ICR SUPPORTING STATEMENT
December, 6, 2016

Use of Lead Free Pipes, Fittings, Fixtures, Solder and Flux for Drinking Water
OMB NO. 2040-NEW
EPA ICR NO. 2563.01

Terms of Clearance:

NONE

A. Justification.

1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.

The Reduction of Lead in Drinking Water Act of 2011 (RLDWA) created exemptions for certain plumbing products from pre-existing lead free requirements. This proposed rule would require labels for plumbing products, designed to assist the public in differentiating between products that meet the Safe Drinking Water Act's (SDWA) lead free requirements and are safe to use for drinking water, and those that may contain lead and are not safe for use with drinking water.

Additionally, EPA is proposing a requirement for a certification that the products required to meet the Safe Drinking Water Act's lead free requirement, to ensure the safety of water that is delivered to consumers. This certification requirement includes a third party certification for all manufacturers except for those with fewer than 100 employees, who are still are required to self-certify their products conform to SDWA's lead free requirements.

2. INDICATE HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED. EXCEPT FOR A NEW COLLECTION, INDICATE THE ACTUAL USE THE AGENCY HAS MADE OF THE INFORMATION RECEIVED FROM THE CURRENT COLLECTION.

The primary use of the data will be for the general public to use in identifying which plumbing products are safe to use with drinking water. When Congress enacted the Reduction of Lead in Drinking Water Act of 2011, it included exemptions from the lead free requirements for pipes, fittings and fixtures that had previously not existed. We had received feedback from stakeholders that it is

unclear which plumbing products are safe for use with drinking water. The rule includes a requirement that manufacturers obtain a third party certification for products subject to the lead free requirements. In the case of entities having fewer than 100 employees, they are allowed to self-certify. The intent of the certification is not only to ensure that the lead content is somehow verified but also to ensure that the public has access to this information. With the increased public scrutiny on lead in plumbing products we are trying to get as much information to the public so they are able to make informed decisions on the products they use in their drinking water systems. All manufacturers taking advantage of the self-certification are required to, to at a minimum, post documentation online, or provide it to the first level of distribution; while the manufacturers that are required to obtain third party certification are required to identify on their product that they have obtained a third party certification. Both options should be able to provide the public the information necessary to determine that they products they are purchasing are indeed safe for use with drinking water.

There is also a record keeping aspect of this proposed regulation will ensure that:

a) Regulators are able to conduct the necessary calculations to verify a product is lead free. Without detailed schematics of a plumbing product, it is impossible to accurately calculate the average lead content of the wetted perimeter as required in the Safe Drinking Water Act.

b) Entities using the self-certification option will have the necessary information on hand to show a regulator the process they used to determine the lead content of their product. In an effort to be flexible we did not specify one single specific means of demonstrating these self-certifying entities meet the lead free definition, in order to provide that flexibility, the manufacturers need to keep records showing how they met the requirement.

3. DESCRIBE WHETHER, AND TO WHAT EXTENT, THE COLLECTION OF INFORMATION INVOLVES THE USE OF AUTOMATED, ELECTRONIC, MECHANICAL, OR OTHER TECHNOLOGICAL COLLECTION TECHNIQUES OR OTHER FORMS OF INFORMATION TECHNOLOGY, E.G. PERMITTING ELECTRONIC SUBMISSION OF RESPONSES, AND THE BASIS FOR THE DECISION FOR ADOPTING THIS MEANS OF COLLECTION. ALSO DESCRIBE ANY CONSIDERATION OF USING INFORMATION TECHNOLOGY TO REDUCE BURDEN.

There is are no reporting requirements in this proposed regulations and all record keeping required in the regulations will take place in house.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN ITEM 2 ABOVE.

There is no duplication of these efforts, as there currently there are no federal requirements to make information on lead content of plumbing products available to the public. The requirements are intended to be broad enough that any State or local labeling or certification requirements would satisfy the federal requirements set forth in the proposed regulation.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES, DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

EPA analyzed the financial impacts of labeling and certification requirements on small businesses. In order to limit some of these impacts EPA is proposing that entities with fewer than 100 employees may simply self-certify that they meet the lead free requirements, as opposed to procuring a more costly third party certification.

