

INFORMATION COLLECTION REQUEST (ICR)  
Consumer Product Safety Improvement Act  
Consumer Product Conformity Assessment Body Registration Form  
SUPPORTING STATEMENT

**A. Justification**

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

On August 14, 2008, the Consumer Product Safety Improvement Act (CPSIA) (Pub. L. 110-314) was signed into law. Section 102 of the Act mandates that third party testing be conducted for any children's product, that is subject to a children's product safety rule, before importing for consumption or warehousing or distributing in commerce. Every manufacturer of such children's product (and the private labeler of such children's product if such product bears a private label) must submit samples to a third party conformity assessment body accredited under requirements established by the Commission to be tested for compliance with such children's product safety rule. Based on the assessment by the third party conformity assessment body, the manufacturer or private labeler must then issue a certificate that certifies that such children's product complies with the children's product safety rule.

The CPSIA defines a third party conformity assessment body as one that is not owned, managed or controlled by the manufacturer or private labeler of a product assessed by such conformity assessment body. A conformity assessment body that is owned, managed, or controlled by a manufacturer or private labeler may, in certain specified circumstances, be accredited as a third party conformity assessment body. (The CPSIA also refers to such entities as "firewalled conformity assessment bodies.") The CPSIA also specifies that a third party conformity assessment body may include a government owned or government controlled entity under certain conditions.

The Act provides that accreditation of third party conformity assessment bodies may be conducted either by the Commission or by an independent accreditation organization designated by the Commission, and requires that the Commission maintain on its web site an up-to-date list of entities that have been accredited to assess conformity with children's product safety rules.

In order to assess a third party conformity assessment body's status as either independent third party, government third party, or firewalled, and its qualifications for recognition by CPSC to test for compliance to specified children's product safety rules, information related to location, accreditation, and ownership must be collected from third party conformity assessment bodies

voluntarily seeking recognition by CPSC. The collection of this information is required: 1) upon initial application by the third party conformity assessment body for recognition by CPSC; 2) whenever there is a change to accreditation or ownership information; and 3) at least every 2 years as part of a regular audit process.

## **2. Use and sharing of collected information**

The CPSC will use the information to identify third party conformity assessment bodies that meet the requirements, as published by the Commission, to test for compliance to specified children's product safety rules. Those third party conformity assessment bodies found to meet the requirements will be listed on the CPSC web site.

## **3. Use of Information Technology (IT) in information collection**

The collection of information would occur through a form on the CPSC web site.

## **4. Efforts to Identify Duplication**

Section 14(a)(3) and (d)(1) of the Consumer Product Safety Act expressly require the Commission to establish notices of requirements for the accreditation of third party conformity assessment bodies and to establish periodic audit requirements. While some of these third party conformity assessment bodies may perform testing for products outside the Commission's jurisdiction, the statutory framework in the CPSA makes it unlikely that duplication of data exists.

## **5. Impact on small business**

The Small Business Administration considers a testing laboratory to be a small business if its annual revenue is less than \$12.5 million. According to the 2002 Economic Census, a very high percentage of testing laboratories would be considered small businesses. In 2002, almost 97 percent of all testing laboratories had revenue of less than \$10 million, and almost 50 percent had revenue of less than \$500,000. In addition, about 63 percent of the third party conformity assessment bodies that have been accredited so far for testing children's products appear to be small businesses. Therefore, it is likely that the collection of information associated with the form will affect a substantial number of small businesses. However, it is unlikely that the collection of information will have significant adverse impact on many third party conformity assessment bodies. The only third party conformity assessment bodies that will seek accreditation for testing children's products are those that expect to receive substantial revenue from the testing required by the CPSIA. Those third party conformity assessment bodies that do not expect substantial revenue from the

testing required by the CPSIA will not seek to be accredited for the testing or they will not renew their accreditation if they had initially sought accreditation, but the expected revenue did not materialize.

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

Failure to provide the information sought by the questionnaire would impair the CPSC's ability to identify third party conformity assessment bodies qualified to conduct the required children's product testing. Additionally, because section 14(a)(2) of the CPSA requires third party testing of children's products, an inability to list accredited third party conformity assessment bodies would impair the ability of manufacturers and private labelers to identify entities that could test their products and impair their ability to certify, as required under the CPSIA, that the product complies with all applicable children's product safety rules.

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

Not applicable.

**8. Agency's Federal Register Notice and related information**

Given the limited purpose and nature of the information collection, no consultation outside the agency was necessary. An FR notice was published October 29, 2009. One comment was received. Staff response to comment is included in FR Notice March 25, 2010.

