\$120,557	-	-	\$1,837,056	-	-	\$1,957,613
PB/MDF – Standard Certification	-	-	\$1,569,152	-	-	\$12,859,392	-	-	\$14,428,544
<b>14. Quality Control Testing Shipping</b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-

<b>Exhibit 22: Total (including baseline) Second and Third Year Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping <sup>4</sup></b>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>17. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	-	-	-	-	-	-	-	-
Producers-HWPW <sup>6</sup>	-	-	-	-	-	-	-	-	-
Producers – PB <sup>6</sup>	-	-	-	-	-	-	-	-	-
Producers – MDF <sup>6</sup>	-	-	-	-	-	-	-	-	-
Wholesalers <sup>5</sup>	-	-	-	-	-	-	-	-	-
<b>Total - Years 2 and 3</b>	-	-	<b>\$2,071,619</b>	-	-	<b>\$18,924,915</b>	-	-	<b>\$20,996,534</b>
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 \$97.77 for rule familiarization for wholesalers. 3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers. 4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers. 5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers. 6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.									

<b>Exhibit 23: Three Year Average Labor Costs (including baseline), by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	\$31,182	-	-	\$409,167	-	-	\$440,349
Producers – PB <sup>1</sup>	-	-	\$15,456	-	-	\$107,677	-	-	\$123,133
Producers – MDF <sup>1</sup>	-	-	\$13,493	-	-	\$168,053	-	-	\$181,547
Fabricators and Laminators <sup>1</sup>									
Non-employer	-	-	\$4,583,219	-	-	\$1,787,499	-	-	\$6,370,718
Small employer	-	-	\$6,508,791	-	-	\$2,538,513	-	-	\$9,047,305
Large employer	-	-	\$108,928	-	-	\$42,197	-	-	\$151,125
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	\$1,993,139	-	-	\$777,337	-	-	\$2,770,476
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	\$3,142,849	-	-	\$1,225,775	-	-	\$4,368,624
Importer - Large single establishment	-	-	\$32,590	-	-	\$12,775	-	-	\$45,365
Large multi-establishment	-	-	\$217,701	-	-	\$84,734	-	-	\$302,435
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	\$21,249,540	-	-	-	-	-	\$21,249,540
Large single-establishment	-	-	\$237,332	-	-	-	-	-	\$237,332
Large multi-establishment	-	-	\$205,546	-	-	-	-	-	\$205,546
<b>2. TPC Fee<sup>4</sup></b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual<sup>4</sup></b>									
	-	-	\$10,795	-	-	\$207,061	-	-	\$217,856
<b>4. Qualifying Test<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	\$270	-	-	\$5,177	-	-	\$5,446
<b>6. Correlation Test<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit<sup>4</sup></b>									
	-	-	\$2,159	-	-	\$41,412	-	-	\$43,571

<b>Exhibit 23: Three Year Average Labor Costs (including baseline), by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>8. Quarterly On-Site Audit <sup>4</sup></b>									
NAF Exemption	-	-	\$9,126	-	-	\$93,914	-	-	\$103,040
Standard Certification (Existing)	-	-	\$60,058	-	-	\$524,032	-	-	\$584,090
Standard Certification (New)	-	-	\$11,874	-	-	\$227,767	-	-	\$239,642
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>4</sup></b>									
2 Standard (Existing)/2 ULEF	-	-	\$15,898	-	-	\$139,251	-	-	\$155,149
Particleboard- 2 Standard (New)	-	-	\$1,472	-	-	\$18,842	-	-	\$20,314
HWPW – 2 Standard (New)	-	-	\$2,969	-	-	\$56,942	-	-	\$59,910
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	\$2,650	-	-	\$25,613	-	-	\$28,262
2 NAF	-	-	\$1,030	-	-	\$10,304	-	-	\$11,334
<b>11. On-site Audit Travel</b>									
	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$36,506	-	-	\$386,253	-	-	\$422,758
<b>13. Quality Control Testing <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	\$57,408	-	-	\$625,747	-	-	\$683,155
HWPW - Standard Certification (New)	-	-	\$63,149	-	-	\$1,211,309	-	-	\$1,274,458
PB/MDF – Standard Certification	-	-	\$1,569,152	-	-	\$12,859,392	-	-	\$14,428,544
<b>14. Quality Control Testing Shipping</b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification	-	-	-	-	-	-	-	-	-

<b>Exhibit 23: Three Year Average Labor Costs (including baseline), by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
(Existing)									
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>16. Recurring Recordkeeping</b> <sup>4</sup>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>17. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	\$3,179,783	-	-	\$1,240,111	-	-	\$4,419,894	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	\$25,864,283	-	-	\$10,086,543	-	-	\$35,950,825	-
Producers-HWPW <sup>6</sup>	\$1,779	-	-	\$23,340	-	-	\$25,119	-	-
Producers – PB <sup>6</sup>	\$781	-	-	\$5,440	-	-	\$6,221	-	-
Producers – MDF <sup>6</sup>	\$764	-	-	\$9,510	-	-	\$10,273	-	-
Wholesalers <sup>5</sup>	-	\$1,386,529	-	-	\$540,763	-	-	\$1,927,291	-
<b>Total - Three Year Average</b>	<b>\$3,323</b>	<b>\$30,430,595</b>	<b>\$40,423,261</b>	<b>\$38,290</b>	<b>\$11,867,416</b>	<b>\$26,306,410</b>	<b>\$41,613</b>	<b>\$42,298,011</b>	<b>\$66,729,670</b>
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 \$97.77 for rule familiarization for wholesalers. 3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers. 4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers. 5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers. 6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.									

<b>Exhibit 24: Incremental First Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	\$93,546	-	-	\$1,227,501	-	-	\$1,321,046
Producers – PB <sup>1</sup>	-	-	\$46,368	-	-	\$323,030	-	-	\$369,398
Producers – MDF <sup>1</sup>	-	-	\$40,480	-	-	\$504,160	-	-	\$544,640
Fabricators and Laminators <sup>1</sup>									
Non-employer	-	-	\$13,749,658	-	-	\$5,362,496	-	-	\$19,112,154
Small employer	-	-	\$19,526,374	-	-	\$7,615,539	-	-	\$27,141,914
Large employer	-	-	\$326,784	-	-	\$126,592	-	-	\$453,376
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	\$5,979,418	-	-	\$2,332,010	-	-	\$8,311,428
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	\$9,428,548	-	-	\$3,677,325	-	-	\$13,105,873
Importer - Large single establishment	-	-	\$97,770	-	-	\$38,326	-	-	\$136,096
Large multi-establishment	-	-	\$653,104	-	-	\$254,202	-	-	\$907,306
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	\$63,748,620	-	-	-	-	-	\$63,748,620
Large single-establishment	-	-	\$711,996	-	-	-	-	-	\$711,996
Large multi-establishment	-	-	\$616,637	-	-	-	-	-	\$616,637
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual<sup>4</sup></b>									
	-	-	\$32,384	-	-	\$621,184	-	-	\$653,568
<b>4. Qualifying Test<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	\$810	-	-	\$15,530	-	-	\$16,339
<b>6. Correlation Test<sup>4</sup></b>									

<b>Exhibit 24: Incremental First Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit <sup>4</sup></b>	-	-	\$6,477	-	-	\$124,237	-	-	\$130,714
<b>8. Quarterly On-Site Audit <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
Standard Certification (New)	-	-	\$9,715	-	-	\$186,355	-	-	\$196,070
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>4</sup></b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	\$2,429	-	-	\$46,589	-	-	\$49,018
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>									
<b>12. Desk Audits <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$6,477	-	-	\$124,237	-	-	\$130,714
<b>13. Quality Control Testing <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	\$63,149	-	-	\$1,211,309	-	-	\$1,274,458
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>									



**Exhibit 24: Incremental First Year Labor Costs, by Activity and Geographic Location**

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>18. Recurring Recordkeeping <sup>4</sup></b>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>19. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	\$9,539,350	-	-	\$3,720,332	-	-	\$13,259,682	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	\$77,592,848	-	-	\$30,259,628	-	-	\$107,852,476	-
Producers-HWPW <sup>6</sup>	\$5,336	-	-	\$70,021	-	-	\$75,357	-	-
Producers – PB <sup>6</sup>	\$2,343	-	-	\$16,321	-	-	\$18,664	-	-
Producers – MDF <sup>6</sup>	\$2,291	-	-	\$28,529	-	-	\$30,820	-	-
Wholesalers <sup>5</sup>	-	\$4,159,586	-	-	\$1,622,288	-	-	\$5,781,874	-
<b>Total - Year 1</b>	<b>\$9,969</b>	<b>\$91,291,784</b>	<b>\$115,379,721</b>	<b>\$114,870</b>	<b>\$35,602,248</b>	<b>\$26,510,289</b>	<b>\$124,840</b>	<b>\$126,894,032</b>	<b>\$141,890,010</b>

- 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 \$97.77 for rule familiarization for wholesalers.  
3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers.  
4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers.  
5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers.  
6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.



**Exhibit 25: Incremental Second and Third Year Labor Costs, by Activity and Geographic Location**

Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	-	-	-	-	-	-	-
Producers – PB <sup>1</sup>	-	-	-	-	-	-	-	-	-
Producers – MDF <sup>1</sup>	-	-	-	-	-	-	-	-	-
Fabricators and <sup>1</sup>									
Non-employer	-	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-	-
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual</b>									
-	-	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>6. Correlation Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit</b>									
-	-	-	-	-	-	-	-	-	-

<b>Exhibit 25: Incremental Second and Third Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>8. Quarterly On-Site Audit <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$12,954	-	-	\$248,474	-	-	\$261,427
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>4</sup></b>									
Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW - Standard (New)	-	-	\$3,238	-	-	\$62,118	-	-	\$65,357
1 ULEF & 1 NAF/ 1 Standard & 1 NAF	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>									
	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits <sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$6,477	-	-	\$124,237	-	-	\$130,714
<b>13. Quality Control Testing <sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification	-	-	\$63,149	-	-	\$1,211,309	-	-	\$1,274,458
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-

<b>Exhibit 25: Incremental Second and Third Year Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard	-	-	-	-	-	-	-	-	-
<b>18. Recurring Recordkeeping <sup>4</sup></b>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>19. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	-	-	-	-	-	-	-	-
Producers-HWPW <sup>6</sup>	-	-	-	-	-	-	-	-	-
Producers – PB <sup>6</sup>	-	-	-	-	-	-	-	-	-
Producers – MDF <sup>6</sup>	-	-	-	-	-	-	-	-	-
Wholesalers <sup>5</sup>	-	-	-	-	-	-	-	-	-
<b>Total - Years 2 and 3</b>	-	-	<b>\$324,797</b>	-	-	<b>\$4,365,805</b>	-	-	<b>\$4,690,602</b>
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 \$97.77 for rule familiarization for wholesalers. 3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers. 4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers. 5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers. 6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.									

