

**SUPPORTING STATEMENT FOR STANDARD FORM 83-1**  
**REPORTING AND RECORDKEEPING REQUIREMENTS**  
**FOR THE ENFORCEMENT POLICY REGARDING**  
**THE SALE AND USE OF AFTERMARKET CATALYTIC CONVERTERS**

**PART A OF THE SUPPORTING STATEMENT**

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title of the Information Collection

Enforcement Policy Regarding the Sale and Use of Aftermarket Catalytic Converters (Renewal). 51 FR 28114-28119, 28133 (Aug. 5, 1986); 52 FR 42144 (Nov. 3, 1987), 67 FR 319-320 (Jan. 3, 2002).

OMB No. 2060-0135; EPA ICR No. 1292.08.

1(b) Short Characterization

The aftermarket catalytic converter policy (AMCC Policy) (51 Fed. Reg. 28114-28119, 28113 (Aug. 5, 1986); 52 Fed. Reg. 42144 (Nov. 3, 1987)) allows aftermarket automobile catalytic converter manufacturers and reconditioners to compete with the automobile manufacturers for the aftermarket catalytic converter (AMCC) replacement market. Without this policy, it would be illegal, under section 203 of the Clean Air Act, 42 U.S.C. § 7522, to sell or install AMCCs that do not conform exactly to the automobile manufacturers' original equipment (OE) versions of these parts. The policy also makes it possible for automobile repair shops, which are often small businesses, to take on a significant share of the AMCC replacement market. In doing so, consumers are able to purchase replacement AMCCs at a much lower price than they would pay for an OE catalytic converter. This helps to ensure that vehicles will not create excessive air pollution because motorists are more likely to replace damaged catalytic converters if they can purchase the replacements at a cost that is significantly less than OE catalytic converters (cost savings resulting from the policy are estimated to be about \$750 million in 2008 dollars).

To ensure that air quality will not be compromised, it was necessary to set standards for aftermarket catalytic converters, both for performance and durability. It was also necessary to ensure that appropriate applications are installed on vehicles (i.e., the AMCC has to be of a type and size appropriate for the vehicle application). To these ends, the following reporting and recordkeeping requirements exist for AMCC manufacturers, reconditioners and installers.

Manufacturers: On a one-time basis for each type or line of AMCC manufactured, the manufacturer must report information identifying the supplier, information regarding the physical specifications of each catalytic converter line produced, and information regarding pre-production testing of the converters that show they meet the AMCC Policy's emission reduction standards for certain specified vehicle applications (a single AMCC line can be used on a large number of vehicle applications). The original AMCC Policy required that, once production had begun, the manufacturer would submit to the U.S. Environmental Protection Agency (EPA), on a semi-

annual basis, the number of each type of AMCC manufactured and a summary of information contained on warranty cards or, at the option of the respondent, copies of warranty cards for all AMCCs sold. This reporting regarding sales and warranty information was eliminated in March 1999, with the stipulation that records must be maintained for five years and the information submitted to EPA upon request.

Reconditioners: On a one-time basis, the catalytic converter reconditioner must report the identity of the company, a description of the test bench utilized for testing used catalytic converters, and the intended vehicle application(s) for each catalytic converter type. All used catalytic converters must be tested individually to ensure that they are still functional. The original policy required reconditioners to report, on a semi-annual basis, the names and addresses of distributors along with the number of each type of converter sold to each distributor. This reporting requirement was also eliminated in March 1999, with the stipulation that records must be maintained for five years and the information submitted to EPA upon request.

Installers of AMCCs: Installers have no reporting requirements. They simply fill out the warranty card and give it to the retail customer. They must also include a brief statement with each invoice stating the need for replacing the original catalytic converter. They also tag each removed catalytic converter with a reference to the invoice for repair. The invoices are required to be kept for 6 months and the removed (tagged) converters are required to be kept for 15 days.

## 2. NEED FOR AND USE OF THE COLLECTION

### 2(a) Need/Authority for the Collection

Section 203(a)(3) of the Clean Air Act (Act) prohibits removal or rendering inoperative of motor vehicle emission control equipment by commercial service establishments or any other person. It also prohibits the causing of such acts. In addition, it prohibits the manufacture, sale or installation of devices that defeat the emission control components or design elements. The catalytic converter is the major emission control device used by motor vehicle manufacturers. Oxidation (two-way) catalytic converters reduce hydrocarbons and carbon monoxide emissions, while oxidation-reduction (three-way) catalytic converters (widely used since 1981) additionally reduce oxides of nitrogen emissions. If a vehicle is properly maintained, the catalytic converter frequently will not require replacement for the life of the vehicle. If catalytic converters need replacement after the expiration of the automobile manufacturer emissions control warranty, the vehicle owner must pay for the replacement.