**9. Decision to provide payment or gift**

The CPSC will not provide any payment or gifts to third party conformity assessment body owners in connection with the information collection.

**10. Assurance of confidentiality**

The information recorded in response to the questions on the form would be subject to the Freedom of Information Act and its exemptions to public disclosure.

**11. Questions of a sensitive nature**

Questions regarding ownership, business and governmental relationships, and third party conformity assessment body personnel may be considered sensitive.

## 12. Estimate of hour burden to respondents

The estimated total reporting burden is 451 hours. We estimate the burden of this collection of information as follows:

Table 1 - Estimated Annual Reporting Burden

Activity	Number of Respondents	Frequency of Responses	Total Annual Responses	Hours per Response	Total Hours
Initial Registration	300	1	300	1	300
Re-Registration	150	1	150	1	150
Changes in Information	3	1	3	0.25	0.75
Total					450.75

There are no capital costs or operating and maintenance costs associated with this collection of information.

Our estimates are based on the following information:

- As of June 5, 2009, 153 third party conformity assessment bodies had registered with the CPSC. However, because we expect to receive additional registrations and because section 14(a)(3)(B)(vi) of the CPSA requires the Commission to issue a notice of requirement for “all other children’s product safety rules,” we anticipate that many more third party conformity assessment bodies will register. Therefore, we tentatively estimate the number of third party conformity assessment bodies who would register initially to be 300.
- Under a proposed rule to be issued by the Commission, third party conformity assessment bodies would be required to ensure that the information submitted on CPSC Form 223 is current and to submit a new CPSC Form 223 whenever the information changes. Based on current experience with third party conformity assessment bodies, we estimate that only one percent of third party conformity assessment bodies will revise or update their information, so the estimated number of respondents is 3 (300 third party conformity assessment bodies x 0.01 revisions per conformity assessment body = 3 revisions per year).
- Under the same proposed rule, third party conformity assessment bodies would be required to resubmit CPSC Form 223 every two years. As all third party conformity assessment bodies have not submitted their first CPSC Form 223s at the same time, only some would be expected to resubmit a CPSC Form 223 in any one year. We do not know what percentage of third party conformity assessment bodies will resubmit a CPSC Form 223 in a given year, so, for purposes of this analysis, we will assume that half of the third party conformity

assessment bodies will resubmit a CPSC Form 223 in any given year. Thus, the estimated number of respondents for proposed § 1112.9(b)(1) is 150 (300 total third party conformity assessment bodies x 0.5 resubmissions per year per third party conformity assessment bodies = 150 resubmissions per year).

Furthermore, we estimate the burden hour for each resubmission to be one hour, so the total burden associated with resubmission of the form would be 150 hours (150 resubmissions x 1 hour per resubmission = 150 hours).

The total burden, therefore, is 450.75 hours, which we will round up to 451 hours.

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

Assuming that the form will be submitted by someone at the level of a general or operations manager at each laboratory at median compensations (wages and benefits) of \$68 per hour, the total cost burden to the respondents is estimated to be \$30,668 ( $\$68 \times 451$  hours).

**14. Estimate of annualized cost to the federal government**

Each of the 150 annual submissions will require review by a CPSC staff member at an average pay rate of \$67/hour, which is the approximate hourly compensation (wages and benefits) of a GS-13 step 5 employee. The review of the application includes a thorough review of the accreditation certificate and scope documents provided by the laboratory to ensure among other things that the accreditations are current, are to the ISO 17025:2005 standard, and include the appropriate test methods. The review is estimated to take an average of 1.75 hours per submission. Therefore, the annualized cost to the federal government is estimated at \$17,588 (150 submissions x 1.75 hours x \$67).

The cost to the federal government of the occasional updated information, expected from about three laboratories annually, will be negligible. In most cases, the updated information involves changes in phone numbers or contact person that will require an estimated average of 15 minutes per submission to review. Therefore, the annualized cost to the federal government is estimated at \$50 (3 submissions x 0.25 hours x \$67).

**15. Program Changes or Adjustments**

This form would represent a new collection of information.

**16. Plans for tabulation and publication**

Information collected under this requirement will not be published.

**17. Exemption for Display of Expiration Date**

The agency does not seek an exemption from displaying the expiration date.

**18. Exemption to Certification Statement**

Not applicable.

**B. Collection of Information Employing Statistical Methods**

Not applicable.