<b>Exhibit 26: Three Year Average Incremental Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
<b>1. Rule Familiarization</b>									
Producers – HWPW <sup>1</sup>	-	-	\$31,182	-	-	\$409,167	-	-	\$440,349
Producers – PB <sup>1</sup>	-	-	\$15,456	-	-	\$107,677	-	-	\$123,133
Producers – MDF <sup>1</sup>	-	-	\$13,493	-	-	\$168,053	-	-	\$181,547
Fabricators and Laminators <sup>1</sup>									
Non-employer	-	-	\$4,583,219	-	-	\$1,787,499	-	-	\$6,370,718
Small employer	-	-	\$6,508,791	-	-	\$2,538,513	-	-	\$9,047,305
Large employer	-	-	\$108,928	-	-	\$42,197	-	-	\$151,125
Wholesalers <sup>2</sup>									
Non-Importer – Small (including non-employer)	-	-	\$1,993,139	-	-	\$777,337	-	-	\$2,770,476
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	\$3,142,849	-	-	\$1,225,775	-	-	\$4,368,624
Importer - Large single establishment	-	-	\$32,590	-	-	\$12,775	-	-	\$45,365
Large multi-establishment	-	-	\$217,701	-	-	\$84,734	-	-	\$302,435
Retailers <sup>3</sup>									
Small (including non-employer)	-	-	\$21,249,540	-	-	-	-	-	\$21,249,540
Large single-establishment	-	-	\$237,332	-	-	-	-	-	\$237,332
Large multi-establishment	-	-	\$205,546	-	-	-	-	-	\$205,546
<b>2. TPC Fee</b>									
NAF/ULEF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>3. Develop Quality Control Manual<sup>4</sup></b>									
	-	-	\$10,795	-	-	\$207,061	-	-	\$217,856
<b>4. Qualifying Test</b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-

<b>Exhibit 26: Three Year Average Incremental Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
2 Products	-	-	\$270	-	-	\$5,177	-	-	\$5,446
<b>6. Correlation Test<sup>4</sup></b>									
1 Product	-	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-	-
<b>7. Initial Audit<sup>4</sup></b>									
	-	-	\$2,159	-	-	\$41,412	-	-	\$43,571
<b>8. Quarterly On-Site Audit<sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
Standard Certification (New)	-	-	\$11,874	-	-	\$227,767	-	-	\$239,642
<b>9. Large Scale Testing Fee</b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	-	-	-	-	-	-	-
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping<sup>4</sup></b>									
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New)	-	-	-	-	-	-	-	-	-
HWPW – 2 Standard (New)	-	-	\$2,969	-	-	\$56,942	-	-	\$59,910
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>									
	-	-	-	-	-	-	-	-	-
<b>12. Desk Audits<sup>4</sup></b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	\$6,477	-	-	\$124,237	-	-	\$130,714
<b>13. Quality Control Testing<sup>4</sup></b>									
NAF Exemption	-	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	\$63,149	-	-	\$1,211,309	-	-	\$1,274,458

<b>Exhibit 26: Three Year Average Incremental Labor Costs, by Activity and Geographic Location</b>									
Activity	Domestic			Foreign			Total		
	Clerical	Technical	Managerial	Clerical	Technical	Managerial	Clerical	Technical	Managerial
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>									
ULEF/NAF Exemption	-	-	-	-	-	-	-	-	-
Standard Certification	-	-	-	-	-	-	-	-	-
<b>15. Lost Product</b>									
HWPW - NAF Exemption	-	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	-	-	-	-	-	-	-	-	-
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	-	-	-	-	-	-	-	-	-
<b>18. Recurring Recordkeeping <sup>4</sup></b>									
Producers – HWPW	-	-	\$123,722	-	-	\$1,623,469	-	-	\$1,747,190
Producers – PB	-	-	\$61,824	-	-	\$430,707	-	-	\$492,531
Producers – MDF	-	-	\$53,434	-	-	\$665,491	-	-	\$718,925
<b>19. Labeling</b>									
Minor Changes – Laminators and Fabricators <sup>5</sup>	-	\$3,179,783	-	-	\$1,240,111	-	-	\$4,419,894	-
Major Changes – Laminators and Fabricators <sup>5</sup>	-	\$25,864,283	-	-	\$10,086,543	-	-	\$35,950,825	-
Producers-HWPW <sup>6</sup>	\$1,779	-	-	\$23,340	-	-	\$25,119	-	-
Producers – PB <sup>6</sup>	\$781	-	-	\$5,440	-	-	\$6,221	-	-
Producers – MDF <sup>6</sup>	\$764	-	-	\$9,510	-	-	\$10,273	-	-
Wholesalers <sup>5</sup>	-	\$1,386,529	-	-	\$540,763	-	-	\$1,927,291	-
<b>Total - Three Year Average</b>	<b>\$3,323</b>	<b>\$30,430,595</b>	<b>\$38,676,438</b>	<b>\$38,290</b>	<b>\$11,867,416</b>	<b>\$11,747,299</b>	<b>\$41,613</b>	<b>\$42,298,011</b>	<b>\$50,423,738</b>



<b>Exhibit 26: Three Year Average Incremental Labor Costs, by Activity and Geographic Location</b>									
<b>Activity</b>	<b>Domestic</b>			<b>Foreign</b>			<b>Total</b>		
	<b>Clerical</b>	<b>Technical</b>	<b>Managerial</b>	<b>Clerical</b>	<b>Technical</b>	<b>Managerial</b>	<b>Clerical</b>	<b>Technical</b>	<b>Managerial</b>
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 \$97.77 for rule familiarization for wholesalers. 3. The analysis uses a loaded wage rate of \$84.24 for rule familiarization for retailers. 4. The analysis uses a loaded wage rate of \$73.60 for testing and certification and recordkeeping for composite panel producers. 5. The analysis uses a loaded wage rate of \$49.46 for labeling for laminators, fabricators and wholesalers. 6. The analysis uses a loaded wage rate of \$26.03 for labeling for producers.									

Exhibit 27: Recordkeeping and Reporting Labor Costs for Accreditation Bodies, by Activity (2013\$)					
Activity	Estimated Annual Frequency <sup>1</sup>	Clerical Cost <sup>2</sup>	Technical Cost <sup>2</sup>	Managerial Cost <sup>2</sup>	Total Cost
<b>1. Rule Familiarization</b>	<b>1.00</b>	<b>\$0.00</b>	<b>\$1,162.00</b>	<b>\$1,383.00</b>	<b>\$2,545.00</b>
<b>2. CDX Electronic Reporting (First Year)</b>					
CDX Registration	1.00	\$0.00	\$38.93	\$11.76	\$50.69
Electronic Subscriber Agreements (domestic firms)	1.00	\$0.00	\$0.00	\$17.29	\$17.29
Paper Subscriber Agreements (foreign firms)	1.00	\$0.00	\$0.00	\$22.82	\$22.82
Help Desk	1.00	\$0.00	\$15.69	\$4.84	\$20.53
Problem Resolution	0.03	\$0.00	\$1.74	\$0.00	\$1.74
<b>CDX Electronic Reporting (First Year) Subtotal (Domestic)</b>					<b>\$90.25</b>
<b>CDX Electronic Reporting (First Year) Subtotal (Foreign)</b>					<b>\$95.78</b>
<b>3. CDX Electronic Reporting (Subsequent Years)</b>					
CDX Registration	0.10	\$0.00	\$3.89	\$1.18	\$5.07
Electronic Subscriber Agreements (domestic firms)	0.10	\$0.00	\$0.00	\$1.73	\$1.73
Paper Subscriber Agreements (foreign firms)	0.10	\$0.00	\$0.00	\$2.28	\$2.28
Help Desk	0.10	\$0.00	\$1.57	\$0.48	\$2.05
Report Compromised Signature	0.01	\$0.00	\$0.00	\$0.28	\$0.28
<b>CDX Electronic Reporting (Subsequent Year) Subtotal (Domestic)</b>					<b>\$9.13</b>
<b>CDX Electronic Reporting (Subsequent Year) Subtotal (Foreign)</b>					<b>\$9.68</b>
<b>3. Application Submission</b>					
Company Information (Name, Address, Telephone Number, and Email Address of Primary Contact) <sup>3</sup>	1	\$0.00	\$2.32	\$1.38	\$3.70
Documentation of IAF MLA, ILAC MRA, or Equivalent Signatory Status <sup>3</sup>	1	\$0.00	\$2.32	\$1.38	\$3.70
Description of Any Other Qualifications Related to Experience in Performing Accreditation of Conformity Assessment Bodies or Third Party Certifiers <sup>4</sup>	1	\$0.00	\$48.22	\$35.27	\$83.49
<b>Application Submission Subtotal</b>					<b>\$90.89</b>
<b>4. Recognition Agreement<sup>5</sup></b>	<b>1</b>	<b>\$0.00</b>	<b>\$58.10</b>	<b>\$276.60</b>	<b>\$334.70</b>
<b>5. Notifications to EPA</b>					
Loss of Status as a Signatory to the IAF MLA, ILAC MRA, or Equivalent Organization <sup>6</sup>	0.05	\$0.00	\$0.23	\$0.14	\$0.37
Third Party Certifier Application <sup>6</sup>	3	\$0.00	\$13.94	\$8.30	\$22.24
Third Party Certifier Accreditation <sup>6</sup>	3	\$0.00	\$13.94	\$8.30	\$22.24
Third Party Certifier Compliance Failure <sup>6</sup>	0.33	\$0.00	\$1.53	\$0.91	\$2.44
Third Party Certifier Accreditation Suspension or Revocation (Product ABs) / Accredited Laboratory Compliance Failure (Laboratory ABs) <sup>6</sup>	0.33	\$0.00	\$1.53	\$0.91	\$2.44
Change to Organizational Policy or Management Structure that Could Adversely Affect Accreditation Program <sup>6</sup>	0.2	\$0.00	\$0.93	\$0.55	\$1.48
Change in Name or Address of Domestic Agent ( <i>Foreign Entities Only</i> ) <sup>6</sup>	0.5	\$0.00	\$2.32	\$1.38	\$3.70
<b>Notifications to EPA Subtotal (Domestic)</b>					<b>\$51.21</b>
<b>Notifications to EPA Subtotal (Foreign)</b>					<b>\$54.91</b>

Exhibit 27: Recordkeeping and Reporting Labor Costs for Accreditation Bodies, by Activity (2013\$)					
Activity	Estimated Annual Frequency <sup>1</sup>	Clerical Cost <sup>2</sup>	Technical Cost <sup>2</sup>	Managerial Cost <sup>2</sup>	Total Cost
<b>6. Notifications to Third Party Certifiers</b>					
Unique Tracking Number <sup>3</sup>	3	\$0.00	\$6.97	\$4.15	\$11.12
Withdraw from or be Removed from Program <sup>3</sup>	0.25	\$0.00	\$0.58	\$0.35	\$0.93
<b>Notifications to TPCs Subtotal</b>					<b>\$12.05</b>
<b>7. Recordkeeping</b>					
Accreditation Applications <sup>7</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
Checklists and Other Records Documenting Compliance with the Requirements for Systems Audits and On-site Assessment of Third Party Certifiers <sup>7</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
<b>Recordkeeping Subtotal</b>					<b>\$185.36</b>
<b>8. Annual Report to EPA</b>					
Number of Third Party Certifier Applications Received <sup>8</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
Number of Third Party Certifier Applications Approved and Denied <sup>8</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
The Names and Contact Information of All Accredited Third Party Certifiers <sup>8</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
Number and Locations of Systems Audits and On-site Assessments <sup>8</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
Results of Accredited Third Party Certifier Laboratory Proficiency Testing or Inter-laboratory Comparisons <sup>8</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
<b>Annual Report Subtotal</b>					<b>\$231.70</b>
<b>Domestic Total in First Year</b>					<b>\$3,541.16</b>
<b>Foreign Total in First Year</b>					<b>\$3,550.39</b>
<b>Domestic Total in Year 2</b>					<b>\$489.45</b>
<b>Foreign Total in Year 2</b>					<b>\$493.70</b>
<b>Domestic Total in Year 3</b>					<b>\$915.04</b>
<b>Foreign Total in Year 3</b>					<b>\$919.29</b>
Notes: 1. Based on best professional judgment and rule requirements. Under the proposed rule, accreditation bodies are required to submit an application to renew their recognition agreement every 3 years. As a result, this analysis assumes that accreditation bodies incur application submission and recognition agreement preparation costs in the first year and subsequently every 3 years thereafter.					
2. Based on Employer Costs for Employee Compensation wage and benefit data for private professional and business services industries (BLS 2014). Clerical costs are estimated using data from the "office and administrative support" occupational group; technical costs are estimated using data from the "professional and related" occupational group; and managerial costs are estimated using data from the "management, business, and financial" occupational group.					
3. Based on the estimated burden associated with reporting "company information" (EPA 2011a).					
4. Based on the estimated burden associated with answering substantiation questions when making plant site confidentiality claims (EPA 2011a).					
5. Based on conversations with accreditation bodies.					
6. Based on the estimated burden associated with reporting "company information" (EPA 2011a). Values have been doubled based on best professional judgment.					
7. Based on the estimated burden associated with "recordkeeping" (EPA 2011a). The rule requires that records be kept for 3 years that show the production volume, plant site, and site-limited status of each reported substance.					
8. Estimated as one-third of the burden associated with "recordkeeping" (EPA 2011a). Estimate based on best professional judgment.					
Sources: (1) U.S. Bureau of Labor Statistics (BLS) 2014. Employer Costs for Employee Compensation: Supplementary Tables: Historical Data: December 2006 - March 2012, and (2) U.S. Environmental Protection Agency 2011. Supporting Statement for a Request for OMB Review under the Paperwork Reduction Act: the Final Rule Addendum to Partial Update of the TSCA Section 8(b) TSCA Inventory Data Base, Production and Site Reports.					