6. DESCRIBE THE CONSEQUENCE TO FEDERAL PROGRAM OR POLICY ACTIVITIES IF THE COLLECTION IS NOT CONDUCTED OR IS CONDUCTED LESS FREQUENTLY, AS WELL AS ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

If products are not labeled or certified, it is likely that consumers could inadvertently purchase a product, not designed for use with drinking water, and incorrectly install the product in their drinking water system. Inadvertent installations such as these could introduce lead into a consumer's drinking water, which can lead to a number of health related issues, including: cardiovascular issues in adults and reduced IQ in infants.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES THAT WOULD CAUSE AN INFORMATION COLLECTION TO BE CONDUCTED IN A MANNER:

This ICR would require respondents to retain records for more than three years. A plumbing product is likely to be available for sale or installation for more than three years and as such, there is a need for the manufacturer to retain the records documenting compliance with the lead free requirements and also to ensure that all products sold would include the labeling requirements as set forth in the proposal.

8. IF APPLICABLE, IDENTIFY THE DATE AND PAGE NUMBER OF PUBLICATION IN THE FEDERAL REGISTER OF THE AGENCY'S NOTICE, REQUIRED BY 5 CFR 1320.8(d), SOLICITING COMMENTS ON THE INFORMATION COLLECTION PRIOR TO SUBMISSION TO OMB.

SUMMARIZE PUBLIC COMMENTS RECEIVED IN RESPONSE TO THAT NOTICE AND DESCRIBE ACTIONS TAKEN BY THE AGENCY IN RESPONSE TO THESE COMMENTS. SPECIFICALLY ADDRESS COMMENTS RECEIVED ON COST AND HOUR BURDEN.

The Agency is taking comment in conjunction with the proposed regulation

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

No payments or gifts are provided to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

No assurances of confidentiality are provided to respondents.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE. THIS JUSTIFICATION SHOULD INCLUDE THE REASONS WHY THE AGENCY CONSIDERS THE QUESTIONS NECESSARY, THE SPECIFIC USES TO BE MADE OF THE INFORMATION, THE EXPLANATION TO BE GIVEN TO PERSONS FROM WHOM THE INFORMATION IS REQUESTED, AND ANY STEPS TO BE TAKEN TO OBTAIN THEIR CONSENT.

Questions of a sensitive nature are not found in this information collection request.

12. PROVIDE ESTIMATES OF THE HOURS AND COST FOR LABOR BURDEN OF THE COLLECTION OF INFORMATION.

EPA estimates the number of respondents to be 2,193 manufacturers of plumbing products intended for potable use and exempted use plumbing products that are physically compatible with potable uses, that must comply with the proposed rule's regulatory requirements. EPA will be responsible for implementation of the proposed rule so states and local governments are not impacted by the rule. For the first three years after publication of the final rule, the Agency is not anticipated to incur any reporting or recordkeeping burden for implementation activities and ensuring compliance.

For the first three years after publication of the final regulation: "Use of Lead Free Pipes, Fittings, Fixtures, Solder and Flux for Drinking Water" in the *Federal Register*, manufacturers

with 100 or more employees will incur burden to conduct the following rule compliance activities:

- Obtaining certification of products from an accredited third party certification body to document compliance with the lead free requirements as set forth in the Safe Drinking Water Act,
- Maintaining records associated with the initial certification (conducted by an independent third party certifying agency) that potable use products (those supplying water for human consumption) meet the requirements of NSF/ANSI Standard 372.

Firms with fewer than 100 employees will be allowed to choose between third party certification and self-certifying compliance with the rule's lead free requirements. EPA assumes in this ICR that these manufactures will select the lower cost self-certification option and incur the burden of:

- Preparing the initial certificate of conformity and maintaining records for potable use products that are self-certified by the manufacturer as being lead free.

The rule requirement to respond to EPA requests for information is on an ad hoc basis (however, this information collection is not anticipated to occur during the three-year period covered by this ICR).

