CONSUMER PRODUCT SAFETY COMMISSION
DIV OF PROCUREMENT SERVICES
4330 EAST WEST HWY
ROOM 523
BETHESDA MD 20814

INDUSTRIAL ECONOMICS INCORPORATED
2067 MASS AVE STE 4
CAMBRIDGE MA 02140

Task order 0006 to contract CPSC-D-15-0004 is hereby issued to conduct an initial regulatory flexibility analysis and paperwork reduction act analysis for baby changing tables for domestic use for the performance period of August 21, 2015 through August 20, 2016 in accordance with the

25. ACCOUNTING AND APPROPRIATION DATA
0103A15DSE-2015-1412500000-EXHR004100-252HZ
$41,737.11

29. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.

30. SIGNATURE OF OFFEROR/CONTRACTOR

31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)
attached statement of work and contractor proposal (dated August 10, 2015)

0001

Initial Regulatory Flexibility Analysis and Paperwork Reduction Act Analysis for Baby Changing Tables for Domestic Use.

The total amount of award: $41,737.11. The obligation for this award is shown in box 26.
A. BACKGROUND INFORMATION

The Danny Keysar Child Product Safety Notification Act, section 104 of the Consumer Product Safety Improvement Act of 2008 ("CPSIA"), requires the U.S. Consumer Product Safety Commission ("CPSC" or "the Commission") to: (1) examine and assess voluntary safety standards for durable infant or toddler products, and (2) promulgate mandatory consumer product safety standards that are substantially the same as the voluntary standards or more stringent than the voluntary standards if the Commission determines that more stringent standards would further reduce the risk of injury associated with these products.

Section 104(f) of the CPSIA defines "durable infant or toddler products" as "durable products intended for use, or that may be reasonably expected to be used, by children under the age of 5 years." Changing tables were not specifically mentioned as a durable infant or toddler product in section 104(f)(2), but are clearly a "durable infant or toddler product" and have long been on the CPSC’s section 104 rule schedule.

As a result of the CPSIA, the Commission has adopted by reference numerous voluntary ASTM International ("ASTM") standards for durable infant or toddler products. Some voluntary standards were adopted without modification. For others, the Commission approved changes to the voluntary standard to make the mandatory standard more stringent.

Section 104 of the CPSIA also requires the Commission to consult with representatives of consumer groups, juvenile product manufacturers, and independent child product engineers and experts to examine and assess the effectiveness of the voluntary standards. This consultation process began for changing tables in February 2014. Staff began by analyzing the incident data for hazard patterns and evaluating the effectiveness of the current voluntary standard (ASTM F2388-09) in addressing those hazards (the current version is F2388-15). As a result, CPSC staff brought several items to the ASTM changing tables subcommittee for consideration.

Changing tables are elevated, freestanding structures generally designed to support and retain a child with a body weight of up to 30 lb (13.6 kg) in a horizontal position for the purpose of allowing a caregiver to change the child’s diaper. Changing tables may convert from or to other items of furniture, such as, but not limited to, a dresser, desk, hutch, bookshelf, or play yard, may have pull-out or drop-down changing surfaces, and may
provide storage for diapers and diaper products. As defined by ASTM F2388-15, changing tables are products sold for domestic use only. In terms of CPSC’s market for regulatory consideration, commercial products will need to be included as well, because they are known to be available for domestic sale and are therefore, reasonably expected to be found in U.S. households. Products that are considered changing tables and subject to some (if not all) of the requirements in the ASTM standard include:

- Changing pads, both flat and contoured;
- Add-on changing units, which could include changing table accessories for play yards and changing boxes mean to be used atop a piece of furniture; and
- Furniture pieces that can serve as a foundation for a changing pad or add-on changing unit, such as a dresser.

It does not, however, include changing pads specifically designed for travel.