Exhibit 28: Recordkeeping and Reporting Labor Costs for Third Party Certifiers, by Activity (2013\$)					
Activity	Estimated Annual Frequency <sup>1</sup>	Clerical Cost <sup>2</sup>	Technical Cost <sup>2</sup>	Managerial Cost <sup>2</sup>	Total Cost
<b>1. Rule Familiarization</b>	<b>1</b>	<b>\$0.00</b>	<b>\$1,162.00</b>	<b>\$1,383.00</b>	<b>\$2,545.00</b>
<b>2. CDX Electronic Reporting (First Year)</b>					
CDX Registration	1.00	\$0.00	\$38.93	\$11.76	\$50.69
Electronic Subscriber Agreements (domestic firms)	1.00	\$0.00	\$0.00	\$17.29	\$17.29
Paper Subscriber Agreements (foreign firms)	1.00	\$0.00	\$0.00	\$22.82	\$22.82
Help Desk	1.00	\$0.00	\$15.69	\$4.84	\$20.53
Problem Resolution	0.03	\$0.00	\$1.74	\$0.00	\$1.74
<b>CDX Electronic Reporting (First Year) Subtotal (Domestic)</b>					<b>\$90.25</b>
<b>CDX Electronic Reporting (First Year) Subtotal (Foreign)</b>					<b>\$95.78</b>
<b>3. CDX Electronic Reporting (Subsequent Years)</b>					
CDX Registration	0.10	\$0.00	\$3.89	\$1.18	\$5.07
Electronic Subscriber Agreements (domestic firms)	0.10	\$0.00	\$0.00	\$1.73	\$1.73
Paper Subscriber Agreements (foreign firms)	0.10	\$0.00	\$0.00	\$2.28	\$2.28
Help Desk	0.10	\$0.00	\$1.57	\$0.48	\$2.05
Report Compromised Signature	0.01	\$0.00	\$0.00	\$0.28	\$0.28
<b>CDX Electronic Reporting (Subsequent Year) Subtotal (Domestic)</b>					<b>\$9.13</b>
<b>CDX Electronic Reporting (Subsequent Year) Subtotal (Foreign)</b>					<b>\$9.68</b>
<b>4. Provide Documentation of CARB Reciprocity</b>	<b>1</b>	<b>\$0</b>	<b>\$29.05</b>	<b>\$17.29</b>	<b>\$46.34</b>
<b>5. Notification to Manufacturers</b>					
Third Party Certifier Number <sup>3</sup>	1	\$0.00	\$2.32	\$1.38	\$3.70
Withdraw from Program or Lose Accreditation <sup>3</sup>	0.25	\$0.00	\$0.58	\$0.35	\$0.93
<b>Notification to Manufacturers Subtotal</b>					<b>\$4.63</b>
<b>6. Recordkeeping</b>					
List of Manufacturers and their Product Types (including Resin Systems Used) Certified by TPC <sup>5</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
Results of Inspections, Audits, and Emission Tests Conducted for Each Manufacturer and Product Type <sup>5</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
List of the TPC's Laboratories, Test Methods (including Test Conditions and Conditioning Time), and Test Results <sup>5</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
Methods and Results for Establishing Test Method Correlations and Equivalence <sup>5</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
List of Manufacturers and Products Approved for Reduced Testing <sup>5</sup>	1	\$0.00	\$58.10	\$34.58	\$92.68
<b>Recordkeeping Subtotal</b>					<b>\$556.08</b>
<b>7. Annual Report to Accreditation Bodies</b>					
List of Manufacturers and their Products Certified by the TPC during the Previous Year (including Resin Systems Used, and the Average and Range of Formaldehyde Emissions by Manufacturer, Resin, and Product Type) <sup>6</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34

Exhibit 28: Recordkeeping and Reporting Labor Costs for Third Party Certifiers, by Activity (2013\$)					
Activity	Estimated Annual Frequency <sup>1</sup>	Clerical Cost <sup>2</sup>	Technical Cost <sup>2</sup>	Managerial Cost <sup>2</sup>	Total Cost
List of Noncomplying Products or Events by Manufacturer <sup>6</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
List of Laboratories and Test Methods Used by the TPC <sup>6</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
Results of Inter-Laboratory Comparison or Proficiency Testing for the Laboratories Used by the TPC <sup>6</sup>	1	\$0.00	\$29.05	\$17.29	\$46.34
<b>Annual Report to AB Subtotal</b>					<b>\$185.36</b>
<b>8. Notifications to Accreditation Bodies</b>					
Personnel Qualification Changes <sup>3</sup>	0.5	\$0.00	\$1.16	\$0.69	\$1.85
Procedure Changes <sup>3</sup>	0.5	\$0.00	\$1.16	\$0.69	\$1.85
Laboratory Changes <sup>3</sup>	0.5	\$0.00	\$1.16	\$0.69	\$1.85
<b>Notifications to Accreditation Bodies Subtotal</b>					<b>\$5.55</b>
<b>9. Notifications to EPA</b>					
Checklists and Other Records	1.00	0.00	4.65	2.77	7.42
Change in Name or Address of Domestic Agent ( <i>Foreign TPCs Only</i> ) <sup>3</sup>	0.5	\$0.00	\$1.16	\$0.69	\$1.85
<b>Domestic Total in First Year</b>					<b>\$3,440.63</b>
<b>Foreign Total in First Year</b>					<b>\$3,448.01</b>
<b>Domestic Total in Non-Reapplication Year (Year 2)</b>					<b>\$768.17</b>
<b>Domestic Total in Non-Reapplication Year (Year 2)</b>					<b>\$766.87</b>
<b>Domestic Total in Reapplication Year (Year 3)</b>					<b>\$814.51</b>
<b>Foreign Total in Reapplications Year (Year 3)</b>					<b>\$816.91</b>
<p>Notes: 1. Based on best professional judgment and rule requirements. Under the proposed rule, TPCs are required to apply for re-accreditation every three years. As a result, application and accreditation costs are incurred every third year.</p> <p>2. Based on Employer Costs for Employee Compensation wage and benefit data for private professional and business services industries (BLS 2014). Clerical costs are estimated using data from the "office and administrative support" occupational group; technical costs are estimated using data from the "professional and related" occupational group; and managerial costs are estimated using data from the "management, business, and financial" occupational group.</p> <p>3. Based on the estimated burden associated with reporting "company information" (EPA 2011a).</p> <p>4. Based on the estimated burden associated with answering substantiation questions when making plant site confidentiality claims (EPA 2011a).</p> <p>5. Based on the estimated burden associated with "recordkeeping" (EPA 2011a). The rule requires that records be kept for 3 years that show the production volume, plant site, and site-limited status of each reported substance.</p> <p>6. Estimated as one-third of the burden associated with "recordkeeping" (EPA 2011a). Estimate based on best professional judgment.</p> <p>Sources: (1) U.S. Bureau of Labor Statistics (BLS) 2014. <i>Employer Costs for Employee Compensation: Supplementary Tables: Historical Data: December 2006 - March 2012</i>, and (2) U.S. Environmental Protection Agency 2011. <i>Supporting Statement for a Request for OMB Review under the Paperwork Reduction Act: the Final Rule Addendum to Partial Update of the TSCA Section 8(b) TSCA Inventory Data Base, Production and Site Reports</i>.</p>					

## 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 30 through exhibit 32 summarize the number of respondents, per-respondent and total non-labor costs for each response activity over the next three years. Exhibit 33 through exhibit 35 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 or exemption from TPC oversight under the TSCA Title VI regulations.

#### *TPC Fees (Activity #2)*

CPA and HPVA charge administrative fees to mills for their services. CPA charges a quarterly fee of \$1,554 regardless of NAF or ULEF status, which is equivalent to \$6,214 per year. HPVA charges an annual program fee of \$4,807 to \$5,875 (depending on membership status) to mills that do not have a NAF or ULEF exemption from TPC oversight. Mills with ULEF or NAF exemptions are required to pay the standard annual program fee in the first year and an annual fee of \$2,884 to \$3,832 in all subsequent years. This analysis assumes that the annual TPC fee for mills with standard certification is \$6,214, the fees for uncertified or standard-certified mills with new NAF exemptions from TPC oversight are \$6,214 in the first year and \$3,832 in all subsequent years, and the annual fee for mills with a current NAF or ULEF exemption is \$3,832.<sup>21</sup>

<b>Exhibit 29: TPC Fees</b>		
<b>Cost Category</b>	<b>Type</b>	<b>Fee</b>
Initial Fee	All	\$6,214
Annual Fee	Standard	\$6,214
	NAF/ULEF	\$3,832

#### *Qualifying Test (Activity #4)*

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 or NAF or ULEF certification is sought. This ICR assumes that all qualifying testing is performed using the primary test method, large chamber test, as defined by ASTM International Standard E1333. This ICR assumes a cost of \$497 per large scale test based

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<sup>21</sup> ULEF and NAF exemption apply to product lines, and not necessarily to the entire facility. Mills with multiple product lines could have one or more lines exempted 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 exempted from TPC oversight as ULEF or NAF.

on HPVA's 2010 fee.<sup>22</sup> This analysis assumes that mills making product lines that have a standard certification or a NAF exemption 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 or exemption from TPC oversight under the TSCA Title VI regulations. Thus, producers that are already CARB compliant and are not expected to pursue a NAF or ULEF exemption will not incur this burden.

#### *Qualifying Test Shipping (Activity #5)*

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 \$207 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 or exemption from TPC oversight under the TSCA Title VI regulations. Thus, producers that are already CARB compliant and are not expected to pursue a NAF or ULEF exemption 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 exemption. 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.<sup>23</sup>

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 \$311 to \$466 for initial visits and from \$414 to \$466 for quarterly visits, depending on the TPC. Based on these ranges, this analysis assumes that will mills will pay a fee of \$466 per visit.

As in the burden section, this analysis assumes that producers with new NAF exemptions from TPC oversight 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 exemptions. All ULEF and NAF-exempt producers will have one on-site audit annually thereafter.

#### *Large Scale Testing Fees (Activity #9)*

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<sup>22</sup> 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 (2010\$).

<sup>23</sup> Personal Communication with HPVA 2011

As described above, it is assumed that each large scale test costs \$497. Mills are assumed to perform large scale testing quarterly unless all products have a NAF exemption from TPC oversight. It is assumed that mills with only NAF 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 certification and/or ULEF and NAF exemptions).

#### *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 HPVA, the total shipping cost for the quarterly tests is estimated to be approximately \$8 per product line. Note that some respondents are assumed to have different certifications for different product lines (i.e., combinations of standard certification and/or ULEF and NAF exemptions).

#### *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 \$2,020 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 \$1,554 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 \$259.

As in the burden section, this analysis assumes that producers with new NAF exemptions from TPC oversight 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 exemptions.

#### *Quality Control Testing (Activity #13)*

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 low emitting or NAF resins to qualify for ULEF or NAF exemptions from TPC oversight under the CARB ATCM.) The CARB ATCM and TSCA Title VI allow mills to ship panels from certified product lines before test results are available, so this analysis assumes that hardwood plywood producers will opt to not perform on-site testing.

HPVA typically uses a desiccator test for small scale testing, but small chamber tests may also be performed. It is assumed that mills will incur fees of \$73 per desiccator test and \$420 per small chamber test. An equal number of mills are assumed to use each type of test for an average of \$246 per small scale test conducted at a TPC.

#### *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, mills with a standard certification or ULEF exemption are assumed to send one panel per product type to the TPC for large scale testing each quarter. However, NAF exempt product lines 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 certification and/or ULEF and NAF exemptions).

This analysis estimated the cost of each panel using the average cost per square foot of hardwood plywood, \$0.54 and particleboard, \$0.40 (RISI 2014). Assuming a panel size of 32 sq. ft., each hardwood plywood panel will cost the mill \$17.28, and each particleboard panel will cost \$12.80.

#### (B). Fabricators

Fabricators are subject to the rule's labeling requirements. However, not all fabricators incur the non-labor costs associated with the rule because 1) they may already be complying with the CARB ATCM (Exhibit 8) or 2) their existing systems are sufficient to meet the requirements. As stated above, this analysis assumes that 50 percent of wood veneer laminated product producers using urea formaldehyde resins in the baseline will likely switch to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure, and be classified as fabricators.

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 \$296.76 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 \$148.38 (\$296.76 /2) associated with the labeling requirements.

### (C). Wholesalers

Wholesalers are subject to the 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 \$148.38). In addition, it is assumed all wholesalers do not incur costs associated with recordkeeping because their existing systems are sufficient to meet the requirements.