In order to develop ICR (proposed rule compliance) costs for third party certification, EPA had to determine the regulatory baseline. This baseline represents the current industry practice with regard to third party certification. EPA obtained information on third party use by plumbing manufacturers by reviewing current State laws requiring certification for NSF/ANSI Standard 61 and 372; reviewing the International and Uniform Plumbing Codes; contacting the two primary industry trade groups, PMI and AFS; and acquiring information from industry third party certifiers (e.g. NSF International, CSA Group, UL, etc.). Based on the above information, the Agency estimated that 90 percent of manufacturers with 100 or greater employees already use an accredited third party agency to certify that their products are lead free. In order to account for uncertainty in the proportion of smaller manufacturers that currently use a third party certification bodies, EPA chose to develop lower and upper bound cost scenarios based on baseline compliance assumptions for firms having fewer than 100 employees. Fifty to 75 percent of plumbing manufacturers having fewer the 100 employees are assumed to use third party certifiers. Table 1 summarizes the third party certification baseline assumptions EPA used in the development of regulatory and ICR costs. Under the proposed rule, certification costs would only be attributable to those manufacturers that do not already use these third party certification bodies.

Table 1: Estimated Percentage of Manufacturers by Size that Do Not Already Use Third Party Certification Bodies

Manufacturer Size (no. of employees)	Percentage of Manufacturers that Currently Do Not Use Third Party Certification Bodies and to which Certification Costs Would Apply	
	Lower Bound	Upper Bound
< 100	25%	50%
100-499	10%	10%
≥ 500	10%	10%

Source: Rule Technical Support Document, Exhibit 4-18

Third party certifying firms usually conduct the certification process for a plumbing manufacturer's specific plumbing product families. For NSF/ANSI Standard 372, products of the same material formulation and similar configuration are considered one product family. So certifying costs were developed based on a product family basis. EPA estimated that each firm produces an average of three product families, based on an assessment of firm website data for manufacturers across all potable plumbing product sub categories.

Certification costs can be broken into initial assessment and testing costs and annual renewal costs. Most of the accredited third party certification bodies offer an annual renewal based on an audit process for a set number of years after the initial certification year. In order to derive initial and renewal certification unit cost, EPA contacted the eight ANSI accredited third party certification bodies to obtain estimated costs for certifying products to ANSI/NSF Standard 372. The certifiers were asked to provide estimates for four representative product categories (faucets, fittings, valves, and pipes), which are intended to represent the range in complexity of plumbing products.

Four certification bodies provided quotes of sufficient specificity or comparable scope that could be used in estimating initial certification costs. None of the firms provided quotes for all four product lines. Costs varied based on the product type and certifying agency. EPA used the average, across firms and product types, as the estimated costs for an initial certification of a single product family, $6,000. Five of the eight certification bodies provided estimates for annually renewing the third party certification to Standard 372. Costs varied based on the product type and certifying agency. One of the responding certifiers requires re-certification every year. The other four certification bodies varied in the length of time required for renewal from annual to every five years. EPA determined a five-year cost stream for each of the third party certifiers and computed a per product family average annual renewal cost of $3,200. In addition to the certifier's fees, EPA assumed $224 of recordkeeping cost on the part of the plumbing manufacturing firms. The recordkeeping costs are based on an 8 hour per product family labor burden times a $28.05 per hour labor rate. The hourly labor rate was obtained from the Bureau of Labor Statistics (BLS) Occupational Employment Survey, May 2014. The rate is based on the highest base wage rate across the technical labor categories, Computer Control

Programmers and Operators, in NAICS 332900 - Other Fabricated Metal Product Manufacturing, which was selected because it represents several product categories impacted by the proposed rulemaking including potable use and use-exempted products (e.g., pipe, pipe fittings, valves, and plumbing fixture fittings and trim, such as sinks). This base rate was adjusted to include the additional non-wage labor costs to firms using a loading rate of 1.53. This loading rate was derived using the BLS Employer Costs for Employee Compensation report, Table 10, December 2014, and represents the percent of total compensation for all workers in the goods-producing industries that are specific to manufacturing.

Under the proposed rule analysis, all firms are assumed to come into compliance with the third party or self-certification requirements of the rule in the first three years after the signature date of the final rule as required by the regulation. EPA assumes that firms will come into compliance with these certification requirements evenly over this initial three-year period (one-third of firms incur initial certification costs each year). In the analysis firms after their initial certification year receive the certification renewal cost in the following years of the three year ICR period of analysis.