EPA has promoted vehicle emissions inspection programs with mandatory catalytic converter replacement where missing or non-functioning catalytic converters are discovered. The EPA believes that the success of State and local government programs of this type depends, in part, on the availability and cost of replacement catalytic converters. The average cost of a new OE catalytic converter is approximately \$540-\$650 installed, a relatively high cost of replacement that severely limits their installation after the warranty period expires. This enforcement policy allows the sale of low-cost but effective alternatives to the OE catalytic converters. For the AMCC industry, including the installers, this is a multimillion dollar industry. Nearly 3,000,000 AMCCs are installed each year.

The popularity of these low-cost replacement AMCCs and the need to ensure air quality benefits while promoting local tampering inspection programs have led EPA to implement this policy for the manufacture, sale, and installation of new non-OE and used, reconditioned OE catalytic converters. Prior to the implementation of the policy, AMCC manufacturers and

reconditioners frequently sold catalysts that had little, if any, efficacy. Manufacturers that made a quality product were not able to compete on a level playing field because muffler shops could purchase poor quality catalytic converters for half the price of better AMCCs and undersell the competition. The manufacturer reporting and recordkeeping requirements help ensure that proper AMCCs are manufactured and distributed to installers and help ensure proper retail level installation of AMCCs.

The installer requirements exist to enable EPA to monitor whether correct applications are made at the retail level and whether OE catalytic converters are replaced with AMCCs only in appropriate circumstances (*e.g.*, the original equipment catalytic converter should not be replaced with an AMCC while the vehicle is still covered by its emissions warranty). A strong incentive exists for cheating; for example, installing a used, untested catalytic converter would cost less than half the price of a properly tested used catalytic converter.

These are important conditions to the installation of aftermarket or reconditioned catalytic converters. An improper application (*e.g.*, a 2-way catalytic converter on a vehicle that needs a 3-way catalytic converter) will result in much higher emissions of harmful pollutants than a proper application would. Likewise, replacement of the original catalytic converter when the repair is not needed can result in an increase in emissions since working OE catalytic converters are generally more efficient than AMCCs.

## 2(b) Practical Utility/Users of the Data

### PRACTICAL UTILITY

The collection of information is necessary for the proper performance of the functions of EPA, and the information collected will have practical utility. Without the AMCC reporting and recordkeeping requirements, enforcement would be nearly impossible. For example, testing is required to determine whether a used catalytic converter is still effective. As another example, the efficacy of new AMCCs for particular vehicle applications cannot be determined without prototype testing and information on specifications.

All testing is to be conducted by the manufacturer or reconditioners, and therefore EPA believes that it is important that EPA have access to testing records. A record of the names and addresses of dealers and distributors, as is required in the policy, allows for prompt notification of these parties in the event of an enforcement action.

Warranty cards often reveal direct evidence of misapplication or failure to provide the required warranty. Sales information from reconditioners provides an indirect way to ensure that production is not exceeding the capacity of the test stand, and provides EPA with a list of distributor or retail facilities for enforcement audits and testing.

The installer requirements are needed to ensure installation of appropriate AMCC applications and to ensure that catalytic converters are only replaced when necessary. Some repair shops could gain an unfair advantage if they were to install less expensive 2-way converters on vehicles requiring 3-way converters. Repair shops could also improperly benefit, at cost to both the consumer and ambient air quality, if OE catalytic converters are replaced when they are still functional or when they are still within the warranty period.

The requirements also facilitate knowledge on the part of the installers of AMCCs and of the driving public that the catalytic converters they are using are appropriate and effective and

that no potential warranty liability should exist for the installer so long as the suitable catalytic converter is installed on each vehicle and records are kept.

## USERS

Air Enforcement Division, Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, EPA. As noted above, the requirements also assist industry by ensuring a level playing field and by assuring installers and their customers that the catalytic converter to be installed is effective and appropriate for the vehicle (*e.g.*, 3-way converter of proper capacity on vehicle that needs a 3-way catalytic converter).

### 3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

#### 3(a) Nonduplication

The information collection is not unnecessarily duplicative of information otherwise reasonably accessible to EPA. The required warranty provisions and the manufacturer reports and test records are the only records of their kind available to document the information needed to determine compliance.

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

In compliance with the Paperwork Reduction Act, a public comment period of 60 days was announced in the Federal Register (77 FR23478 (June 16, 2012)) regarding this proposed renewal ICR. No comments were received. However, we have continued to update burden and cost information and this renewal.