### (D). Retailers

As stated above, retailer's customary business practices are assumed to be generally sufficient to meet the rule's recordkeeping requirements.<sup>24</sup>

### (E). Accreditation Bodies and Third Party Certifiers

TPCs will incur non-labor costs associated with obtaining accreditation. The accreditation costs of TPCs will depend on whether they have the systems and equipment in place to satisfy the accreditation requirements or whether they will have to establish these. Based on telephone interviews, the cost of obtaining a single accreditation initially is about \$20,000 to \$30,000 for each quality system. This analysis uses the mid-point of the range, \$25,000, as the cost estimate. The cost would be about two times that if the firm needed to be newly accredited for both standards (Guide 65 and 17025). Based on discussions with six TPCs, the analysis assumes that seven-ninths of the CARB-certified TPCs will already have accreditations in place and that two-ninths will need to obtain one additional accreditation. As a result, this analysis assumes that two-of TPCs will incur a cost of \$25,000 to obtain one additional accreditation, while seven-ninths of TPCs will not incur any additional costs associated with obtaining and maintaining additional accreditations.

In addition to obtaining the initial accreditation, the TPCs will need to renew their systems and testing certifications. Two respondents reported costs that ranged from \$5,000 to \$15,000 per year associated with maintaining certification, such as paying audit fees to their AB (typical accreditation lasts two years). Note that the systems and testing certifications for which the laboratories reported costs may cover more than the specific formaldehyde testing, and therefore these estimates may overstate costs if these labs would incur these costs even if they were not acting as TPCs under TSCA Title VI. However, to be conservative and not underestimate costs, it is assumed that laboratories do not incur these costs in the baseline. Because the audits include tests other than formaldehyde, the analysis uses the low end of the costs reported as the annual reaccreditation cost, \$5,000. As discussed above, based on discussions with the six TPCs the analysis assumes that seven-ninths of the CARB-certified TPCs will already be maintaining these accreditations and that two-ninths will be maintaining one additional accreditation. Thus, two-ninths of TPCs will incur a cost of \$5,000 from

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<sup>24</sup> Personal Communication with CRA 2011.

maintaining an additional accreditation, while seven-ninths of TPCs will not incur any additional costs associated with obtaining and maintaining additional accreditations.

Foreign ABs and TPCs are required to designate an agent for service in the United States in their applications. The agent would need to be capable of accepting service of notices and processes made in administrative and judicial proceedings. It is assumed that designating a registered agent will cost each foreign AB or TPC \$117 annually.

#### (F). Summary

xhibit 30 and xhibit 31 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, for composite panel producers, fabricators, wholesalers, and retailers. xhibit 32 presents the average non-labor costs over the first three years of the rule, respectively. Exhibit 33 through Exhibit 34 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. Exhibit 36 presents non-labor costs for accreditation bodies and third-party certifiers for each of the first three years of the rule as well as a three-year average. As indicated, the average total annual non-labor cost (including baseline) over the first three years of the rule is estimated at approximately \$28.6 million, while the incremental non-labor costs are \$11.7 million. The domestic non-labor costs account for approximately 10 percent (\$2.9 million) and 11 percent (\$1.3 million) of these totals, respectively.

<b>Exhibit 30: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	31	319	350	1	\$3,832	\$118,792	\$1,222,408	\$1,341,200
Standard Certification <sup>2</sup>	62	656	718	1	\$6,214	\$385,268	\$4,076,384	\$4,461,652
<b>3. Develop Quality Control Manual</b>								
	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	5	64	69	5	\$497	\$12,425	\$159,040	\$171,465
2 Products	11	211	222	10	\$497	\$54,670	\$1,048,670	\$1,103,340
<b>5. Qualifying Test Shipment</b>								
1 Product	5	64	69	1	\$207	\$1,035	\$13,248	\$14,283
2 Products	11	211	222	2	\$207	\$4,554	\$87,354	\$91,908

<b>Exhibit 30: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	5	64	69	30	\$74	\$11,100	\$142,080	\$153,180
2 Products	11	211	222	30	\$246	\$81,180	\$1,557,180	\$1,638,360
<b>7. Initial Audit</b>	11	211	222	1	\$466	\$5,126	\$98,326	\$103,452
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								
NAF Exemption	31	319	350	1	\$466	\$14,446	\$148,654	\$163,100
Standard Certification (Existing)	51	445	496	4	\$466	\$95,064	\$829,480	\$924,544
Standard Certification (New) <sup>2</sup>	11	211	222	3	\$466	\$15,378	\$294,978	\$310,356
<b>9. Large Scale Testing Fee <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	54	473	527	8	\$497	\$214,704	\$1,880,648	\$2,095,352
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	3	\$497	\$7,455	\$95,424	\$102,879
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	6	\$497	\$32,802	\$629,202	\$662,004
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5	\$497	\$22,365	\$216,195	\$238,560
2 NAF	14	140	154	2	\$497	\$13,916	\$139,160	\$153,076
<b>10. Large Scale Testing Shipping <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	54	473	527	8	\$8	\$3,456	\$30,272	\$33,728
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	3	\$8	\$120	\$1,536	\$1,656
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	6	\$8	\$528	\$10,128	\$10,656
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5	\$8	\$360	\$3,480	\$3,840
2 NAF	14	140	154	2	\$8	\$224	\$2,240	\$2,464
<b>11. On-site Audit Travel</b>	11	211	222	1	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits <sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	62	656	718	8	\$259	\$128,464	\$1,359,232	\$1,487,696
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	10	109	119	104	\$246	\$255,840	\$2,788,656	\$3,044,496
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	104	\$246	\$281,424	\$5,398,224	\$5,679,648
PB/MDF – Standard	41	336	377	1	\$924	\$37,884	\$310,464	\$348,348

<b>Exhibit 30: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
Certification <sup>2</sup>								
<b>14. Quality Control Testing</b>								
<b>Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	21	320	341	104	\$8	\$17,472	\$266,240	\$283,712
<b>15. Lost Product</b>								
HWPW - NAF Exemption	7	76	83	2	\$17	\$238	\$2,584	\$2,822
HWPW - 1 ULEF and 1 NAF	5	55	60	5	\$17	\$425	\$4,675	\$5,100
HWPW - 2 ULEF	8	87	95	8	\$6,214	\$397,696	\$4,324,944	\$4,722,640
HWPW- Standard Certification (Existing)	10	109	119	112	\$17	\$19,040	\$207,536	\$226,576
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	120	\$17	\$22,440	\$430,440	\$452,880
PB/MDF – NAF Exemption	7	64	71	2	\$13	\$182	\$1,664	\$1,846
PB/MDF - 1 ULEF and 1 NAF	1	10	11	5	\$13	\$65	\$650	\$715
PB/MDF – 2 ULEF	3	27	30	8	\$13	\$312	\$2,808	\$3,120
PB/MDF – 1 Standard and 1 NAF	3	22	25	264	\$13	\$10,296	\$75,504	\$85,800
PB/MDF – 2 Standard (Existing)	33	250	283	528	\$13	\$226,512	\$1,716,000	\$1,942,512
PB/MDF – 2 Standard (New) <sup>2</sup>	5	64	69	532	\$13	\$34,580	\$442,624	\$477,204
<b>16. Recurring Recordkeeping <sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>17. Labeling <sup>8</sup></b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	15,688	6,118	21,806	1	\$134	\$2,094,819	\$816,937	\$2,911,755
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	841	328	1,169	1	\$134	\$112,299	\$43,798	\$156,097
<b>Total - Year 1</b>						<b>\$4,752,049</b>	<b>\$31,206,960</b>	<b>\$35,959,010</b>

<b>Exhibit 30: Total (including baseline) First Year Non-Labor Costs, by Activity and Geographic Location</b>								
<b>Activity</b>	<b>Number of Respondents</b>			<b>Number of Activities Per</b>	<b>Cost Per Response</b>	<b>Total Cost</b>		
	<b>Domestic</b>	<b>Foreign<sup>1</sup></b>	<b>Total</b>			<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
<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 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.</p> <p>2. This analysis assumes that mills will seek standard certification for uncertified product lines.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification or exemption type (i.e., standard, ULEF, and NAF).</p> <p>6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption.</p> <p>7. Customary business practices are assumed to be sufficient to meet the rule’s recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.</p> <p>8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p>								

<b>Exhibit 31: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	31	319	350	1	\$3,832	\$118,792	\$1,222,408	\$1,341,200
Standard Certification <sup>2</sup>	62	656	718	1	\$6,214	\$385,268	\$4,076,384	\$4,461,652
<b>3. Develop Quality Control Manual</b>								
-	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-
<b>7. Initial Audit</b>								
-	-	-	-	-	-	-	-	-
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								



<b>Exhibit 31: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
ULEF/NAF Exemption	31	319	350	1	\$466	\$14,446	\$148,654	\$163,100
Standard Certification <sup>2</sup>	62	656	718	4	\$466	\$115,568	\$1,222,784	\$1,338,352
<b>9. Large Scale Testing Fee <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	54	473	527	8	\$497	\$214,704	\$1,880,648	\$2,095,352
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	8	\$497	\$19,880	\$254,464	\$274,344
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	8	\$497	\$43,736	\$838,936	\$882,672
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5	\$497	\$22,365	\$216,195	\$238,560
2 NAF	14	140	154	2	\$497	\$13,916	\$139,160	\$153,076
<b>10. Large Scale Testing Shipping <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	54	473	527	8	\$8	\$3,456	\$30,272	\$33,728
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	8	\$8	\$320	\$4,096	\$4,416
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	8	\$8	\$704	\$13,504	\$14,208
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5	\$8	\$360	\$3,480	\$3,840
2 NAF	14	140	154	2	\$8	\$224	\$2,240	\$2,464
<b>11. On-site Audit Travel</b>								
	11	211	222	1	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits <sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	62	656	718	8	\$259	\$128,464	\$1,359,232	\$1,487,696
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification <sup>2</sup>	21	320	341	104	\$246	\$537,264	\$8,186,880	\$8,724,144
PB/MDF – Standard Certification <sup>2</sup>	41	336	377	1	\$924	\$37,884	\$310,464	\$348,348
<b>14. Quality Control Testing Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	21	320	341	104	8	17,472	266,240	283,712
<b>15. Lost Product</b>								
HWPW - NAF Exemption	7	76	83	2	\$17	\$238	\$2,584	\$2,822
HWPW - 1 ULEF and 1 NAF Exemption	5	55	60	5	\$17	\$425	\$4,675	\$5,100
HWPW - 2 ULEF	8	87	95	8	\$17	\$1,088	\$11,832	\$12,920
HWPW- Standard Certification <sup>2</sup>	21	320	341	112	\$17	\$39,984	\$609,280	\$649,264
PB/MDF – NAF Exemption	7	64	71	2	\$13	\$182	\$1,664	\$1,846
PB/MDF - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	3	27	30	8	\$13	\$312	\$2,808	\$3,120
PB/MDF – 1 Standard and 1 NAF	3	22	25	264	\$13	\$10,296	\$75,504	\$85,800
PB/MDF – 2 Standard <sup>2</sup>	38	314	352	528	\$13	\$260,832	\$2,155,296	\$2,416,128

**Exhibit 31: Total (including baseline) Second and Third Year Non-Labor Costs, by Activity and Geographic Location**

Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>18. Recurring Recordkeeping <sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>19. Labeling <sup>8</sup></b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	-	-	-	-	-	-	-	-
<b>Total - Years 2 and 3</b>						<b>\$2,005,274</b>	<b>\$23,367,578</b>	<b>\$25,372,852</b>

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. This analysis assumes that mills will seek standard certification for uncertified product lines.

3. 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.

4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemption will have one on-site audit annually thereafter.

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

6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption.

7. Customary business practices are assumed to be sufficient to meet the rule’s recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.

8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.