The Regulatory Flexibility Act ("RFA") requires that proposed rules be reviewed for their potential economic impact on small entities, including small businesses. Section 603 of the RFA requires that CPSC staff prepare an initial regulatory flexibility analysis ("IRFA") and make it available to the public for comment when the general notice of proposed rulemaking is published. The IRFA must describe the impact of the proposed rule on small entities and identify any alternatives that may reduce the impact. Specifically, the IRFA must contain:

- a description of, and where feasible, an estimate of the number of small entities to which the proposed rule will apply;
- a description of the reasons why action by the agency is being considered;
- a succinct statement of the objectives of, and legal basis for, the proposed rule;
- a description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities subject to the requirements and the types of professional skills necessary for the preparation of reports or records; and
- an identification, to the extent practicable, of all relevant federal rules which may duplicate, overlap, or conflict with the proposed rule.

The Paperwork Reduction Analysis ("PRA") requires the same reporting and recordkeeping information as the IRFA above, but also requires additional information for large U.S. firms not included under the Small
Business Administration ("SBA") guidelines and foreign firms who export to the United States, but do not have a domestic presence.

B. OBJECTIVES

The period of performance is twelve months from the date the task is awarded. At this point, staff anticipates completion well within this time frame (the briefing is currently scheduled for mid-summer 2016). The contractor shall conduct a conference call with CPSC staff within one week after receipt of the proposed task order.

Subtask 1: Market Research
The contractor shall prepare a spreadsheet and other supporting documentation for the IRFA as part of this subtask. It shall also prepare and submit a market research methodology memorandum.

The supporting documentation shall include the name and (where possible) website address for each firm identified as supplying changing tables to the U.S. market. Additional information on each firm shall include: (1) the type of firm (importer, manufacturer, and in some cases wholesaler or retailer); (2) the location of each firm (foreign/domestic) and, where relevant, information about any parent/subsidiary relationship(s) that may exist; (3) the size of each firm; (4) the number of changing table models supplied to the U.S. market by each firm; and (5) an evaluation of the significance of changing tables to their product line. Criteria for determining firm type will be provided by CPSC, with input from the contractor. Size determinations will be made based on sales revenue and employment information from financial databases according to SBA guidelines. It is possible that one or more items may not be available for some firms. CPSC will assist the contractor in determining if and when to leave the item unknown. Prior market research for changing tables compiled by the Directorate for Economic Analysis ("EC") staff has been extremely limited, but the information will be provided to the contractor. Only changing tables that are currently part of a suppliers’ product line should be included as part of the market research; changing tables that are no longer being manufactured/supplied will not require modifications to meet the staff-recommended mandatory rule.

The contractor shall also evaluate the degree of conformance of each firms’ changing tables with the ASTM voluntary standard, as well as their degree of compliance with the proposed mandatory standard, which could be the same thing if staff recommends that the Commission adopt the voluntary standard without modifications. As noted in guidance documents distributed as part of the high chair task order, if one product model is compliant with the ASTM standard, their other product models will be as well. However, compliance with one ASTM standard does not
necessarily indicate compliance with other ASTM standards. In the context of the changing table task order, this means that if one of a firm's changing tables complies with the ASTM standard, it can be assumed that all of the firm's changing tables will comply, but compliance with the high chair standard does not necessarily mean anything for compliance with the changing table standard. Sources of information about compliance will come from several sources, as outlined in the aforementioned guidance document, including: (1) whether the firm's changing tables are certified as compliant by the Juvenile Products Manufacturers Association ("JPMA"); (2) whether the firm claims compliance with the ASTM standard on their website or possibly retailer websites; and (3) possibly CPSC testing results, where available.

The contractor shall also, to the extent possible, evaluate each firm's likely testing costs relative to their revenue. Revenue data may be available from the same financial databases that provide sales revenue and employment data. However, other sources may be used as well, and in some cases, particularly with smaller firms, revenue data may be unavailable. An estimate of the cost of testing to the voluntary standard and/or the proposed mandatory standard would most likely be collected from entities directly involved in the testing, such as manufacturer/importers, test laboratories, and JPMA. The contractor will work with CPSC staff to make the appropriate determinations.