The ICR estimated burdens and costs that are being submitted to OMB for this renewal have been revised and updated to reflect wage and inflation increases, as well as estimated current workloads and corresponding burden times for installers, reconditioners and manufacturers. An additional estimate has been continued in this ICR regarding amortized startup costs for new AMCC installation businesses. A second Federal Register notice has been published announcing the submission of this Policy to OMB for approval.

#### 3(c) Consultations

For this ICR, EPA has contacted various affected industry respondents for information regarding burdens and costs. Following is a list of non-EPA contacts, by name, phone number and affiliation:

1. Joe Kubsh, Executive Director, Manufacturers of Emission Controls Assoc. (MECA) telephone: 202-296-4797 ext 114.
2. Pat Haynes, Tenneco Automotive, 517-522-5525 ext 6744.
3. Barry Hills, President, Canammex Exhaust, 954-941-9109.
4. Helamon Andre, KGC Warehouse, 417-276-3059.
5. Tim Patrick., Kataco Creek Converters, 800-275-5116.
6. Nicole Petty, Brown Recycling Mfg., Inc., 256-778-8756.

#### 3(d) Effects of Less Frequent Collection

The information requested from the manufacturers would normally be kept as part of their records, and should not constitute a significant burden to maintain. Additionally, the information requested is the minimum considered necessary to adequately monitor the AMCC market and properly enforce the policy. Note that the manufacturers and reconditioners are voluntarily accepting recordkeeping burdens as a condition of EPA not bringing actions for violation of section 203 of the Clean Air Act. EPA is willing to allow the sale of catalytic converters not certified to meet OE standards only if it can insure that AMCCs meet the less strict standards of the policy and that they are properly installed.

The product development information requested is only collected when a new product line is introduced by an AMCC manufacturer. Less frequent collection of test results would allow some AMCCs to reach the market without proof of sufficient emission testing to verify their effectiveness. Semi-annual reports of production or sales information are no longer required. Each used catalytic converter that is reconditioned must be tested, since the condition of the used catalytic converters varies widely.

No reporting is required for installers. The recordkeeping must accompany installation since there is no way to collect the information afterward.

### 3(e) General Guidelines

The collection is in compliance with OMB guidelines except that new AMCC manufacturers are required to keep warranty cards for five years. This document retention period is merited because the required warranty period for the converters is five years. This document retention requirement is also consistent with the applicable statute of limitations. EPA has not received negative comment regarding this maintenance period from the industry.

### 3(f) Confidentiality

Confidentiality protections are provided pursuant to 40 C.F.R. § 2.201 *et seq.*

### 3(g) Sensitive Questions

This section is inapplicable to this ICR.

## 4. THE RESPONDENTS AND THE INFORMATION REQUESTED

### 4(a) Respondents/SIC Codes

Respondents include the manufacturers of new AMCCs and reconditioners of used catalytic converters. The SIC code is 346 (NAICS 336399). The other respondents are automobile exhaust repair facilities. Their SIC code is 7533 (NAICS 811112).

### 4(b) Information Requested

#### (i) Data Items, Including Recordkeeping Requirements

This ICR indicates for each recordkeeping requirement the length of time persons are required to maintain the records specified.

### ONE-TIME REPORTING

Parties required to submit one-time AMCC testing information include all manufacturers of new non-OE converters. Parties required to provide a report to EPA on a one-time basis include reconditioners of used OE catalytic converters.

Specifications Information for each new product line – New AMCC Manufacturers:

- 1) Converter supplier and address
- 2) General type of converter (e.g., oxidation, reduction, three-way, etc.)
- 3) Number of each type of catalyst used per can (number of individual monoliths containing catalytic metals in each unit)
- 4) Substrate (e.g., monolithic, pelleted) - give configuration construction technique (e.g., extruded, laid-up, formed, etc.), composition, supplier and address, composition of active constituents in substrate (grams or troy ounces); for monolithic substrates, give number of cells per square inch of frontal area, design tolerances, and nominal cell wall thickness (in mils); for pelleted substrates, specify pellet shape and dimensions, pellet bulk density, the use of more than one type of pellet (e.g., Rh, or Pt/Pd), any geometrical distribution of pellets, and (if this is controlled in production) the mean impregnation depth (in microns) of active materials with production tolerances
- 5) Washcoat - give composition of active constituents, and total active material loading (grams or troy ounces) in washcoat
- 6) Active material - give composition of active constituents, loading of each active material including design tolerances, and total active material loading, including design tolerances (grams or troy-ounces)
- 7) Container - specify dimensions, volume, materials used, technique of containment and restraint, method of constructing container, canner (if different from catalyst supplier), and insulation and shielding (converter and/or vehicle)
- 8) Physical description - dimensions (e.g., length, width, height, etc.), weight (lbs.), volume including design tolerances, active surface area (BET), and total active surface area including design tolerances