Third party initial certification and renewal costs are applied to firms with 100 or more employees. Table 2 presents the total and average annual labor burden and labor cost to manufacturers with 100 or more employees for this ICR.

Table 2: Total and Average Annual Burden Hours and Labor Costs to Manufacturers with 100 or Greater Employees for the Information Collection Request

	Number of Manufacturers	Total Burden (Hours)	Average Annual Burden (Hours)	Total Labor Costs (in millions)	Average Annual Labor Costs (in millions)
Manufacturers with 100 or greater employees	612	6,888	2,296	$0.19	$0.06

Source: Lead Free Rule Cost Model, ICR Analysis worksheets.

The proposed rule also allows firms with fewer than 100 employees the choice between third party certification or self-certifying compliance with lead free requirements. EPA estimated that each manufacturer would require 40 hours of labor to initially develop the certificate of conformity, which certifies a product family as being compliant with the lead free requirements. The unit cost per product family is $1,122. The labor burden for the annual renewal of the self-certification per product family is estimated to be 16 hours. These hours are used in the updating of the certificate of conformity and recordkeeping activities. This means the unit cost of annual self-recertification is $449 per product family.

EPA in the analysis of the proposed rule assumed that all firms with fewer than 100 employees would select to self-certify. Table 3 shows the estimated total and average annual labor burden hours and costs for firms with fewer than 100 employees. Values in this table are ranges based

on the EPA lower and upper bound estimated percentages of manufactures with fewer than 100 employees that are currently not already compliant with the proposed rule requirements (see Table 1).

Table 3: Total and Average Annual Burden Hours and Labor Costs to Manufacturers with Fewer than 100 Employees for the Information Collection Request

	Number of Manufacturers	Total Burden (Hours)	Average Annual Burden (Hours)	Total Labor Costs (in millions)	Average Annual Labor Costs (in millions)
Manufacturers with fewer than 100 employees	1,581	155,694 - 311,388	51,898 -103,796	$4.37 - $8.73	$1.46 - $2.91

Source: Lead Free Rule Cost Model, ICR Analysis worksheets.

Table 4 provides the total and average burden hours and labor costs for firms of all employee size categories. Again ranges are base of lower and upper bound estimated percentages of manufactures with fewer than 100 employees.

Table 4: Total and Average Annual Burden Hours and Labor Costs to Manufacturers Across All Employee Size Categories for the Information Collection Request

	Number of Manufacturers	Total Burden (Hours)	Average Annual Burden (Hours)	Total Labor Costs (in millions)	Average Annual Labor Costs (in millions)
Manufacturers – All size categories	2,193	162,582 - 318,276	54,194 - 106,092	$4.56 - $8.93	$1.52 - $2.98

Source: Lead Free Rule Cost Model, ICR Analysis worksheets.

Total labor burned to manufactures of all sized ranges from 162,582 – 318,276 hours over the three-year time period of the ICR. Estimated average annual burden varies between 54,194 and 106,092 hours. Three-year total cost is between $4.56 and $8.93 million. The EPA estimated average annual labor cost ranges from $1.52 to $2.28 million.

13. PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL NON-LABOR COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION. (DO NOT INCLUDE THE COST OF ANY HOUR BURDEN SHOWN IN ITEMS 12 AND 14).

Question 12 outlines the process for developing both the burden and labor cost of the ICR, as well as the capital cost associated with the proposed rule requirement that firms with 100 or greater employees use third party accredited certification bodies to demonstrate that their potable use plumbing products meet specific lead free requirements.

Under the proposed rule analysis, firms with 100 or greater employees are assumed to come into compliance with the third party requirements of the rule in the first three years after the signature date of the final rule as specified by the proposed regulation. EPA assumes that firms will come into compliance with these certification requirements evenly over this initial three-year period (one-third of firms incur initial certification costs each year). In the analysis firms after their initial certification year receive the certification renewal cost in the following years of the three year ICR period of analysis.

Third party initial certification and renewal costs are applied to firms with 100 or more employees. Table 5 presents the total and average annual non-labor cost to manufacturers with 100 or more employees for this ICR.

