

**SUPPORTING STATEMENT FOR
EPA INFORMATION COLLECTION REQUEST NUMBER 2589.03**

**REPORTING AND RECORDKEEPING REQUIREMENTS FOR THE INTERIM FINAL
SAFE MANAGEMENT OF RECALLED AIRBAGS RULE**

NOVEMBER 2018

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1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title and Number of the Information Collection

This information Collection Request (ICR) is entitled “Reporting and Recordkeeping Requirements for the Interim Final Safe Management of Recalled Airbags Rule,” EPA ICR Number 2589.02, OMB Number 2050-0221.

1(b) Short Characterization

Under this rule, automobile dealerships and other entities that remove used airbag inflators from vehicles would not be required to manage the airbag waste under the hazardous waste requirements or count it towards their hazardous waste generator status under the Resource Conservation and Recovery Act (RCRA). Consistent with EPA’s mandate under RCRA to protect human health and the environment, the interim final rule promotes the timely and environmentally sound management and disposal of airbag waste.

The key provisions of the interim final rule include the following:

- Airbag waste collected by automobile manufacturers or their authorized representative for the purpose of safe disposal is not counted toward a facility’s RCRA generator status.
- This exemption will apply to both Takata and non-Takata airbag waste.
- Under the airbag waste exemption, airbag waste handlers may accumulate up to 250 airbag modules or airbag inflators for up to 180 days, whichever comes first.
- During accumulation under the airbag waste exemption, airbag waste must be packaged in a container designed to address the risk posed by the airbag waste. Each container must be labeled “Airbag Waste – Do Not Reuse.”
- Airbag waste must be shipped directly to either (1) a designated facility as defined in 40 CFR 260.10, or (2) an airbag collection facility in the United States under the control of a vehicle manufacturer or their authorized representative, or under the control of an authorized party administering a remedy program in response to a recall under the National Highway Traffic Safety Administration.
- As a condition for exemption from RCRA hazardous waste requirements, airbag waste handlers must maintain at the facility and make available upon inspection certain records that document off-site shipments of airbag waste for a period of three years to help verify the airbag waste was sent to an appropriate destination.
- While non-defective used airbag modules and used airbag inflators are not solid waste when reused for their intended purpose, in the case of airbag modules and airbag inflators that are subject to a recall under the National Highway Traffic Safety Administration, such a reuse is not allowed under RCRA.

This ICR is a description of the information collection requirements for all handlers of airbag waste. The burden described in this ICR is currently covered by a temporary Emergency ICR, which can be found in the same docket as this ICR and the relevant rule.

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need and Authority for the Collection

The requirements covered in this ICR are necessary for EPA to oversee the handling and management of airbag waste. EPA is requiring the establishment of these information collection requirements under the authority of sections 2002, 3001, 3002, 3003, 3004, 3006, 3010, and 3017 of the Solid Waste Disposal Act of 1965, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), as amended by the Hazardous and Solid Waste Amendments of 1984 (HSWA).

2(b) Practical Utility and Users of the Data

EPA will use the collected information to ensure that airbag waste is managed in a cost-effective manner that minimizes risks to human health and the environment.

3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

3(a) Nonduplication

None of the information required by the interim final rule will duplicate information required by existing RCRA regulations.

3(b) Public Notice

In compliance with the Paperwork Reduction Act of 1995, EPA opened a 60-day public comment period for collection activities in the interim final rule, which was published in the *Federal Register*. To assist the public in commenting on the rule, EPA raised a number of issues in the preamble to the interim final rule and asked for the public to comment on them. At the end of the comment period, EPA will review public comments received in response to the notice and will address comments received, as appropriate.

3(c) Consultations

EPA had numerous meetings with impacted stakeholders while developing this rule. The notes from the relevant meetings can be viewed in the docket for this rule.¹

3(d) Effects of Less Frequent Collection

EPA has carefully considered the burden imposed upon the regulated community by the interim final rule. EPA is confident that those activities required of respondents are necessary, and to the extent possible, the Agency has attempted to minimize the burden imposed. EPA

¹ EPA 2018. *Compilation of Stakeholder Meeting Summaries Regarding RCRA Regulation of Airbag Waste*.

believes strongly that, if the minimum information collection requirements of the interim final rule are not met, neither the industry nor EPA will be able to ensure that airbag waste is being managed in a manner protective of human health and the environment.

3(e) General Guidelines

This ICR adheres to the guidelines stated in the Paperwork Reduction Act of 1995, OMB's implementing regulations, EPA's ICR Handbook, and other applicable OMB guidance.

3(f) Confidentiality

Section 3007(b) of RCRA and 40 *CFR* Part 2, Subpart B, which defines EPA's general policy on public disclosure of information, contain provisions for confidentiality. However, the Agency does not anticipate that businesses will assert a claim of confidentiality covering all or part of the rule. If such a claim is asserted, EPA must and will treat the information in accordance with the regulations cited above. EPA also will assure that this information collection complies with the Privacy Act of 1974 and OMB Circular 108.