Prototype Testing Description -- New AMCC manufacturers:

- 1) Year, make, and model of vehicles tested
- 2) Method of mileage accumulation
- 3) Name and address of testing facility
- 4) Summary of conversion efficiency test results
- 5) Intended vehicle applications for each converter type tested

Information on Test Bench -- Reconditioners of Catalytic Converters:

- 1) Name and address of testing facility
- 2) Description of facilities used for testing
- 3) Intended vehicle applications for each converter type

PERIODIC REPORTING: None

RECORDKEEPING

New AMCC Manufacturer Recordkeeping:

The period of record retention for new AMCC manufacturers for warranty cards is five years.

Installer Recordkeeping:

There is no reporting. Installers are required to fill out the warranty card if new AMCCs are installed, or provide the card to vehicle owner for completion of applicable sections and submittal to the AMCC manufacturer. Installers must state the reason for replacement on the invoice, maintain the invoices for six months, tag the replaced catalytic converters, and maintain the replaced catalytic converters on the premises for 15 days.

(ii) Respondent Activities

The information collection is to be implemented in ways consistent and compatible with, to the maximum extent practicable, the existing reporting and recordkeeping practices of those who are to respond.<sup>1</sup>

NEW AMCC MANUFACTURERS

New AMCC Manufacturers Provide Information Regarding Specifications, Applications, and Test Results for New Product Line

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for the purpose of collecting, validating, and verifying information
- 3) Develop, acquire, install and utilize technology and systems for the purpose of processing and maintaining information
- 4) Develop, acquire, install and utilize technology and systems for the purpose of disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources

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<sup>1</sup> "N/A" indicates this was a one-time cost that has already been absorbed under start-up costs associated with the policy when it was promulgated or is otherwise not applicable. "\*" indicates an item is a customary and usual business practice (CBP), or is partially CBP.

- 8) Complete & review the collection of information
- 9) Transmit or otherwise disclose the information

This requirement is a one-time burden that only applies to new product lines. It has already been accomplished for all existing product lines, many of which are likely to be usable for many years to come. ICR assumes each manufacturer develops and tests one new line every two years.

#### New AMCC Manufacturers Test Each New Product Line

This requirement is a one-time burden that only applies to new product lines. In many cases it is contracted out.

- 1) Review Instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources
- 8) Complete & review collection of information
- 9) Transmit or otherwise disclose the information

#### New AMCC Manufacturers Report on a Semi-Annual Basis Regarding Manufacturing and Submit and Maintain Warranty Cards:

These reports are no longer required on a routine basis; EPA reserves the right to require submission of information upon request.

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information; \*
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources
- 8) Complete and review the collection of information
- 9) Transmit or otherwise disclose information

#### USED CATALYTIC CONVERTER RECONDITIONERS:

#### Used Catalytic Converter Reconditioners Submit Test Facility Information

This is a one-time burden that has already been implemented at existing facilities and we know of no new facilities.

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources
- 8) Complete and review the collection of information
- 9) Transmit or otherwise disclose the information

Used Catalytic Converter Reconditioners Perform Efficiency Test on Each Used Converter

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources
- 8) Complete and review the collection of information
- 9) Transmit or otherwise disclosing the information

Used Catalytic Converter Reconditioners Semi-Annual Report Regarding Distribution of Products:

These reports are no longer required on a routine basis; EPA reserves the right to require submission of information upon request.

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources

- 8) Complete and review the collection of information
- 9) Transmit or otherwise disclose the information

#### AMCC INSTALLERS

#### AMCC Installers Fill Out Warranty Card (For New AMCCs Only), State Reason for Replacement on Invoice and Place Tag on Removed Converter

Most of the recordkeeping and maintenance is CBP. This ICR also makes an estimate for startup burdens and costs for new businesses.

- 1) Review instructions; N/A
- 2) Develop, acquire, install and utilize technology and systems for collecting, validating and verifying information; \*
- 3) Develop, acquire, install and utilize technology and systems for processing and maintaining information; \*
- 4) Develop, acquire, install and utilize technology and systems for disclosing and providing information; N/A
- 5) Adjust the existing ways to comply with any previously applicable instructions and requirements; N/A
- 6) Train personnel to be able to respond to a collection of information; N/A
- 7) Search data sources; \*
- 8) Complete and review the collection of information; \*
- 9) Transmit or otherwise disclose the information.

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

##### 5(a) Agency Activities

The information collection has been developed by an office within the EPA Office of Enforcement and Compliance Assurance (OECA) that has planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance, where appropriate, the utility of the information to agencies and the public.