<b>Exhibit 32: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	31	319	350	1	\$3,832	\$118,792	\$1,222,408	\$1,341,200
Standard Certification <sup>2</sup>	62	656	718	1	\$6,214	\$385,268	\$4,076,384	\$4,461,652
<b>3. Develop Quality Control Manual</b>								
-	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	5	64	69	1.6667	\$497	\$4,142	\$53,013	\$57,155
2 Products	11	211	222	3.3333	\$497	\$18,223	\$349,557	\$367,780
<b>5. Qualifying Test Shipment</b>								
1 Product	5	64	69	0.3333	\$207	\$345	\$4,416	\$4,761
2 Products	11	211	222	0.6667	\$207	\$1,518	\$29,118	\$30,636
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	5	64	69	0.3333	\$74	\$123	\$1,579	\$1,702
2 Products	11	211	222	0.3333	\$246	\$902	\$17,300	\$18,202
<b>7. Initial Audit</b>								
-	11	211	222	0.3333	\$466	\$1,708	\$32,772	\$34,481

<b>Exhibit 32: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								
NAF Exemption	31	319	350	1.0000	\$466	\$14,446	\$148,654	\$163,100
Standard Certification (Existing)	51	445	496	4.0000	\$466	\$95,064	\$829,480	\$924,544
Standard Certification (New) <sup>2</sup>	11	211	222	3.6667	\$466	\$18,795	\$360,529	\$379,324
<b>9. Large Scale Testing Fee</b>								
2 Standard (Existing)/2 ULEF	54	473	527	8.0000	\$497	\$214,704	\$1,880,648	\$2,095,352
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	6.3333	\$497	\$15,738	\$201,451	\$217,189
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	7.3333	\$497	\$40,091	\$769,025	\$809,116
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5.0000	\$497	\$22,365	\$216,195	\$238,560
2 NAF	14	140	154	2.0000	\$497	\$13,916	\$139,160	\$153,076
<b>10. Large Scale Testing Shipping</b>								
2 Standard (Existing)/2 ULEF	54	473	527	8.0000	\$8	\$3,456	\$30,272	\$33,728
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	6.3333	\$8	\$253	\$3,243	\$3,496
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	7.3333	\$8	\$645	\$12,379	\$13,024
1 ULEF & 1 NAF/1 NAF & 1 Standard	9	87	96	5.0000	\$8	\$360	\$3,480	\$3,840
2 NAF	14	140	154	2.0000	\$8	\$224	\$2,240	\$2,464
<b>11. On-site Audit Travel</b>								
	11	211	222	1.0000	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits <sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	62	656	718	8.0000	\$259	\$128,464	\$1,359,232	\$1,487,696
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	10	109	119	104.0000	\$246	\$255,840	\$2,788,656	\$3,044,496
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	104.0000	\$246	\$281,424	\$5,398,224	\$5,679,648
PB/MDF – Standard Certification <sup>2</sup>	41	336	377	1.0000	\$924	\$37,884	\$310,464	\$348,348
<b>14. Quality Control Testing Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	21	320	341	104.0000	\$8	\$17,472	\$266,240	\$283,712
<b>15. Lost Product</b>								
HWPW - NAF Exemption	7	76	83	2.0000	\$17	\$238	\$2,584	\$2,822
HWPW - 1 ULEF and 1 NAF	5	55	60	5.0000	\$17	\$425	\$4,675	\$5,100
HWPW - 2 ULEF	8	87	95	8.0000	\$2,083	\$133,291	\$1,449,536	\$1,582,827
HWPW- Standard Certification (Existing)	10	109	119	112.0000	\$17	\$19,040	\$207,536	\$226,576
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	114.6667	\$17	\$21,443	\$411,309	\$432,752

<b>Exhibit 32: Three Year Average Non-Labor Costs (including baseline), by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
PB/MDF – NAF Exemption	7	64	71	2.0000	\$13	\$182	\$1,664	\$1,846
PB/MDF - 1 ULEF and 1 NAF	1	10	11	1.6667	\$13	\$22	\$217	\$238
PB/MDF – 2 ULEF	3	27	30	8.0000	\$13	\$312	\$2,808	\$3,120
PB/MDF – 1 Standard and 1 NAF	3	22	25	264.0000	\$13	\$10,296	\$75,504	\$85,800
PB/MDF – 2 Standard (Existing)	33	250	283	528.0000	\$13	\$226,512	\$1,716,000	\$1,942,512
PB/MDF – 2 Standard (New) <sup>2</sup>	5	64	69	529.3333	\$13	\$34,407	\$440,405	\$474,812
<b>16. Recurring Recordkeeping<sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>17. Labeling</b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	15,688	6,118	21,806	0.3333	\$134	\$698,273	\$272,312	\$970,585
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	841	328	1,169	0.3333	\$134	\$37,433	\$14,599	\$52,032
<b>Total - Three Year Average</b>						<b>\$2,920,866</b>	<b>\$25,980,705</b>	<b>\$28,901,571</b>
<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 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.</p> <p>2. This analysis assumes that mills will seek standard certification for uncertified product lines.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification or exemption type (i.e., standard, ULEF, and NAF).</p> <p>6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.</p> <p>7. Customary business practices are assumed to be sufficient to meet the rule’s recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.</p> <p>8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p>								

<b>Exhibit 33: Incremental First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	1	\$6,214	\$68,354	\$1,311,154	\$1,379,508
<b>3. Develop Quality Control Manual</b>								
	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	5	64	69	5	\$497	\$12,425	\$159,040	\$171,465
2 Products	11	211	222	10	\$497	\$54,670	\$1,048,670	\$1,103,340
<b>5. Qualifying Test Shipment</b>								
1 Product	5	64	69	1	\$207	\$1,035	\$13,248	\$14,283
2 Products	11	211	222	2	\$207	\$4,554	\$87,354	\$91,908
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	5	64	69	30	\$74	\$11,100	\$142,080	\$153,180
2 Products	11	211	222	30	\$246	\$81,180	\$1,557,180	\$1,638,360

<b>Exhibit 33: Incremental First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>7. Initial Audit</b>	11	211	222	1	\$466	\$5,126	\$98,326	\$103,452
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								
NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-
Standard Certification (New) <sup>2</sup>	11	211	222	3	\$466	\$15,378	\$294,978	\$310,356
<b>9. Large Scale Testing Fee</b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	-1	\$497	-\$2,485	-\$31,808	-\$34,293
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	6	\$497	\$32,802	\$629,202	\$662,004
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	-1	\$8	-\$40	-\$512	-\$552
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	6	\$8	\$528	\$10,128	\$10,656
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>	11	211	222	1	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits <sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	8	\$259	\$22,792	\$437,192	\$459,984
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	11	211	222	104	\$246	\$281,424	\$5,398,224	\$5,679,648
PB/MDF – Standard Certification	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	104	\$8	\$9,152	\$175,552	\$184,704
<b>15. Lost Product</b>								
HWPW - NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New)	11	211	222	120	\$17	\$22,440	\$430,440	\$452,880

<b>Exhibit 33: Incremental First Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New)	5	64	69	8	\$13	\$520	\$6,656	\$7,176
<b>16. Recurring Recordkeeping<sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>17. Labeling<sup>8</sup></b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	15,688	6,118	21,806	1	\$133.53	\$2,094,819	\$816,937	\$2,911,755
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	841	328	1,169	1	\$133.53	\$112,299	\$43,798	\$156,097
<b>Total - Year 1</b>						<b>\$2,845,166</b>	<b>\$12,955,732</b>	<b>\$15,800,899</b>

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. This analysis assumes that mills will seek standard certification for uncertified product lines.

3. 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.

4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.

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

6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.

7. Customary business practices are assumed to be sufficient to meet the rule's recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.

8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.



<b>Exhibit 34: Incremental Second and Third Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	1	\$6,214	\$68,354	\$1,311,154	\$1,379,508
<b>3. Develop Quality Control Manual</b>								
-	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-
<b>5. Qualifying Test Shipment</b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	-	-	-	-	-	-	-	-
2 Products	-	-	-	-	-	-	-	-

<b>Exhibit 34: Incremental Second and Third Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>7. Initial Audit</b>	-	-	-	-	-	-	-	-
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	4	\$466	\$20,504	\$393,304	\$413,808
<b>9. Large Scale Testing Fee <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	4	\$497	\$9,940	\$127,232	\$137,172
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	8	\$497	\$43,736	\$838,936	\$882,672
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping <sup>5</sup></b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	4	\$8	\$160	\$2,048	\$2,208
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	8	\$8	\$704	\$13,504	\$14,208
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>	11	211	222	1	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits <sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	8	\$259	\$22,792	\$437,192	\$459,984
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification <sup>2</sup>	11	211	222	104	\$246	\$281,424	\$5,398,224	\$5,679,648
PB/MDF – Standard Certification <sup>2</sup>	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	104	\$8	\$9,152	\$175,552	\$184,704
<b>15. Lost Product</b>								
HWPW - NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-
HWPW- Standard Certification <sup>2</sup>	11	211	222	112	\$17	\$20,944	\$401,744	\$422,688
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-

<b>Exhibit 34: Incremental Second and Third Year Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard <sup>2</sup>	5	64	69	4	\$13	\$260	\$3,328	\$3,588
<b>18. Recurring Recordkeeping<sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>19. Labeling<sup>8</sup></b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	-	-	-	-	-	-	-	-
<b>Total - Years 2 and 3</b>						<b>\$495,064</b>	<b>\$9,430,112</b>	<b>\$9,925,176</b>
<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 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.</p> <p>2. This analysis assumes that mills will seek standard certification for uncertified product lines.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification or exemption type (i.e., standard, ULEF, and NAF).</p> <p>6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemptions.</p> <p>7. Customary business practices are assumed to be sufficient to meet the rule’s recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.</p> <p>8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p>								

<b>Exhibit 35: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per Respondent	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
<b>1. Rule Familiarization</b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Fabricators and Laminators								
Non-employer	-	-	-	-	-	-	-	-
Small employer	-	-	-	-	-	-	-	-
Large employer	-	-	-	-	-	-	-	-
Wholesalers								
Non-Importer – Small (including non-employer)	-	-	-	-	-	-	-	-
Non-Importer – Large Single Establishment & Importer - Small (including non-employer)	-	-	-	-	-	-	-	-
Importer - Large single establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
Retailers								
Small (including non-employer)	-	-	-	-	-	-	-	-
Large single-establishment	-	-	-	-	-	-	-	-
Large multi-establishment	-	-	-	-	-	-	-	-
<b>2. TPC Fee</b>								
NAF/ULEF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	1	\$6,214	\$68,354	\$1,311,154	\$1,379,508
<b>3. Develop Quality Control Manual</b>								
	-	-	-	-	-	-	-	-
<b>4. Qualifying Test</b>								
1 Product	5	64	69	1.6667	\$497	\$4,142	\$53,013	\$57,155
2 Products	11	211	222	3.3333	\$497	\$18,223	\$349,557	\$367,780
<b>5. Qualifying Test Shipment</b>								
1 Product	5	64	69	0.3333	\$207	\$345	\$4,416	\$4,761
2 Products	11	211	222	0.6667	\$207	\$1,518	\$29,118	\$30,636
<b>6. Correlation Test <sup>3</sup></b>								
1 Product	5	64	69	10	\$74	\$3,700	\$47,360	\$51,060
2 Products	11	211	222	10	\$246	\$27,060	\$519,060	\$546,120
<b>7. Initial Audit</b>								
	11	211	222	0.3333	\$466	\$1,709	\$32,775	\$34,484
<b>8. Quarterly On-Site Audit <sup>4</sup></b>								

<b>Exhibit 35: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification (Existing)	-	-	-	-	-	-	-	-
Standard Certification (New) <sup>2</sup>	11	211	222	3.6667	\$466	\$18,795	\$360,529	\$379,324
<b>9. Large Scale Testing Fee</b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	2.3333	\$497	\$5,798	\$74,219	\$80,017
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	7.3333	\$497	\$40,091	\$769,025	\$809,116
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>10. Large Scale Testing Shipping</b>								
2 Standard (Existing)/2 ULEF	-	-	-	-	-	-	-	-
Particleboard- 2 Standard (New) <sup>2</sup>	5	64	69	2.3333	\$8	\$93	\$1,195	\$1,288
HWPW – 2 Standard (New) <sup>2</sup>	11	211	222	7.3333	\$8	\$645	\$12,379	\$13,024
1 ULEF & 1 NAF/1 NAF & 1 Standard	-	-	-	-	-	-	-	-
2 NAF	-	-	-	-	-	-	-	-
<b>11. On-site Audit Travel</b>	11	211	222	1	\$1,554	\$17,094	\$327,894	\$344,988
<b>12. Desk Audits<sup>6</sup></b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	8	\$259	\$22,792	\$437,192	\$459,984
<b>13. Quality Control Testing</b>								
NAF Exemption	-	-	-	-	-	-	-	-
ULEF Exemption	-	-	-	-	-	-	-	-
HWPW - Standard Certification (Existing)	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	104	\$246	\$281,424	\$5,398,224	\$5,679,648
PB/MDF – Standard Certification <sup>2</sup>	-	-	-	-	-	-	-	-
<b>14. Quality Control Testing Shipping</b>								
ULEF/NAF Exemption	-	-	-	-	-	-	-	-
Standard Certification <sup>2</sup>	11	211	222	104	\$8	\$9,152	\$175,552	\$184,704
<b>15. Lost Product</b>								
HWPW - NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-
HWPW - 2 ULEF	-	-	-	-	-	-	-	-
HWPW- Standard Certification (Existing)	-	-	-	-	-	-	-	-
HWPW - Standard Certification (New) <sup>2</sup>	11	211	222	114.6667	\$17	\$21,443	\$411,309	\$432,752
PB/MDF – NAF Exemption	-	-	-	-	-	-	-	-
PB/MDF - 1 ULEF and 1 NAF Exemption	-	-	-	-	-	-	-	-