Table 5: Total and Average Annual Non-Labor Costs to Manufacturers with 100 or Greater Employees for the Information Collection Request

	Number of Manufacturers	Initial Certification Costs (Capital)		Renewal Certification Costs (O&M)	
		Total Initial Cert. Costs (in millions)	Average Initial Cert. Costs (in millions)	Total Renewal Costs (in millions)	Average Renewal Costs (in millions)
Manufacturers with 100 or greater employees	612	$2.58	$0.86	$1.38	$0.46

Source: Lead Free Rule Cost Model, ICR Analysis worksheets.

EPA assumed that all firm with less than 100 employees would select the less expensive regulatory option of self-certification under the proposed rule, therefore there are no non-labor costs incurred by these firms. The costs in Table 5 represent all capital and O&M costs associated with this ICR.

14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, WHICH SHOULD INCLUDE QUANTIFICATION OF HOURS, OPERATION EXPENSES (SUCH AS EQUIPMENT, OVERHEAD, PRINTING, AND SUPPORT STAFF), AND ANY OTHER EXPENSE THAT WOULD NOT HAVE BEEN INCURRED WITHOUT THIS COLLECTION OF INFORMATION. AGENCIES ALSO MAY AGGREGATE COST ESTIMATES FROM ITEMS 12, 13, AND 14 IN A SINGLE TABLE.

Due to the regulatory implementation schedule which allows three years for compliance after publication of the final rule, the Agency is not anticipated to incur any reporting or recordkeeping burden for implementation activities and ensuring compliance during the period covered by this ICR.

Tables 6 and 7 provide the total and average burden hours, and labor and non-labor costs for all 2,193 firms affected by this ICR. Again ranges are base of lower and upper bound estimated percentages of manufactures with fewer than 100 employees.

Table 6: Total Burden Hours and Labor and Non-Labor Costs to Manufacturers Across All Employee Size Categories for the Information Collection Request

	Total Burden (Hours)	Total Labor Costs (in millions)	Total Initial Certification Costs (Capital, in millions)	Total Renewal Costs (O&M, in millions	Total Costs (in millions)
Manufacturers – All size categories	162,582 – 318,276	$4.56 - $8.93	$2.58	$1.38	$8.52 - $12.89

Table 7: Annual Average Burden Hours and Labor and Non-Labor Costs to Manufacturers Across All Employee Size Categories for the Information Collection Request

	Average Annual Burden (Hours)	Average Annual Labor Costs (in millions)	Average Annual Initial Certification Costs (Capital, in millions)	Average Annual Renewal Costs (O&M, in millions	Total Average Annual Costs (in millions)
Manufacturers – All size categories	54,194 – 106,092	$1.5 - $3.0	$0.86	$0.46	$2.8 - $4.3

Total estimated burden hours range from 162,582 to 318,276. Total costs for this ICR range from $8.52 to $12.89 million. This means that the average number of burden hours for each year of the ICR period is calculated to be between 54,194 and 106,092. The average annual cost for the ICR ranges between $2.8 and $4.3 million.

15. EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS IN BURDEN ESTIMATES FROM THE PREVIOUS APPROVED ICR.

All of the burden associated with this Information Collection Request is new burden due to the creation of a new regulation.

16. FOR COLLECTIONS OF INFORMATION WHOSE RESULTS WILL BE PUBLISHED, OUTLINE PLANS FOR TABULATION, AND PUBLICATION. ADDRESS ANY COMPLEX ANALYTICAL TECHNIQUES THAT WILL BE USED. PROVIDE THE TIME SCHEDULE FOR THE ENTIRE PROJECT, INCLUDING BEGINNING

AND ENDING DATES OF THE COLLECTION OF INFORMATION, COMPLETION OF REPORT, PUBLICATION DATES, AND OTHER ACTIONS.

There are no plans on publishing the data discussed in this supporting statement.

17. IF SEEKING APPROVAL TO NOT DISPLAY THE EXPIRATION DATE FOR OMB APPROVAL OF THE INFORMATION COLLECTION, EXPLAIN THE REASONS THAT DISPLAY WOULD BE INAPPROPRIATE.

Not Applicable

18. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19, "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS," IN ROCIS.

The agency is able to comply with all provisions of the Certification for Paperwork Reduction Act Submissions.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods