



**United States
CONSUMER PRODUCT SAFETY COMMISSION**
4330 East West Highway
Bethesda, MD 20814

This document has been electronically approved and signed.

BALLOT VOTE SHEET

DATE: March 18, 2020

TO: The Commission
Alberta E. Mills, Secretary

THROUGH: Mary T. Boyle, Executive Director John G. Mullan, Acting General Counsel

FROM: Hyun S. Kim, Acting Assistant General Counsel

SUBJECT: Agency Information Collection Activities – Consumer Product Risk Reduction Valuation Study: Cognitive Interviews & Focus Groups

BALLOT VOTE DUE: Tuesday, March 24, 2020

Attached for Commission consideration is the draft second *Federal Register* notice, to announce that a proposed collection of information--to conduct cognitive interviews and focus groups that will assess consumer comprehension of risk associated with consumer products--will be submitted to the Office of Management and Budget (OMB) for review and clearance. The first step in obtaining OMB approval is publication of a *Federal Register* notice providing the opportunity for public comment on the proposed collection of information. That notice was published on December 30, 2019 (84 Fed. Reg. 71902), and CPSC did not receive any comments.¹

Please indicate your vote on the following options:

- 1. Approve publication of the draft notice in the *Federal Register*; as drafted.

(Signature)

(Date)

¹ This is a new collection of information and does not fall within the scope of the authority delegated to the Office of the General Counsel under IP402.1 (previously Order No. 0315.8).

II. Approve publication of the draft notice in the *Federal Register*, with the specified changes.

(Signature)

(Date)

III. Do not approve publication of the draft notice in the *Federal Register*.

(Signature)

(Date)

IV. Take other action specified below.

(Signature)

(Date)

Attachment: Draft *Federal Register* Notice Agency Information Collection Activities Submission for OMB Review Comment Request Consumer Product Risk Reduction Valuation Study: Cognitive Interviews & Focus Groups

CONSUMER PRODUCT SAFETY COMMISSION

[Docket No. CPSC-2019-0035]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Consumer Product Risk Reduction Valuation Study: Cognitive Interviews & Focus Groups

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: As required under the Paperwork Reduction Act of 1995 (PRA), the Consumer Product Safety Commission (CPSC) announces that CPSC has submitted to the Office of Management and Budget (OMB) a new proposed collection of information by the agency to conduct cognitive interviews and focus groups that will assess consumer comprehension of risk associated with consumer products. On December 30, 2019, the CPSC published a notice in the *Federal Register* announcing the agency's intent to seek approval of this collection of information. The CPSC received no comments in response to that notice. Therefore, by publication of this notice, the CPSC announces that it has submitted to the OMB a request for approval of this collection of information.

DATES: Submit written or electronic comments on the collection of information by **[insert date 60 days after date of publication in the FEDERAL REGISTER]**.

ADDRESSES: Submit comments about this request by email: OIRA_submission@omb.eop.gov or fax: 202-395-6881. Comments by mail should be sent to the Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for the CPSC, Office of Management and Budget, Room 10235, 725 17th Street NW, Washington, DC 20503. In addition, written comments that

are sent to OMB also should be submitted electronically at <http://www.regulations.gov>, under Docket No. CPSC-2019-0035.

FOR FURTHER INFORMATION CONTACT: Bretford Griffin, Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814; (301) 504-7037, or by e-mail to: BGriffin@cpsc.gov.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501-3520), federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. “Collection of information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes cognitive interviews and focus groups.

A. Consumer Product Risk Reduction Valuation Study

CPSC is authorized under section 5(a) of the Consumer Product Safety Act (CPSA), 15 U.S.C. 2054(a), to conduct studies and investigations relating to the causes and prevention of deaths, accidents, injuries, illnesses, other health impairments, and economic losses associated with consumer products. Section 5(b) of the CPSA, 15 U.S.C. 2054(b), further provides that CPSC may conduct research, studies, and investigations on the safety of consumer products or test consumer products and develop product safety test methods and testing devices.

CPSC issues regulations to reduce the risk of fatal injuries or illnesses associated with the use of consumer products. To value reductions in the risk of fatalities, CPSC and other federal agencies rely on estimates of the value per statistical life (VSL), which are derived from research on individuals’ willingness to pay (WTP), consistent with the conceptual framework for benefit-cost analysis. Most of the studies on which these estimates are based calculate WTP by evaluating tradeoffs made by workers in risky occupations, and thus, concentrate on certain populations (working-age males). However, the type of risks and populations that are addressed

by CPSC regulations often involve children. Although there are a few completed studies that address the value of risk reductions that accrue to children, the available literature is limited and largely unrelated to the types of risks addressed by CPSC rulemakings.¹ Due to the absence of children from labor markets and the lack of observable market data, the majority of the studies employ stated preference methods. That method asks individuals, usually through questionnaires, the economic value that they attach to a perceived risk, based on constructed or hypothetical markets. Although the existing studies suggest higher values for reducing risks to children than reductions to adults, they do not adequately determine the extent to which values for fatal risk reductions differ for adults versus children for risks associated with consumer products, nor do they adequately explain the level of respondent comprehension of relevant risk concepts.

CPSC seeks to conduct additional research to evaluate whether reductions in consumer product-related risks are valued differently when the beneficiary of the reduction is a child versus an adult. To assess comprehension of risk concepts, CPSC intends to conduct qualitative pretesting, in the form of cognitive interviews and focus groups, based on best practices used in stated-preference study design. CPSC will conduct an initial set of eight cognitive interviews aimed specifically at topics related to risk communication and risk comprehension from homeowners with at least one child under the age of 12. Based on the results of the initial cognitive interviews, CPSC will inform OMB of any changes that are made for conducting a subsequent set of focus groups. Those focus groups will consist of 40 respondents and 16 additional cognitive interviews that will query the respondents on fatal household risks related to

¹ See, e.g., Alberini, A. and M. Ščasný. 2011. *Context and the VSL: Evidence from a Stated Preference Study in Italy and Czech Republic*. Environmental and Resource Economics, 49(4): 511-538; Gerking, S., M. Dickie, and M. Veronesi. 2014. *Valuation of Human Health: An Integrated Model of WTP for Mortality and Morbidity Risk Reductions*. Journal of Environmental Economics and Management, 68(1): 20-45; Hammitt, J.K. and K. Haninger. 2010. *Valuing Fatal Risk to Children and Adults: Effects of Disease, Latency and Risk Aversion*. Journal of Risk and Uncertainty, 40: 57-83; Hammitt, J.K. and D.

consumer products. The interviews and focus groups are designed to assess respondents’ comprehension of risk concepts and to inform the CPSC on the feasibility of developing a future survey instrument that will identify the best methods or approaches to communicate risk concepts related to consumer products.

B. Burden Hours

The estimated annual burden hours are as follows:

| Activity | Number of Responses | Estimated Burden per respondent (hours) | Total Burden (hours) |
|---|---------------------|---|----------------------|
| Cognitive Interviews I (Risk Communication and Comprehension) | 8 | 1.5 | 12 |
| Focus Group Sessions (Household Risks and Consumer Products) | 40 | 2 | 80 |
| Cognitive Interviews II (Household Risks and Consumer Products) | 16 | 1.5 | 24 |
| Total | | | 116 |

We estimate the total annual dollar value of this collection to be \$4,265. This estimate is based on an average of \$36.77/hr. compensation, including benefits, from the National Compensation Survey published by the Bureau of Labor Statistics (U.S. Bureau of Labor Statistics, “Employer Costs for Employee Compensation by ownership,” Dec. 2018, Table 1, total compensation for civilian workers: <http://www.bls.gov/ncs/>). The total cost to the federal government for the contract to design and conduct the proposed survey is \$117,458.

C. Submission to OMB

Herrera. 2017. *Peeling Back the Onion: Using Latent Class Analysis to Uncover Heterogeneous Responses to Stated Preference Surveys*. Journal of Environmental Economics and Management, in press.

Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3506(c)(2)(A)) requires federal agencies to provide a 60-day notice in the *Federal Register* concerning each proposed collection of information before submitting the collection to OMB for approval. On December 30, 2019, the CPSC published a notice in the *Federal Register* announcing the agency's intent to seek approval of this collection of information (84 FR 71902). The CPSC received no comments in response to that notice. Therefore, by publication of this notice, the CPSC announces that it has submitted to the OMB a request for approval of this collection of information.

Dated: _____.

Alberta E. Mills, Secretary
Consumer Product Safety Commission