<b>Exhibit 35: Three Year Average Incremental Non-Labor Costs, by Activity and Geographic Location</b>								
Activity	Number of Respondents			Number of Activities Per	Cost Per Response	Total Cost		
	Domestic	Foreign <sup>1</sup>	Total			Domestic	Foreign	Total
PB/MDF – 2 ULEF	-	-	-	-	-	-	-	-
PB/MDF – 1 Standard and 1 NAF	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (Existing)	-	-	-	-	-	-	-	-
PB/MDF – 2 Standard (New) <sup>2</sup>	5	64	69	5.3333	\$13	\$347	\$4,437	\$4,784
<b>16. Recurring Recordkeeping<sup>7</sup></b>								
Producers - HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
<b>17. Labeling<sup>8</sup></b>								
Minor Changes – Laminators and Fabricators	-	-	-	-	-	-	-	-
Major Changes – Laminators and Fabricators	15,688	6,118	21,806	0.3333	\$134	\$698,273	\$272,312	\$970,585
Producers-HWPW	-	-	-	-	-	-	-	-
Producers – PB	-	-	-	-	-	-	-	-
Producers - MDF	-	-	-	-	-	-	-	-
Wholesalers	841	328	1,169	0.3333	\$134	\$37,432.91	\$14,599.28	\$52,032.19
<b>Total - Three Year Average</b>						<b>\$1,278,431</b>	<b>\$10,605,319</b>	<b>\$11,883,750</b>
<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 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.</p> <p>2. This analysis assumes that mills will seek standard certification for uncertified product lines.</p> <p>3. 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.</p> <p>4. On-site audits must be conducted at least once quarterly, unless the mill obtains ULEF or NAF exemption from TPC oversight. Producers with existing ULEF or NAF exemptions under the CARB ATCM will only incur the initial on-site audit in the first year. All producers with ULEF or NAF exemptions will have one on-site audit annually thereafter.</p> <p>5. The respondents sum to more than the total number of respondents because some respondents are assumed to have more than one certification or exemption type (i.e., standard, ULEF, and NAF).</p> <p>6. Desk audits are assumed to occur monthly for standard certifications, except in months with a quarterly on-site audit. No desk audits are required for respondents with existing ULEF or NAF exemption.</p> <p>7. Customary business practices are assumed to be sufficient to meet the rule’s recordkeeping requirements for fabricators (including laminators switching to phenol-formaldehyde resins or resins formulated with no-added formaldehyde as part of the resin cross-linking structure), wholesalers, and retailers.</p> <p>8. 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 laminators and 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 \$133.53 for purchasing stamps for labeling. Producers and wholesalers are not expected to incur any non-labor costs from initial labeling.</p>								

Exhibit 36: Accreditation Body and Third-Party Certifier Non-Labor Costs (2013\$)			
Firm Type	Number of Firms	Non-Labor Cost per Firm	Total Non-Labor Cost
<b>Year 1</b>			
Domestic Accrediting Body	4	-	-
Foreign Accrediting Body	28	\$117	\$3,276
Domestic TPC obtaining one additional accreditation	2	\$25,000	\$50,000
Domestic TPC with current accreditations	9	-	-
Foreign TPC obtaining one additional accreditation	6	\$25,000	\$150,000
Foreign TPC with current accreditations	23	-	-
<b>Year 2</b>			
Domestic Accrediting Body	4	-	-
Foreign Accrediting Body	28	\$117	\$3,276
Domestic TPC obtaining one additional accreditation	2	\$5,000	\$10,000
Domestic TPC with current accreditations	9	-	-
Foreign TPC obtaining one additional accreditation	6	\$5,000	\$30,000
Foreign TPC with current accreditations	23	-	-
<b>Year 3</b>			
Domestic Accrediting Body	4	-	-
Foreign Accrediting Body	28	\$117	\$3,276
Domestic TPC obtaining one additional accreditation	2	\$5,000	\$10,000
Domestic TPC with current accreditations	9	-	-
Foreign TPC obtaining one additional accreditation	6	\$5,000	\$30,000
Foreign TPC with current accreditations	23	-	-
<b>Three Year Average</b>			
Domestic Accrediting Body	4	-	-
Foreign Accrediting Body	28	\$117	\$3,276
Domestic TPC obtaining one additional accreditation	2	\$11,667	\$23,333
Domestic TPC with current accreditations	9	-	-
Foreign TPC obtaining one additional accreditation	6	\$11,667	\$70,000
Foreign TPC with current accreditations	23	-	-

### (iii) Total Burden and Costs

Exhibit 37 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 38 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. These summaries include totals for all entities subject to the rule: composite panel producers, fabricators, wholesalers, retailers, accreditation bodies, and third-party certifiers. As indicated, the total average domestic incremental cost over the first three years of the rule is approximately 95.4 percent of the total domestic cost of the rule. Note that the incremental costs for domestic respondents presented in Exhibit 38 differ from the values in the Economic Analysis. This is due to four 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); 2) the Economic Analysis includes the costs of testing and certification wood veneer laminated products, while this ICR does not (because these activities are not required for seven years after the rule is promulgated, and this ICR reflects the first three years of the program); 3) 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; and 4) the Economic Analysis calculates costs for composite panel

producers, fabricators, wholesalers, and retailers and costs for accreditation bodies and third party certifiers separately, while the ICR combines the total burden and costs for all entities.

<b>Exhibit 37: Total (including baseline) Burden and Costs</b>				
<b>Geographic Location of Respondents</b>	<b>Labor</b>		<b>Non-Labor Cost</b>	<b>Total Cost</b>
	<b>Hours</b>	<b>Cost</b>		
<b>Year 1</b>				
Domestic Respondents	3,272,413	\$208,480,300	\$4,802,049	\$213,282,349
Foreign Respondents	1,264,505	\$76,985,937	\$31,360,236	\$108,346,173
Total Respondents	4,536,918	\$285,466,237	\$36,162,285	\$321,628,522
<b>Year 2</b>				
Domestic Respondents	28,316	\$2,082,023	\$2,015,274	\$4,097,297
Foreign Respondents	257,718	\$18,960,961	\$23,400,854	\$42,361,815
Total Respondents	286,034	\$21,042,984	\$25,416,128	\$46,459,112
<b>Year 3</b>				
Domestic Respondents	28,350	\$2,084,233	\$2,015,274	\$4,099,507
Foreign Respondents	257,920	\$18,974,368	\$23,400,854	\$42,375,222
Total Respondents	286,270	\$21,058,601	\$25,416,128	\$46,474,729
<b>Three Year Average</b>				
Domestic Respondents	1,109,693	\$70,882,185	\$2,944,199	\$73,826,384
Foreign Respondents	593,381	\$38,307,089	\$26,053,981	\$64,361,070
Total Respondents	1,703,074	\$109,189,274	\$28,998,180	\$138,187,454
Notes: Values may not sum to totals due to rounding				

<b>Exhibit 38: Total Incremental Burden and Costs, by Geographic Location</b>				
<b>Geographic Location of Respondents</b>	<b>Labor</b>		<b>Non-Labor Cost</b>	<b>Total Incremental Cost</b>
	<b>Hours</b>	<b>Cost</b>		
<b>Year 1</b>				
Domestic Respondents	3,248,679	\$206,733,478	\$2,895,166	\$209,628,644
Foreign Respondents	1,066,691	\$62,426,827	\$13,109,008	\$75,535,835
Total Respondents	4,315,370	\$269,160,305	\$16,004,174	\$285,164,479
<b>Year 2</b>				
Domestic Respondents	4,582	\$335,201	\$505,064	\$840,265
Foreign Respondents	59,904	\$4,401,851	\$9,463,388	\$13,865,239
Total Respondents	64,486	\$4,737,052	\$9,968,452	\$14,705,504
<b>Year 3</b>				
Domestic Respondents	4,616	\$337,411	\$505,064	\$842,475
Foreign Respondents	60,106	\$4,415,258	\$9,463,388	\$13,878,646
Total Respondents	64,722	\$4,752,669	\$9,968,452	\$14,721,121
<b>Three Year Average</b>				
Domestic Respondents	1,085,959	\$69,135,363	\$1,301,765	\$70,437,128
Foreign Respondents	395,567	\$23,747,979	\$10,678,595	\$34,426,573
Total Respondents	1,481,526	\$92,883,342	\$11,980,359	\$104,863,701
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 2013 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 39 presents the frequency for each of the respondent activities assumed in the bottom line burden hour and cost tables. In order to simplify the calculations, some of the frequencies used in the analysis differ from the requirements in the rule. For example, the rule requires panel producers to be certified by a TPC every two years while the analysis assumes that certification occurs annually but halves the average burden per response, which results in the same total burden estimate.

Exhibit 40 and Exhibit 41 present the respective total and incremental bottom line burden and costs, by activity frequency and respondent type. 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).

<b>Exhibit 39: Assumed Frequency of Activities for Calculating Total Burden and Cost</b>	
<b>Activity</b>	<b>Assumed Activity Frequency <sup>1</sup></b>
<b>1. Rule Familiarization</b>	
Producers	One-Time
Fabricators	One-Time
Wholesalers	One-Time
Retailers	One-Time
<b>2. TPC Fee</b>	
Standard	Annual
Existing NAF/ULEF	Annual
<b>3. Initial On-site Audit</b>	
With Existing Certifications or Exemption from TPC Oversight	One-Time
Without Existing Certifications or Exemption from TPC Oversight	One-Time
<b>4. Develop Quality Control Manual</b>	One-Time
<b>5. Qualifying Test</b>	
1 Product	One-Time
2 Products	One-Time
<b>6. Qualifying Test Shipping</b>	
1 Product	One-Time
2 Products	One-Time

<b>Exhibit 39: Assumed Frequency of Activities for Calculating Total Burden and Cost</b>	
<b>Activity</b>	<b>Assumed Activity Frequency <sup>1</sup></b>
7. Correlation Test	
1 Product	One-Time
2 Products	One-Time
8. Quarterly On-site Audit	
Standard	Quarterly
Existing ULEF/NAF Exemption	Annual
9. Large Scale Testing Fee	
2 Standard (Existing)/2 ULEF	Quarterly
Particleboard – 2 Standard (New)	Quarterly
HWPW – 2 Standard (New)	Quarterly
1 ULEF & 1 NAF/1 NAF & 1 Standard	Quarterly
2 NAF	Annual
10. Large Scale Testing Shipment	
2 Standard (Existing)/2 ULEF	Quarterly
Particleboard – 2 Standard (New)	Quarterly
HWPW – 2 Standard (New)	Quarterly
1 ULEF & 1 NAF/1 NAF & 1 Standard	Quarterly
2 NAF	Quarterly
11. On-site Audit Travel	Annual
12. Desk Audits	
Standard	Annual
ULEF/NAF Exemption	Annual
13. Purchase of Laboratory Equipment and Supplies	Annual
14. Quality Control Testing	
Standard Certification – HWPW <sup>2</sup>	Weekly
Standard Certification – PB/MDF	Daily
ULEF/NAF Exemption	One-Time
15. Quality Control Testing Shipping	
Standard Certification – HWPW <sup>2</sup>	Weekly
Standard Certification – PB/MDF	Daily
NAF Exemption	One-Time
16. Lost Product	
NAF Exemption	Annual
1 ULEF and 1 NAF Exemption	Annual
2 ULEF	Annual
HWPW- Standard Certification (Existing)	Weekly
HWPW - Standard Certification (New)	Weekly
PB/MDF – 1 Standard and 1 NAF	Daily
PB/MDF – 2 Standard (Existing)	Daily
PB/MDF – 2 Standard (New)	Daily
17. Recurring Recordkeeping	
Producers	Annual
18. Initial Labeling	

**Exhibit 39: Assumed Frequency of Activities for Calculating Total Burden and Cost**

Activity	Assumed Activity Frequency <sup>1</sup>
Minor Changes - Producers	One-Time
Minor Changes - Fabricators	One-Time
Major Changes - Producers	One-Time
Major Changes - Fabricators and Wholesalers	One-Time
19. CDX Electronic Reporting	One-Time
20. Application Submission	
AB	Every 3 Years
TPC	Every 2 Years
21. Recognition Agreement	Every 3 Years
22. Notifications to EPA	As needed
23. Notifications to Others	As needed
24. Annual Report to EPA	Annual
25. Assign a Registered Agent (foreign only)	Annual
26. Documentation of CARB Reciprocity	Annual

<sup>1</sup> This represents the activity frequency assumed for the purpose of the calculations in Exhibit 40 and Exhibit 41 (which classify activities as one-time, annual, quarterly, weekly 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 40 and Exhibit 41 assume that certification occurs annually but halve the average burden per response, so that the total burden is unchanged.