3(g) Sensitive Questions

No questions of a sensitive nature are included in the information collection requirements associated with the interim final rule.

4. THE RESPONDENTS AND THE INFORMATION REQUESTED

4(a) Respondents and NAICS Codes

The primary entities impacted by this rule are automobile dealerships that perform warranty repair/replacement work related to the recalled airbag inflators. These dealerships fall under NAICS code 441: Motor Vehicle and Parts Dealers.² EPA estimates that approximately 15,256 automobile dealerships will be respondents under this rule. The methodology for developing this estimate can be found in the Economic Analysis, which is available in the docket of the interim final rule.

4(b) Information Requested

This section describes information collection requirements applicable to entities that will be affected by the interim final rule. All of the provisions in the rule are intended to provide greater flexibility to handlers of airbag waste.

Shipping Recordkeeping

The recordkeeping requirements for the interim final rule consist of maintaining at the airbag handler for no less than three years records of (1) all off-site shipments and (2) confirmations of receipt of airbag waste. The recordkeeping requirements may be fulfilled by ordinary business records, such as bills of lading, and are intended to allow the Agency to verify that the airbag waste reaches its intended destination and is not diverted back into vehicles. It is estimated that .05 hours of a clerical workers time will be required for each off-site shipment and confirmation of receipt (individually).³

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

5(a) Agency Activities

The information that is required of airbag waste handlers would be kept on site and not submitted to EPA formally. The records of shipment and confirmation of receipt would be available to EPA in the event of an inspection.

5(b) Collection Methodology and Management

In collecting and analyzing the information required by the Safe Management of Recalled Airbags Interim Final Rule, the Agency will rely upon hard copy forms, electronic submissions, and applicable database software, where appropriate.

² United States Census Bureau (2018), Industry Statistics Portal, <https://www.census.gov/econ/isp/sampler.php?naicscode=441&naicslevel=3>.

³ EPA 2011. *Information Collection Request Supporting Statement for Revisions to the RCRA Definition of Solid Waste (Proposed Rule)*

5(c) Small Entity Flexibility

Some respondents will be small organizations. However, all the provisions in the rule are intended to provide greater flexibility to facilities involved in handling airbag waste. In the absence of this rule, some facilities that are currently RCRA very small quantity generators or small quantity generators could become large quantity generators and face increased regulatory costs,

5(d) Collection Schedule

EPA will collect information under the interim final rule on a one-time or as-needed basis. EPA will not collect any information on a regular schedule.

6. ESTIMATING THE HOUR AND COST BURDEN OF THE COLLECTION

6(a) Estimating Respondent Burden

Exhibit 1, on page 11 summarizes the respondent burden associated with the new paperwork requirements in the interim final rule. While EPA expects that the rule will result in cost savings for handlers of airbag waste, EPA also expects an increase in the burden associated with shipping recordkeeping for the relevant entities (although the Agency believes many facilities likely already meet the shipment recordkeeping requirements through their existing business practices). As shown in the exhibit, the expected increase in burden for handlers of airbag waste is a total of 4,270 hours annually under the provisions of the interim final rule (an average of 0.28 hours per facility). Thus, the total number of burden hours during the first three years is estimated to be approximately 12,810 hours.

The expected annual increase in respondent burden reflects costs from two required recordkeeping activities: 1) Maintaining at the airbag handler for no less than three years records of all off-site shipments of hazardous secondary materials; 2) Maintaining at the airbag handler for no less than three years confirmations of receipt.

6(b) Estimating Respondent Costs

On page 11, Exhibit 1 also summarizes the total costs for information collection activities associated with the interim final rule. Exhibit 1 indicates that the total annual labor cost related to the two recordkeeping activities is \$132,971 (an average of \$9 per facility). Thus, the total cost during the first three years is estimated to be \$398,914.

Labor Costs

For purposes of this analysis, this ICR estimates an average hourly respondent labor cost (including fringe benefits and overhead costs) of \$130.33 for legal staff, \$113.39 for managerial

staff, \$83.74 for technical staff, and \$31.14 for clerical staff. These hourly labor costs were obtained from the following sources:

- The 2017 average wage rates are the average wage rates are reported in the Bureau of Labor Statistics, 2017 National Occupational Employment and Wage Estimate, released March 30, 2018
- Fringe benefit cost factor calculated from Bureau of Labor Statistics, Employer Costs for Worker Compensation, released June 9, 2017. Table 10: Employer Costs per Hour Worked for Employee Compensation and Costs as a Percent of Total Compensation: Private Workers, by Industry Group, March 2017
- Overhead Loading Factor: Remedial Action Cost Engineering and Requirements (RACER) cost estimating software 2005 defaults.