EPA engages in the following activities in regard to the information collection.

- Reviewing reports;
- Conducting inspections or audits as appropriate; and
- Taking enforcement actions where appropriate.

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

New AMCC manufacturers collect sales data and warranty cards submitted to them by retail customers who have had converters installed, or directly from the installers themselves. This is a customary business practice for many businesses. Until 1999, the new AMCC manufacturers reported semi-annually to EPA manufacturing information (types of AMCCs and how many sold) and submitted either a computerized list summarizing AMCC installations or

copies of the actual warranty cards, at their option. However, routine reporting is now only required regarding specifications for new product lines. Warranty cards must be kept for five years because that is the length of the warranty period.

Since warranties are not required on reconditioned catalytic converters, the reconditioners were required, prior to 1999, to provide semi-annual report regarding to whom they sold reconditioned catalytic converters, how many were sold, and what types were sold. The reconditioners must still retain this information, and provide it to EPA upon request, but routine reporting on reconditioned catalytic converters is no longer required.

No other recordkeeping or reporting is necessary for new AMCC manufacturers unless they create a new line of AMCCs, in which case data must be submitted regarding test results and appropriate applications of the AMCCs. For used catalytic converter reconditioners, testing of each catalytic converter is necessary to determine if it is still functional. However, no specific record retention requirement exists regarding the results of individual tests, other than to include a certification with the converter that it passed testing. This short statement can be a pre-printed form.

If industry voices an interest in electronic reporting, EPA will facilitate such data interchange, if practical. In the meantime, we would be willing to accept computer discs or other electronic information containing warranty information instead of hard copies of the information if we request it. Since routine reporting of sales and warranty information is no longer required this does not appear to be a significant issue.

Installers have no reporting requirement. They merely fill out a warranty card for each converter installed, and include on the customary business practice invoice a pre-printed statement with a blank for why replacement was appropriate. The invoice, including the "reason for replacement" statement, must be kept for six months. In addition, the removed converter is tagged for a 15 day period and maintained on the premises, so it can be directly related to the vehicle and to the AMCC that replaced it.

#### 5(c) Small Entity Flexibility

The information collection reduces to the extent practicable and appropriate the burden on persons who shall provide information to or for EPA, including small entities as defined by the Regulatory Flexibility Act (5 U.S.C. § 601(6)), through the use of such techniques as: (1) establishing differing compliance or reporting requirements or timetables that take into account the resources available to those who are to respond; (2) the clarification, consolidation, or simplification of compliance and reporting requirements; or (3) an exemption from coverage of the collection of information, or any part thereof.

New aftermarket catalytic converter manufacturers are substantial businesses with gross revenues in the millions of dollars per year. The catalytic converter reconditioners tend to be smaller businesses and the recordkeeping and reporting requirements are somewhat less; for example: there are no warranty requirements and therefore no requirements to maintain warranty cards or report warranty information. More importantly, the policy allows small businesses to compete with the original equipment manufacturers in a market that was previously inaccessible to them, a business that would not be legal but for this policy. Many installers are small businesses and benefit significantly from this multimillion dollar industry. Their requirements are minimal (4-5 minutes per installation, at least some of which is not an EPA imposed burden since maintaining invoices is a customary business practice).

#### 5(d) Collection Schedule

Sales reports were previously required to be submitted to EPA by manufacturers and reconditioners semi-annually. This routine reporting is no longer required. No other regular reporting exists, but reports must be submitted by new AMCC manufacturers for new product lines. Installers do not report. Their recordkeeping occurs at the time of each installation transaction.

#### 6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

##### Assumptions:

The estimated dollar cost for new AMCC manufacturers will be different than for used OE catalytic converter reconditioners, since the policy is different for each group. The cost estimates for manufacturers and reconditioners, and for installers, are outlined below.

##### NEW CONVERTER MANUFACTURERS

1) The number of new AMCC manufacturers is approximately eight (the same as in the previous ICR). The cost to new converter manufacturers consists of a) the one-time cost of submitting new product line specifications and testing information to EPA; and b) the one-time cost to test two converters for each product line using the specifications outlined in the policy. There is no longer a burden for submission of semi-annual reports regarding manufacturing and sales.

2) Contractor cost: Based on estimates supplied by companies that provide the testing services, the testing cost for a typical manufacturer is approximately \$102,600 per product line. This estimate is identical to the estimate used in the previous ICR, but has been adjusted for inflation to 2011 dollars. This estimate includes the cost for personnel to conduct the testing, as well as the actual cost of the testing equipment and procedures. If the typical manufacturer markets approximately one new product line every two years, the total testing cost for a typical new converter manufacturer would be \$102,600 for two years. Under the assumption that the prevailing interest rate is 8%, the annualized cost of the development testing would be \$102,600 amortized over 24 months at 8% compounded monthly, or \$55,684 per manufacturer per year. The number of new product lines is based on historical submissions and has not changed from the previous ICR.