**Exhibit 40: Summary of Three Year Average Total (including baseline) Burden and Costs, by Geographic Location**

Response <sup>1</sup> and Respondent Type	Number of Respondents	Average Responses per Respondent	Average Burden per Response (hours)	Total Burden	Total Cost
<b>Domestic</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	79,978	0.3333	28	739,410	\$40,943,278
<b>Producers</b>					
One-Time	93	0.3333	36	1,124	\$133,374
Annual	93	1.0000	42	3,867	\$1,134,945
Quarterly	93	4.0000	4	1,304	\$507,647
Weekly	41	52.0000	1	1,638	\$715,775
Daily	52	260.0000	2	21,320	\$1,840,367
<b>Wholesalers</b>					
One-Time	85,559	0.3333	3	83,125	\$6,810,241
<b>Retailers</b>					
One-Time	759,046	0.3333	1	257,507	\$21,692,418
<b>AB</b>					
Annual	4	1.0000	26	104	\$6,595
<b>TPC</b>					
Annual	11	1.0000	27	294	\$41,752
<b>Total</b>	<b>924,691</b>			<b>1,109,693</b>	<b>\$73,826,392</b>
<b>Foreign</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	31,183	0.3333	28	288,440	\$15,973,259
<b>Producers</b>					
One-Time	1,021	0.3333	42	14,223	\$2,012,137
Annual	1,021	1.0000	43	43,476	\$12,245,513
Quarterly	1,021	4.0000	3	13,624	\$5,311,691
Weekly	538	52.0000	1	24,960	\$10,909,021
Daily	483	260.0000	1	174,720	\$15,091,301
<b>Wholesalers</b>					

**Exhibit 40: Summary of Three Year Average Total (including baseline) Burden and Costs, by Geographic Location**

Response <sup>1</sup> and Respondent Type	Number of Respondents	Average Responses per Respondent	Average Burden per Response (hours)	Total Burden	Total Cost
One-Time	33,249	0.3333	3	32,485	\$2,662,501
<b>Retailers</b>					
One-Time	-	-	-	-	-
<b>AB</b>					
Annual	28	1.0000	28	777	\$49,609
<b>TPC</b>					
Annual	29	1.0000	28	825	\$118,641
<b>Total</b>	<b>65,510</b>			<b>593,381</b>	<b>\$64,361,071</b>
<b>Total</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	111,161	0.3333	28	1,027,767	\$56,910,452
<b>Producers</b>					
One-Time	1,114	0.3333	41	15,347	\$2,145,511
Annual	1,114	1.0000	42	47,343	\$13,380,458
Quarterly	1,114	4.0000	3	14,928	\$5,819,338
Weekly	579	52.0000	1	26,598	\$11,624,797
Daily	535	260.0000	1	196,040	\$16,931,668
<b>Wholesalers</b>					
One-Time	118,808	0.3333	3	115,543	\$9,466,224
<b>Retailers</b>					
One-Time	759,046	0.3333	1	257,507	\$21,692,418
<b>AB</b>					
Annual	32	1.0000	28	881	\$56,205
<b>TPC</b>					
Annual	40	1.0000	28	1,118	\$160,392
<b>Total</b>	<b>990,201</b>			<b>1,703,073</b>	<b>\$138,187,463</b>

<sup>1</sup> This represents the activity frequency assumed for the purpose of the calculations. For example, the rule requires panel producers to be certified by a TPC every two years, but the burden calculation assumes that certification occurs annually but halves the average burden per response, so that the total burden is unchanged.

**Exhibit 41: Summary of Three Year Average Total Incremental Burden and Costs, by Geographic Location**

Response <sup>1</sup> and Respondent Type	Number of Respondents	Average Responses per Respondent	Average Burden per Response (hours)	Total Burden	Total Cost
<b>Domestic</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	79,978	0.3333	28	739,410	\$40,943,278
<b>Producers</b>					
One-Time	93	0.3333	36	1,124	\$133,374
Annual	93	1.0000	36	3,335	\$353,696
Quarterly	93	4.0000	1	202	\$80,266
Weekly	41	52.0000	-	858	\$375,167
Daily	52	260.0000	-	-	\$347
<b>Wholesalers</b>					
One-Time	85,559	0.3333	3	83,125	\$6,810,241
<b>Retailers</b>					
One-Time	759,046	0.3333	1	257,507	\$21,692,418
<b>AB</b>					
Annual	4	1.0000	26	104	\$6,595
<b>TPC</b>					
Annual	11	1.0000	27	294	\$41,752
<b>Total</b>	<b>924,691</b>			<b>1,085,959</b>	<b>\$70,437,135</b>
<b>Foreign</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	31,183	0.3333	28	288,440	\$15,973,259
<b>Producers</b>					
One-Time	1,021	0.3333	42	14,223	\$2,012,137
Annual	1,021	1.0000	38	38,640	\$4,920,144
Quarterly	1,021	4.0000	1	3,868	\$1,502,055
Weekly	538	52.0000	1	16,458	\$7,196,394
Daily	483	260.0000	-	-	\$4,437
<b>Wholesalers</b>					
One-Time	33,249	0.3333	3	32,419	\$2,655,983
<b>Retailers</b>					
One-Time	-	-	-	-	-
<b>AB</b>					
Annual	28	1.0000	28	777	\$49,609
<b>TPC</b>					
Annual	29	1.0000	28	825	\$118,641
<b>Total</b>	<b>65,510</b>			<b>395,567</b>	<b>\$34,426,574</b>
<b>Total</b>					
<b>Laminators &amp; Fabricators</b>					
One-Time	111,161	0.3333	28	1,027,767	\$56,910,452
<b>Producers</b>					
One-Time	1,114	0.3333	41	15,347	\$2,145,511
Annual	1,114	1.0000	38	41,975	\$5,273,840
Quarterly	1,114	4.0000	1	4,070	\$1,582,321
Weekly	579	52.0000	1	17,316	\$7,571,562
Daily	535	260.0000	-	-	\$4,784
<b>Wholesalers</b>					
One-Time	118,808	0.3333	3	115,543	\$9,466,224
<b>Retailers</b>					

<b>Exhibit 41: Summary of Three Year Average Total Incremental Burden and Costs, by Geographic Location</b>					
<b>Response<sup>1</sup> and Respondent Type</b>	<b>Number of Respondents</b>	<b>Average Responses per Respondent</b>	<b>Average Burden per Response (hours)</b>	<b>Total Burden</b>	<b>Total Cost</b>
One-Time	759,046	0.3333	1	257,507	\$21,692,418
<b>AB</b>					
Annual	32	1.0000	28	881	\$56,205
<b>TPC</b>					
Annual	40	1.0000	28	1,118	\$160,392
<b>Total</b>	<b>990,201</b>			<b>1,481,525</b>	<b>\$104,863,709</b>

<sup>1</sup> This represents the activity frequency assumed for the purpose of the calculations. For example, the rule requires panel producers to be certified by a TPC every two years, but the burden calculation assumes that certification occurs annually but halves the average burden per response, so that the total burden is unchanged.

### 6(e) Reasons for Changes in Burden

This is a new ICR. The final rule, based on public comments, reflects a number of changes to the paperwork requirements as listed in the ICR for the proposed rule. The changes have resulted in a reduction of the estimated number of respondents and the estimated paperwork burden associated with the requirements. EPA expanded reciprocity with CARB during the transition period provided for EPA recognition of CARB-approved Third-Party Certifiers (TPC) before those TPCs need to comply with the TSCA Title VI accreditation requirements. EPA eliminated a required that panel producers report resin formulations to TPCs. EPA expanded an exemption from testing and certification requirements to include laminated products made with compliant platforms and a phenol-formaldehyde resin, and otherwise provided a seven-year compliance timetable for non-exempt laminated products. EPA removed quality control test results from the information that panel producers are required to provide upon a direct customer's request. EPA created a *de minimis* exemption the rule's labeling requirement for very small products and products that are primarily solid wood by contain small amounts of composite wood.

### 6(f) Burden Statement

The annual public burden for this collection of information is estimated to be 3.37 hours per response (i.e., 1,703,073 burden hours for an estimated 504,860 responses) when including activities performed in the baseline, and 2.93 hours per response when excluding activities performed in the baseline (i.e., 1,481,525 burden hours for an estimated 504,860 responses).<sup>25</sup> 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.

<sup>25</sup> 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 40 or Exhibit 41.

The Agency has established a docket for this rulemaking, which includes this rule related ICR, under Docket ID No. EPA-HQ-OPPT-2016-0461, which is available for online viewing at <http://www.regulations.gov>, or in-person viewing at the EPA Docket Center (EPA/DC), EPA William Jefferson Clinton West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Pollution Prevention and Toxics Docket is (202) 566-0280.

You may submit additional comments regarding the accuracy of the provided burden estimates and any suggested methods for minimizing respondent burden, including the use of automated collection techniques. Comments, referencing Docket ID No. EPA-HQ-OPPT-2016-0461 and OMB Control No. 2070-0185, may be submitted to the OPPT Docket, Environmental Protection Agency Docket Center (EPA/DC), Mail code: 28221T, 1200 Pennsylvania Ave., NW, Washington, DC 20460, or to OMB, addressed to “OMB Desk Officer for EPA” and referencing OMB Control No. 2070-0185 (EPA ICR No. 2446.02), via email to [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

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## Appendix A – TSCA Title VI

### SECTION 1. SHORT TITLE.

This Act may be cited as the 'Formaldehyde Standards for Composite Wood Products Act'.

### SEC. 2. FORMALDEHYDE STANDARDS FOR COMPOSITE WOOD PRODUCTS.

(a) Amendment- The Toxic Substances Control Act (15 U.S.C. 2601 et seq.) is amended by adding at the end the following:

### 'TITLE VI--FORMALDEHYDE STANDARDS FOR COMPOSITE WOOD PRODUCTS

#### 'SEC. 601. FORMALDEHYDE STANDARDS.

'(a) Definitions- In this section:

'(1) FINISHED GOOD-

'(A) IN GENERAL- The term 'finished good' means any good or product (other than a panel) containing--

- '(i) hardwood plywood;
- '(ii) particleboard; or
- '(iii) medium-density fiberboard.

'(B) EXCLUSIONS- The term 'finished good' does not include--

- '(i) any component part or other part used in the assembly of a finished good; or
- '(ii) any finished good that has previously been sold or supplied to an individual or entity that purchased or acquired the finished good in good faith for purposes other than resale, such as--
  - '(I) an antique; or
  - '(II) secondhand furniture.

'(2) HARDBOARD- The term 'hardboard' has such meaning as the Administrator shall establish, by regulation, pursuant to subsection (d).

'(3) HARDWOOD PLYWOOD-

'(A) IN GENERAL- The term 'hardwood plywood' means a hardwood or decorative panel that is--

- '(i) intended for interior use; and
- '(ii) composed of (as determined under the standard numbered ANSI/HPVA HP-1-2009) an assembly of layers or plies of veneer, joined by an adhesive with--
  - '(I) lumber core;
  - '(II) particleboard core;
  - '(III) medium-density fiberboard core;
  - '(IV) hardboard core; or
  - '(V) any other special core or special back material.

'(B) EXCLUSIONS- The term 'hardwood plywood' does not include--

- '(i) military-specified plywood;
- '(ii) curved plywood; or
- '(iii) any other product specified in--
  - '(I) the standard entitled 'Voluntary Product Standard--Structural Plywood' and numbered PS 1-07; or
  - '(II) the standard entitled 'Voluntary Product Standard--Performance Standard for Wood-Based Structural-Use Panels'

and numbered PS 2-04.

`(C) LAMINATED PRODUCTS-

`(i) RULEMAKING-

`(I) IN GENERAL- The Administrator shall conduct a rulemaking process pursuant to subsection (d) that uses all available and relevant information from State authorities, industry, and other available sources of such information, and analyzes that information to determine, at the discretion of the Administrator, whether the definition of the term 'hardwood plywood' should exempt engineered veneer or any laminated product.

`(II) MODIFICATION- The Administrator may modify any aspect of the definition contained in clause (ii) before including that definition in the regulations promulgated pursuant to subclause (I).