The overhead cost adjustment factor is approximately 1.336.⁴ Because industry-specific data are not readily available, this ICR uses the overhead cost adjustment factor from the Remedial Action Cost Engineering Requirements (RACER) System software (a cost estimating software) 2005 defaults. This ICR estimates that costs included in the overhead cost adjustment factor generally do not overlap with the overhead costs estimated directly in the ICR. Importantly, there are drawbacks to accounting for overhead costs by adjusting hourly labor rates. Overhead costs might not vary with the magnitude of changes in labor caused by the rule. Some of the overhead costs that facilities experience are unlikely to vary continuously with quantities of labor. However, due to the lack of facility-specific data and due to the inherent uncertainty in the changes in overhead costs associated with changes in labor hours devoted to regulatory compliance, this ICR concludes that the average relationship is the best that can be approximated. In order to ensure that this ICR fully captures the opportunity cost of a unit of time associated with RCRA regulatory compliance, this ICR relies on the RACER overhead cost adjustment factor.

Operation & Maintenance Costs

O&M costs are those costs associated with materials and services procured for the information collection requirements included in the ICR. For this ICR, there are no relevant O&M costs.

6(c) Estimating Agency Burden and Costs

Since EPA is not required to regularly collect or monitor shipment records, there is no expected burden for the Agency associated with this rule.

Estimating State and Local Authority Burden and Cost

⁴ Loaded labor rates are adjusted to include 2 percent general and administrative overhead, 16.6 percent fixed overhead, 5 percent insurance, and 10 percent profit ($1 + 0.02 + 0.166 + 0.05 + 0.10 = 1.336$) estimated using RACER cost estimating software 2005 defaults. General and administrative cost overhead can include expenses such as human resources, payroll, accounting, sales personnel, executive salaries, legal fees, office supplies, equipment, communications, administrative buildings, office space, travel, subscriptions, and other overhead items related to administrative activities that support operating labor. Fixed overhead can include a proportion of the cost of building services (e.g., medical, safety, recreation, general engineering, general plant maintenance, janitorial, and cafeteria), electricity, heating, interplant transportation, warehouses, shipping and receiving facilities, insurance, and other resources shared throughout the organization in support of operating labor.

States and local authorities are not expected to experience any burden associated with this interim final rule.

6(d) Bottom Line Burden Hours and Cost Tables

On page 11, Exhibit 1 summarizes the universe, total costs, and hourly burden of the interim final rule.

Exhibit 1: Annual Respondent Burden & Cost Estimates

Information Collection Activity	Hours and Costs Per Response							Total Hours and Costs				
	Loaded Hourly Wages				Labor Costs/Activity	Capital Costs	O&M Costs	No. of Respondents	No. of Responses per Respondent	Total Responses	Total Hours	Total Cost
	Legal	Manag.	Technical	Clerical								
	\$130.33	\$113.39	\$83.74	\$31.14								
Maintain at the airbag handler for no less than three (3) years records of all off-site shipments of hazardous secondary materials	0.00	0.00	0.00	0.05	\$1.56	0	0	15,256	3	42,700	2,135	66,486
Maintain at the airbag handler for no less than three (3) years confirmations of receipt	0.00	0.00	0.00	0.05	\$1.56	0	0	15,256	3	42,700	2,135	66,486
TOTAL	0.00	0.00	0.00	0.10	\$3.11	\$0.00	\$0.00	15,256	6.0	85,400	4,270	\$132,971

6(e) Reasons for Change in Burden

EPA expects that the rule collection requirements contained within this ICR package will result in an increase in burden for compliance with information collection requirements specific to the handling of airbag waste. The expected annual increase in burden for handlers of airbag waste is a total of 4,270 hours under the provisions of the interim final rule. This corresponds to a cumulative increase in burden of 12,810 hours for the first three years following the rule. This increase in burden reflects recordkeeping requirements at facilities that ship airbag waste as a result of the rule. However, EPA expects that the rule will result in an overall cost saving to handlers of airbag waste. The Emergency ICR associated with this interim final rule reports an annual burden of 4,200 hours and \$130,791.42 per year. The slight differences (70 hours, \$2,180) can be attributed to minor modeling adjustments. The types of burden covered remain consistent between this ICR and the Emergency ICR.

6(g) Burden Statement

The average per-facility public reporting and recordkeeping burden for this collection of information during the first year of the rule is estimated to be 0.28 hours.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR Chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ -OLEM-2018-0646, which is available for online viewing at www.regulations.gov, or in person viewing at the RCRA Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, D.C. 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 RCRA Docket is (202) 566-0270. An electronic version of the public docket is available at www.regulations.gov. This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA

Docket ID Number EPA-HQ -OLEM-2018-0646 and OMB Control Number 2050-0221 in any correspondence.