3) To estimate the labor to tabulate and report the information as required, we used automotive sector labor rates from the Bureau of Labor Statistics website, which is found at <http://bls.gov/iag/tgs/iaguato.htm>. While no job category necessarily perfectly fits the technical work performed by aftermarket catalytic converter manufacturers, we selected the labor rate for motor vehicle parts manufacturers. The hourly wage for automotive parts manufacturers as of October 2011 was \$20.60 per hour. In reality, much of the burden can be performed by lower pay scale clerical staff. To account for benefits and overhead we have doubled this hourly wage, which results in an hourly cost of \$41.20.

4) The actual hour estimates per response (aside from the elimination of the semi-annual reports as noted above) have remained the same since the last ICR. For new converter manufacturers, putting together an EPA report on specifications of a new product line takes about two hours. We have previously eliminated reporting on manufacturing and sales information,

which took about 0.5 hr.; and eliminated submission of warranty card information, which took about one hour to box and send to EPA. The maintaining of records, including warranty records, requires about one hour per year.

#### RECONDITIONERS OF USED CATALYTIC CONVERTERS

1) The number of businesses reconditioning used catalytic converters (Reconditioners) is six, the same as in the previous ICR.

2) The cost to a Reconditioner consists of the labor costs of testing each individual converter according to the test procedures outlined in the policy, the cost of setting up the bench testing equipment, and the cost of tabulating and reporting the information required in the policy. These cost elements are treated separately below.

3) Two technicians are needed to test each used catalytic converter. The cost of a technician per hour is estimated to be somewhat less than for a new AMCC manufacturer, and instead is estimated to be about the same as an automobile mechanic. For the cost of an employee burden hour, however, we used the same costs as for new AMCC manufacturers. This gives an hourly cost per employee of \$41.20, including the cost of benefits and overhead.

4) An average of 2.00 minutes are required for each test.

5) Capital Costs for Reconditioners' equipment are based on a test equipment cost of about \$210,000, having a useful life of about 5 years. If this is amortized over 5 years the yearly cost comes to about \$51,096 per Reconditioner per year, including interest charges (8% interest).

6) Record-keeping costs for tabulating and reporting information to EPA are based on the same labor rate as above, even though some of this work may be done by lower pay scale clerical workers.

7) The estimate of the number of reconditioned catalytic converters tested annually is 56,000 (roughly 2% of the number of new AMCCs sold each year). This estimate is unchanged since the previous ICR.

8) Reconditioners no longer have the previous reporting burden of preparation of a semi-annual report (such reports previously took about 4 hours; less than 8 hours per year). The maintenance of these records takes about 1 hour per year.

#### AMCC INSTALLERS

1) There are approximately 30,000 automotive exhaust repair shops nationwide. It is assumed that these entities install the vast majority of AMCCs and it is further assumed that all of these entities install converters, but generally do not include tire/ brake shops and other non-exhaust repair facilities such as electrical diagnostic facilities. This is the same number of installers used in the previous ICR.

2) The estimate of the number of new AMCCs installed annually has remained 2.6 million. The number of vehicles on the road has not changed over the last three years according to the U.S. Department of Transportation, Federal Highway Administration, Highway Statistics 2003 [www.fhwa.dot.gov](http://www.fhwa.dot.gov). In the previous ICR, we estimated there were 2.6 million new AMCCs installed per year. These estimates are in line with a 2001 report from the Manufacturers of

Emission Controls Association who reported a total of 3,079,249 new AMCCs supplied to North America, which includes catalytic converters supplied to Mexico.

3) Typically, it takes an exhaust repair technician 4-5 minutes per installation to handle all recordkeeping requirements (fill out warranty card if applicable, fill in the blank on invoice regarding reason for replacement, and tag the converter that was removed). This estimate is based on information from shop owners as well as EPA experience with the paperwork. In many cases, blank warranty cards are simply provided to customers, further reducing burden times.

4) The cost of an employee per hour is estimated to be about the same as an automobile mechanic. For the cost of an employee burden hour, we used \$16.04/hour, the most recent data from the Bureau of Labor Statistics for Automotive Repair and Maintenance for October 2008, and doubled that figure to reflect benefits and overhead. This gives an hourly cost of \$32.08. This estimate is lower than for the previous ICR, but is based on current hourly wage data.

5) Using the above assumptions, each shop averages 87 installations per year. On the average, the paperwork is assumed to take about 5 minutes per installation, or 7.2 hours per year. At \$32.08 per hour, this comes to \$231 per year per shop.