`(ii) LAMINATED PRODUCT- The term 'laminated product' means a product--

`(I) in which a wood veneer is affixed to--

`(aa) a particleboard platform;

`(bb) a medium-density fiberboard platform; or

`(cc) a veneer-core platform; and

`(II) that is--

`(aa) a component part;

`(bb) used in the construction or assembly of a finished good; and

`(cc) produced by the manufacturer or fabricator of the finished good in which the product is incorporated.

`(4) MANUFACTURED HOME- The term 'manufactured home' has the meaning given the term in section 3280.2 of title 24, Code of Federal Regulations (as in effect on the date of promulgation of regulations pursuant to subsection (d)).

`(5) MEDIUM-DENSITY FIBERBOARD- The term 'medium-density fiberboard' means a panel composed of cellulosic fibers made by dry forming and pressing a resinated fiber mat (as determined under the standard numbered ANSI A208.2-2009).

`(6) MODULAR HOME- The term 'modular home' means a home that is constructed in a factory in 1 or more modules--

`(A) each of which meet applicable State and local building codes of the area in which the home will be located; and

`(B) that are transported to the home building site, installed on foundations, and completed.

`(7) NO-ADDED FORMALDEHYDE-BASED RESIN-

`(A) IN GENERAL- (i) The term 'no-added formaldehyde-based resin' means a resin formulated with no added formaldehyde as part of the resin cross-linking structure in a composite wood product that meets the emission standards in

subparagraph (C) as measured by--

`(I) one test conducted pursuant to test method ASTM E-1333-96 (2002) or, subject to clause (ii), ASTM D-6007-02; and

`(II) 3 months of routine quality control tests pursuant to ASTM D-6007-02 or ASTM D-5582 or such other routine quality control test methods as may be established by the Administrator through rulemaking.

`(ii) Test results obtained under clause (i)(I) or (II) by any test method other than ASTM E-1333-96 (2002) must include a showing of equivalence by means established by the Administrator through rulemaking.

`(B) INCLUSIONS- The term `no-added formaldehyde-based resin' may include any resin made from--

`(i) soy;

`(ii) polyvinyl acetate; or

`(iii) methylene diisocyanate.

`(C) EMISSION STANDARDS- The following are the emission standards for composite wood products made with no-added formaldehyde-based resins under this paragraph:

`(i) No higher than 0.04 parts per million of formaldehyde for 90 percent of the 3 months of routine quality control testing data required under subparagraph (A)(ii).

`(ii) No test result higher than 0.05 parts per million of formaldehyde for hardwood plywood and 0.06 parts per million for particleboard, medium-density fiberboard, and thin medium-density fiberboard.

`(8) PARTICLEBOARD-

`(A) IN GENERAL- The term `particleboard' means a panel composed of cellulosic material in the form of discrete particles (as distinguished from fibers, flakes, or strands) that are pressed together with resin (as determined under the standard numbered ANSI A208.1-2009).

`(B) EXCLUSIONS- The term `particleboard' does not include any product specified in the standard entitled `Voluntary Product Standard--Performance Standard for Wood-Based Structural-Use Panels' and numbered PS 2-04.

`(9) RECREATIONAL VEHICLE- The term `recreational vehicle' has the meaning given the term in section 3282.8 of title 24, Code of Federal Regulations (as in effect on the date of promulgation of regulations pursuant to subsection (d)).

`(10) ULTRA LOW-EMITTING FORMALDEHYDE RESIN-

`(A) IN GENERAL- (i) The term `ultra low-emitting formaldehyde resin' means a resin in a composite wood product that meets the emission standards in subparagraph (C) as measured by--

`(I) 2 quarterly tests conducted pursuant to test method ASTM E-1333-96 (2002) or, subject to clause (ii), ASTM D-6007-02; and

`(II) 6 months of routine quality control tests pursuant to ASTM D-6007-02 or ASTM D-5582 or such other routine quality control test methods as may be established by the Administrator through rulemaking.

`(ii) Test results obtained under clause (i)(I) or (II) by any test method other than ASTM E-1333-96 (2002) must include a showing of equivalence by means established by the Administrator through rulemaking.

`(B) INCLUSIONS- The term `ultra low-emitting formaldehyde resin' may include--

`(i) melamine-urea-formaldehyde resin;

`(ii) phenol formaldehyde resin; and

`(iii) resorcinol formaldehyde resin.

`(C) EMISSION STANDARDS-

`(i) The Administrator may, pursuant to regulations issued under subsection (d), reduce the testing requirements for a manufacturer only if its product made with ultra low-emitting formaldehyde resin meets the following emission standards:

`(I) For hardwood plywood, no higher than 0.05 parts per million of formaldehyde.

`(II) For medium-density fiberboard--

`(aa) no higher than 0.06 parts per million of formaldehyde for 90 percent of 6 months of routine quality control testing data required under subparagraph (A)(ii); and

`(bb) no test result higher than 0.09 parts per million of formaldehyde.

`(III) For particleboard--

`(aa) no higher than 0.05 parts per million of formaldehyde for 90 percent of 6 months of routine quality control testing data required under subparagraph (A)(ii); and

`(bb) no test result higher than 0.08 parts per million of formaldehyde.

`(IV) For thin medium-density fiberboard--

`(aa) no higher than 0.08 parts per million of formaldehyde for 90 percent of 6 months of routine quality control testing data required under subparagraph (A)(ii); and

`(bb) no test result higher than 0.11 parts per million of formaldehyde.

`(ii) The Administrator may not, pursuant to regulations issued under subsection (d), exempt a manufacturer from third party certification requirements unless its product made with ultra low-emitting formaldehyde resin meets the following emission standards:

`(I) No higher than 0.04 parts per million of formaldehyde for 90 percent of 6 months of routine quality control testing data required under subparagraph (A)(ii).

`(II) No test result higher than 0.05 parts per million of formaldehyde for hardwood plywood and 0.06 parts per million for particleboard, medium-density fiberboard, and thin medium-density fiberboard.

`(b) Requirement-

`(1) IN GENERAL- Except as provided in an applicable sell-through regulation promulgated pursuant to subsection (d), effective beginning on the date that is 180 days after the date of promulgation of those regulations, the emission standards described in paragraph (2), shall apply to hardwood plywood, medium-density fiberboard, and particleboard sold, supplied, offered for sale, or manufactured in the United States.

`(2) EMISSION STANDARDS- The emission standards referred to in paragraph (1), based on test method ASTM E-1333-96 (2002), are as follows:

`(A) For hardwood plywood with a veneer core, 0.05 parts per million of formaldehyde.

`(B) For hardwood plywood with a composite core--



Specification for Establishing and Monitoring Structural Capacities of Prefabricated Wood I-Joists' and numbered ASTM D 5055-05;

- `(8) finger-jointed lumber;
- `(9) wood packaging (including pallets, crates, spools, and dunnage);
- `(10) composite wood products used inside a new--
  - `(A) vehicle (other than a recreational vehicle) constructed entirely from new parts that has never been--
    - `(i) the subject of a retail sale; or
    - `(ii) registered with the appropriate State agency or authority responsible for motor vehicles or with any foreign state, province, or country;
  - `(B) rail car;
  - `(C) boat;
  - `(D) aerospace craft; or
  - `(E) aircraft;
- `(11) windows that contain composite wood products, if the window product contains less than 5 percent by volume of hardwood plywood, particleboard, or medium-density fiberboard, combined, in relation to the total volume of the finished window product; or
- `(12) exterior doors and garage doors that contain composite wood products, if--
  - `(A) the doors are made from composite wood products manufactured with no-added formaldehyde-based resins or ultra low-emitting formaldehyde resins; or
  - `(B) the doors contain less than 3 percent by volume of hardwood plywood, particleboard, or medium-density fiberboard, combined, in relation to the total volume of the finished exterior door or garage door.

`(d) Regulations-

- `(1) IN GENERAL- Not later than January 1, 2013, the Administrator shall promulgate regulations to implement the standards required under subsection (b) in a manner that ensures compliance with the emission standards described in subsection (b)(2).
- `(2) INCLUSIONS- The regulations promulgated pursuant to paragraph (1) shall include provisions relating to--
  - `(A) labeling;
  - `(B) chain of custody requirements;
  - `(C) sell-through provisions;
  - `(D) ultra low-emitting formaldehyde resins;
  - `(E) no-added formaldehyde-based resins;
  - `(F) finished goods;
  - `(G) third-party testing and certification;
  - `(H) auditing and reporting of third-party certifiers;
  - `(I) recordkeeping;
  - `(J) enforcement;
  - `(K) laminated products; and
  - `(L) exceptions from the requirements of regulations promulgated pursuant to this subsection for products and components containing de minimis amounts of composite wood products.

The Administrator shall not provide under subparagraph (L) exceptions to the formaldehyde emission standard requirements in subsection (b).

`(3) SELL-THROUGH PROVISIONS-

- `(A) IN GENERAL- Sell-through provisions established by the Administrator under this subsection, with respect to composite wood products and finished goods containing regulated composite wood products (including recreational vehicles, manufactured homes, and modular homes), shall--
  - `(i) be based on a designated date of manufacture (which shall be no

earlier than the date 180 days following the promulgation of the regulations pursuant to this subsection) of the composite wood product or finished good, rather than date of sale of the composite wood product or finished good; and

(ii) provide that any inventory of composite wood products or finished goods containing regulated composite wood products, manufactured before the designated date of manufacture of the composite wood products or finished goods, shall not be subject to the formaldehyde emission standard requirements under subsection (b)(1).

(B) IMPLEMENTING REGULATIONS- The regulations promulgated under this subsection shall--

(i) prohibit the stockpiling of inventory to be sold after the designated date of manufacture; and

(ii) not require any labeling or testing of composite wood products or finished goods containing regulated composite wood products manufactured before the designated date of manufacture.

(C) DEFINITION- For purposes of this paragraph, the term 'stockpiling' means manufacturing or purchasing a composite wood product or finished good containing a regulated composite wood product between the date of enactment of the Formaldehyde Standards for Composite Wood Products Act and the date 180 days following the promulgation of the regulations pursuant to this subsection at a rate which is significantly greater (as determined by the Administrator) than the rate at which such product or good was manufactured or purchased during a base period (as determined by the Administrator) ending before the date of enactment of the Formaldehyde Standards for Composite Wood Products Act.

(4) IMPORT REGULATIONS- Not later than July 1, 2013, the Administrator, in coordination with the Commissioner of Customs and Border Protection and other appropriate Federal departments and agencies, shall revise regulations promulgated pursuant to section 13 as the Administrator determines to be necessary to ensure compliance with this section.

(5) SUCCESSOR STANDARDS AND TEST METHODS- The Administrator may, after public notice and opportunity for comment, substitute an industry standard or test method referenced in this section with its successor version.

(e) Prohibited Acts- An individual or entity that violates any requirement under this section (including any regulation promulgated pursuant to subsection (d)) shall be considered to have committed a prohibited act under section 15.'

(b) Conforming Amendment- The table of contents of the Toxic Substances Control Act (15 U.S.C. prec. 2601) is amended by adding at the end the following:

## TITLE VI--FORMALDEHYDE STANDARDS FOR COMPOSITE WOOD PRODUCTS

Sec. 601. Formaldehyde standards.'

### SEC. 3. REPORTS TO CONGRESS.

Not later than one year after the date of enactment of this Act, and annually thereafter through December 31, 2014, the Administrator of the Environmental Protection Agency shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing, with respect to the preceding year--

(1) the status of the measures carried out or planned to be carried out pursuant to title VI of the Toxic Substances Control Act; and

(2) the extent to which relevant industries have achieved compliance with the requirements under that title.



SEC. 4. MODIFICATION OF REGULATION.

Not later than 180 days after the date of promulgation of regulations pursuant to section 601(d) of the Toxic Substances Control Act (as amended by section 2), the Secretary of Housing and Urban Development shall update the regulation contained in section 3280.308 of title 24, Code of Federal Regulations (as in effect on the date of enactment of this Act), to ensure that the regulation reflects the standards established by section 601 of the Toxic Substances Control Act.

## **Appendix B – Mock-Ups for Potential TSCA Title VI Electronic Reporting Application**

EPA is requiring electronic reporting for all reports and notices submitted to EPA by ABs and TPCs. These reports and notices will be submitted via that Internet through EPA's Central Data Exchange (CDX).

In order to provide material for reviewers of this ICR, EPA prepared mock-ups of a potential CDX electronic reporting application. The mock-ups contain two sections, an AB user interface that would be visible to participating laboratory and product ABs, and a TPC user interface that would be visible to EPA TSCA Title VI TPCs. The regulations reflect all of the required reporting and notification data elements. EPA plans to allow regulated entities to participate in testing of the application and EPA plans to provide training as necessary.