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United States General Accounting Office
Washington, DC 20548

B-287055

January 22, 2001

The Honorable Bob Smith
Chairman
The Honorable Harry Reid
Ranking Minority Member
Committee on Environment and Public Works
United States Senate

The Honorable Billy Tauzin
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

Subject: Environmental Protection Agency: Lead; Identification of Dangerous Levels of Lead

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA), entitled "Lead; Identification of Dangerous Levels of Lead" (RIN: 2070-AC63). We received the rule on January 3, 2001. It was published in the Federal Register as a final rule on January 5, 2001. 66 Fed. Reg. 1206.

The final rule establishes standards for lead-based paint hazards in most pre-1978 housing and child-occupied facilities. The rule deals with worker training and certification, lead hazard disclosure in real estate transactions, requirements for lead cleanup under state authorities, lead hazard evaluation and control in federally-owned housing prior to sale and housing receiving federal assistance, and Department of Housing and Urban Development grants to local jurisdictions to perform lead hazard control.

Also, the rule establishes, under authority of section 402 of the Toxic Substances Control Act (TSCA), residential lead dust cleanup levels and amendments to dust and soil sampling requirements and, under authority of section 404 of TSCA, amendments to state program authorization requirements.

Enclosed is our assessment of the EPA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the EPA complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Bill Scanlon, Managing Director, Health Care. Mr. Scanlon can be reached at (202) 512-7114.

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Mr. Jay Benforado
Deputy Associate Administrator
Environmental Protection Agency

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
ENVIRONMENTAL PROTECTION AGENCY
ENTITLED
"LEAD; IDENTIFICATION OF DANGEROUS LEVELS OF LEAD"
(RIN: 2070-AC63)

(i) Cost-benefit analysis

While EPA does not believe that the final rule, in and of itself, imposes any requirements, EPA prepared an economic analysis of the potential impact of the final rule. The total cost over a 50-year span, discounted at 3 percent, is estimated at \$68.9 billion.

Benefits were considered using the EPA's Integrated Exposure, Uptake, and Biokinetic (IEUBK) Model and an Empirical Model. Based on the IEUBK Model, the total benefits over 50 years are \$192 billion with net benefits of \$123 billion. Using the Empirical Model, the total benefits over 50 years are estimated at \$49 billion and net benefits are \$-20 billion.

It is estimated that 26.7 million homes exceed the standards contained in the final rule and that 46 million children will experience reduced exposure to household lead in soil, dust, and paint.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Administrator of EPA has certified that the final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule does not contain an intergovernmental or private sector mandate, as defined in title II, of more than \$100 million in any one year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment procedures contained at 5 U.S.C. 553. On June 3, 1998, EPA published a Notice of Proposed Rulemaking in the Federal Register. 63 Fed. Reg. 30302. EPA discusses the over 500 comments it received in response to the Notice in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule does not contain any new or modified information collections that are subject to review by the Office of Management and Budget under the Paperwork Review Act.

Statutory authorization for the rule

The final rule is promulgated under the authority contained in 15 U.S.C. 2605, 2607, 2681-2692 and 42 U.S.C 4852d.

Executive Order No. 12866

The final rule was reviewed by the Office of Management and Budget and found to be an “economically significant” regulatory action.

Executive Order No. 13132 (Federalism)

EPA states that the final rule does not have federalism implications as defined in the order.