#### 6(a) Estimates of Respondent Burden and Cost

##### NEW AMCC MANUFACTURERS

#### 1) Provide Specifications for New Product Lines

One-time burden for each new product line is 2 hours. Assume each manufacturer develops one new product line every two years.

|                              |       |
|------------------------------|-------|
| Annual Hours per Respondent: | 1.0   |
| Annual Cost per Respondent:  | \$ 41 |
| Hours for 8 Respondents:     | 8     |
| Cost for 8 Respondents:      | \$328 |

#### 2) Test Prototypes (Purchased Services):

One-time burden for new product lines (one new product line per manufacturer every two years).

|                                       |           |
|---------------------------------------|-----------|
| Hours per Respondent (contracted out) | 0         |
| Annualized Cost per Respondent:       | \$55,684  |
| HRS FOR 8 RESPONDENTS:                | 0         |
| COST FOR 8 RESPONDENTS:               | \$445,472 |

3) Submit Semi-annual Reports of Manufacturing Data and Warranty Cards (reporting requirement discontinued; Recordkeeping exists):

|                       |         |
|-----------------------|---------|
| Hours per Respondent: | 1       |
| Cost per Respondent:  | \$41.00 |

Hours for 8 Respondents: 8  
COST FOR 8 RESPONDENTS: \$328.00

4) Annualized O & M Costs (for postage):  $\$8 * 8 \text{ parties} = \$64$  for all respondents.

#### USED CATALYTIC CONVERTER RECONDITIONERS

1) Submit Test Facility Information: This is a one-time burden which has already been absorbed by current Reconditioners. No new facilities are anticipated within the period of this ICR.

2) Perform Efficiency Tests on Each Reconditioned Catalytic Converter:

Hours per Respondent: 623  
(Represents 9345 converters tested per year per Respondent)  
x \$41.20 per hour  
Cost per Respondent: \$25,668

Hours for 6 Respondents: 3,738  
x \$41.20 per hour  
Cost for 6 Respondents: \$154,005

3) Submit Semi-annual Reports Regarding Distribution of Products (reporting requirement discontinued; Recordkeeping exists):

Hours per Respondent: 1  
Cost per Respondent: \$41.00

Hours for 6 Respondents: 6  
Cost for 6 Respondents: \$246

4) Amortized Capital Costs

Per Respondent: \$51,096  
Amortized Capital Cost for 6 Respondents: \$306,576

5) Annualized O & M (for postage): None

#### EXHAUST SYSTEM REPAIR FACILITIES

1) Maintain Invoices and Removal Justification. Tag Converters

Hours per Respondent: 7.22  
x\$32.08 per hour  
Cost per Respondent: \$232

Hours for 30,000 Respondents: 216,600  
X\$32.08 per hour  
Cost for 30,000 Respondents: \$6,948,528

2) Startup Costs:

|                                                      |                   |
|------------------------------------------------------|-------------------|
| Hours per Startup                                    | 5                 |
|                                                      | X\$32.08 per hour |
| Cost per Startup                                     | \$160             |
| Hours for 100 Startups                               | 500               |
|                                                      | X\$32.08 per hour |
| Cost for 100 Startups                                | \$16,400          |
| Capital Costs (to purchase converter storage space): |                   |
| \$250*100 = \$25,000 for all respondents.            |                   |

#### 6(b) Summary of Respondent Costs

##### 1) Total Yearly Costs for New AMCC Manufacturers:

Submission of specifications \$41, test prototype cost \$55,684 per respondent, including contractor testing costs, \$41 warranty card recordkeeping; \$8 postage costs = \$55,774;  
\$446,192 total costs for all 8 respondents.

##### 2) Total Yearly Costs for Converter Reconditioners:

\$25,668 for yearly converter tests to check efficiency, recordkeeping \$41, Capital Costs of \$51,096, = \$76,805 per respondent, and \$460,827 for all 6 respondents.

##### 3) Total yearly costs for installers:

\$232 for 1 respondent = \$6,948,528 for all 30,000 installer facilities for labor. 5 hours (\$160) plus \$250 for filing space or \$410 per party \* 100 new parties per year = \$41,400 total startup costs for new businesses. Total is \$6,989,928.

4) Total Yearly Burden: \$7,896,947 (including salaries); 220,860 hours for all respondents, including testing and including 500 hours for 100 startups). Annualized cost burden other than salaries: \$777,112.