Additionally, the contractor shall collect information on changing table product characteristics for each changing table model supplied by each firm to the U.S. market (based on older, very preliminary market research, staff anticipates approximately 116 firms, but that did not include firms that only sold flat changing pads). These characteristics include:

(1) **Price** – Usually, this will be the manufacturer's recommended retail price, but sometimes that is not readily available. In those cases, a range of prices quoted on-line would be an acceptable alternative. This data should be collected as a range of prices for the changing tables in each firm's product line.

(2) **Type of changing table** – Basically note whether this is: a piece of furniture that can be used as a changing table when a pad or changing box is used on top of it; a stand-alone product intended for use only as a changing table; a play yard, crib, bassinet, or similar product with a changing table attachment; a flat changing pad; a contoured changing pad; a wall unit (those intended for commercial settings should not be included in this one case, but there are a few now available exclusively for domestic use); commercial changing tables (these are typically for day care centers and often include stairs to ease the child mounting the table); or a changing box. If any products are discovered that seem to fall outside of this list, CPSC
asks that the contractor bring them to our attention for evaluation. (If it is simpler, these characteristics could be broken into smaller yes/no categories, such as whether a product is a changing pad or not.)

The market research supporting documentation shall also include an estimate of national sales. Data that may be used to make this estimate will be provided to the contractor by CPSC. However, additional data may be independently collected by the contractor for this purpose as well.

Finally, the contractor shall assist CPSC in developing a summary table (similar to those supplied in earlier 104 rule examples) that breaks out all firms based on the following categories: foreign/domestic, manufacturer/importer, small/large, and degree of compliance (with an allowance for unknowns). This information shall be used to verify the numbers in the IRFA, as well as answer questions during the review process.

Subtask 2: Monitor Voluntary Standard Development Meetings
One member of the contractor’s team shall attend the day of the ASTM meetings at ASTM headquarters in West Conshohocken, Pennsylvania in early October 2015 when the changing table subcommittee is scheduled to meet. The contractor, along with CPSC staff in attendance, shall meet with changing table firm representatives during meeting breaks to line up respondents for the questionnaire discussed in Subtask 3. The contractor shall provide notes for the changing table portion of the meeting.

Additionally, the contractor may be asked to monitor up to nine hours of ASTM changing table subcommittee task meeting conference calls (call may last up to three hours each, although the majority last around one hour). CPSC staff will inform the contractor of the time and date of the conference calls that would be beneficial for the contractor to monitor, as well as the subject matter of those meetings. CPSC staff will also keep the contractor informed of the progress made in ASTM changing table task group meetings in which the contractor does not participate.

Subtask 3: Develop and Conduct Changing Table Industry Questionnaire
The contractor shall prepare a draft set of questions for the firm(s) that shall allow the contractor to evaluate the potential impact of the draft proposed rule on changing table suppliers. Questions shall address third party testing costs, tooling costs, and additional costs for labor and materials to comply with the proposed mandatory standard. The questionnaire may also include, as appropriate, questions about other potential impacts on product design, such as changes in the utility or aesthetics of the product. Questions might also address total industry sales,
market shares for individual companies, and product trends. The draft questionnaire, as well as the list of firms to be contacted, shall be submitted to the CPSC for review prior to any contacts being made. Actual contacts will be limited to nine or fewer suppliers and shall include a representative sample of the marketplace within the constraint of being limited to nine or fewer interviews on a given question. CPSC staff will work with the contractor to determine the best contact method for individual firms. The contractor will prepare a log for each interview, including question responses and any relevant comments volunteered by the respondents on the industry in general and conformance to the changing table standard in particular. The contacts may be conducted either over the telephone, via email, or in person.