#### SUMMARY OF RESPONDENTS' BURDENS AND COSTS BY CATEGORY:

##### I. New Aftermarket Catalytic Converter Manufacturers

- A. Annual Burden Hours per Party: 2. (16 for all 8 respondents)
- B. Annualized Capital Costs per Party: \$0.00.
- C. Annualized Operating Costs per party: \$8.00 (\$64 for all 8)
- D. Annualized Startup Costs: \$0.00 (no new entities entering the market).
- E. Annual Purchased Services per Party (for Testing of Prototypes): \$55,684. (\$445,472 for all 8).

## II. Used Aftermarket Catalytic Converter Manufacturers

A. Annual Burden Hours per Party: 624 (testing of catalytic converters to determine they are functional; the actual recordkeeping burden is minimal). (3,744 for all 6)

B. Annualized Capital Costs per Party: \$51,096. (\$306,576) for all 6)

C. Annualized Operating Costs per Party: \$0.

D. Annualized Startup Costs: None. There have been no new parties and none are expected in the next 3 years.

E. Annual Purchased Services per Party: \$0.00.

## III. Installers of AMCCs (Exhaust System Repair Facilities)

A. Annual Burden Hours per Party: 7.22 (216,600 for all 30,000)

B. Annualized Capital Costs per Party: \$0.00.

C. Annualized Operating Costs per party: \$0.00.

D. Annual Purchased Services per Party: \$0.00.

E. Annualized Startup Costs: Assume 100 new installers per year; assume reviewing instructions and setting up recordkeeping systems requires five hours per party and the purchase of file space of \$250. Total startup cost would be \$160 plus \$250, for a total of \$410 per party and \$41,000 nationwide. (500 hours and \$25,000 non-salary costs for all 100)

### 6(c) Estimated EPA Burden and Cost

The direct cost of personnel to process and analyze the information collected is estimated to be \$770 or about 20 hours at the cost of a grade 12 employee. An estimated travel cost of \$5,000 would be needed to monitor compliance with the policy, in addition to travel already used for retail level inspections for automobile emissions tampering generally. The total annual cost to the government is thus estimated to be \$5,770.

### 6(d) Reasons for Change in Burden

Hourly burdens for new AMCC manufacturers and reconditioners of used catalytic converters have remained unchanged. However, the cost-burden for both have increased due to increases in testing equipment costs. We have adjusted cost figures for inflation. Sales volume has remained constant since the fleet size has not changed.

There is a decrease of 68 hours in the total estimated burden currently identified in the OMB Inventory of Approved ICR Burdens. This decrease is due to the correction of two errors. First, we previously failed to account for the fact that new catalyst manufacturers submit information on average every other year. Therefore, although the burden of submitting is two hours for each of eight respondents, the annual average is only one hour per respondent. This correction decreased the burden estimate by eight

hours. Second, we corrected a multiplication error affecting the burden hour calculation for installers, a decrease of 60 hours. The total decrease in burden hours is 8 hours plus 60 hours, or 68 hours. Thus, the decrease reflects an adjustment in ICR estimates and not a change to program requirements.

#### 6(e) Burden Statement

The public recordkeeping burden for this collection of information is estimated to average 7 hours per response.

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 purpose 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 C.F.R. Part 9 and 48 C.F.R. Chapter 15.

To comment on EPA's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OECA-2012-0157, which is available for public viewing at the Enforcement and Compliance Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, 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 Enforcement and Compliance Docket and Information Center is (202) 566-1752. An electronic version of the public docket is available through [www.regulations.gov](http://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. Once in the system, select "search," then key in the docket ID number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OECA-2012-0157 and OMB control number 2060-0135 in any correspondence.

### **PART B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This section is not applicable because statistical methods are not used in the data collection associated with the aftermarket catalytic converter policy.

## APPENDIX A. Summary of Comments to First Federal Register Notice

No comments were received.

## APPENDIX B. Citation for Information Requirements of the ICR

The information requirements of this ICR are enumerated in EPA's proposed and interim enforcement policy published in the Federal Register on August 5, 1986 (51 Fed. Reg. 28114). In this Federal Register notice EPA proposed to amend 40 C.F.R. Part 85 by adding a new Appendix IX, which would consist of this enforcement policy. There are no regulations applicable to this information collection. The citations listed below for the information requirements refer to this Federal Register notice.

| Information Requirement<br>Citation                             | Fed. Reg.   |
|-----------------------------------------------------------------|-------------|
| New Converter Manufacturers                                     |             |
| Collect and Transmit Converter specifications to EPA            | 51 FR 28119 |
| Collect, file and maintain warranty information                 | 51 FR 28117 |
| Used Converter Reconditioners                                   |             |
| Collect, file and maintain sales information and customer lists | 51 FR 28118 |
| Installers                                                      |             |
| Invoices, Warranties, Tag converters                            | 51 FR 28816 |