Subtask 4: Prepare an Initial Regulatory Flexibility Analysis ("IRFA"), a Paperwork Reduction Act ("PRA") Section for the Federal Register ("FR") notice, and a PRA Supporting Statement for the Office of Management and Budget ("OMB")
The contractor shall provide a baseline analysis using information collected as part of the first three subtasks, as well as information provided by CPSC staff, team meetings, or as part of other changing table NPR briefing package memos. The contractor shall include the baseline analysis in their IRFA. Alternatives presented shall consist of feasible changes in the assumptions and quantitative assessments of their impact on the baseline. The contractor shall also prepare a PRA section for the changing table NPR FR notice and an initial PRA submission to the Office of Management and Budget ("OMB"). The contractor shall provide spreadsheets for the baseline analysis that will allow CPSC to conduct future sensitivity analyses about various assumptions.

Government Furnished Materials: Notes and information collected from internal and external meetings about the development of a changing table standard. Other memos prepared for the NPR briefing package (e.g. engineering, health sciences, human factors, epidemiology, etc.). Earlier market research conducted by EC staff. Preliminary results from the Durable Nursery Products Exposure Study. Injury Cost Model estimates of medically treated injuries and product population estimates for changing tables, if required. Financial reports as needed (and if available).

C. **DELIVERY OR PERFORMANCE**

a. The Contractor shall appoint a lead program manager with overall responsibility for performance under the contract. The lead program manager shall be the single point of interface with the government for all matters concerning technical progress and problems, performance, schedule, resources, and other work-related matters.
b. The following items shall be performed or delivered in accordance with the following schedule:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>DELIVERY OR PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Conference call</td>
<td>1</td>
<td>Within 1 week after award of task order</td>
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<tr>
<td>(2) Draft market research – spreadsheet and other supporting</td>
<td>1</td>
<td>Within 9 weeks after award of task order</td>
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<td>documentation, and well as market research methodology memorandum</td>
<td></td>
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<tr>
<td>(3) Attend day of ASTM gates subcommittee meeting in West</td>
<td>1</td>
<td>October 2015</td>
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<tr>
<td>Conshohocken</td>
<td></td>
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<tr>
<td>(4) Monitor various ASTM task meetings</td>
<td>As needed</td>
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<tr>
<td>(5) Develop draft questionnaire</td>
<td>1</td>
<td>Within 19 weeks after award of task order</td>
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<tr>
<td>(6) Conduct questionnaire</td>
<td>Up to 9 interviews on the same topic</td>
<td>Within 23 weeks after award of task order</td>
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<tr>
<td>(7) Draft IRFA, as well as updated draft supporting market research</td>
<td>2 copies</td>
<td>Within 27 weeks after award of task order</td>
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<td>(8) Interim final draft IRFA (EC comment responses only), as well as</td>
<td>2 copies</td>
<td>Within 2 weeks after receiving EC comments</td>
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<td>updated draft supporting market research</td>
<td></td>
<td>(current due date 3/11/16)</td>
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<tr>
<td>(9) Draft PRA section for the FR NPR notice and draft OMB PRA</td>
<td>2 copies</td>
<td>Within 33 weeks after award of task order</td>
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<td>supporting statement</td>
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<tr>
<td>(10) Final IRFA, final PRA section for the FR NPR notice, final</td>
<td>2 copies</td>
<td>Within 2 weeks after receiving second round of</td>
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<tr>
<td>OMB PRA supporting statement, as well as final supporting</td>
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<td>comments on the draft IRFA from CPSC</td>
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<td>market research</td>
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CPSC staff will review the Draft IRFA, as well as updated supporting market research, within one week. Staff will review the Draft PRA section for the FR NPR notice, draft OMB PRA supporting statement within two weeks.

All supporting data used in the preparation of the reports shall be provided in either Excel spreadsheets or Word documents. Reports shall be delivered according to the schedule above. Reports shall be emailed to William Zamula (wzamula@cpsc.gov), preferably in some version of Microsoft Word. Technical questions or clarifications about the documents should be directed to William Zamula at 301-504-7709 (voice), 301-504-0109 (fax), or wzamula@cpsc.gov.

D. Period of Performance
All work shall be completed no more than 1 year after award of this task order.