

Office of Regulatory Management
Economic Review Form

Agency name	Department of Labor and Industry
Virginia Administrative Code (VAC) Chapter citation(s)	16VAC25-90
VAC Chapter title(s)	Federal Identical General Industry Standards
Action title	Updates to OSHA Hazard Communication Standard.
Date this document prepared	September 23, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Action – Final Regulation

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. **You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.**

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

NOTES:

OSHA is amending the Hazard Communication Standard (HCS) to conform to the United Nations’ Globally Harmonized System of Classification and Labelling of Chemicals (GHS), primarily Revision 7, to and provide better alignment with other U.S. agencies and international trading partners.¹

When Federal OSHA (OSHA) promulgates a new standard or more stringent amendment to an existing standard, OSHA-approved State Plans must either amend their standards to reflect the

^{1 11} [Federal Register: Hazard Communication Standard](#)

new standard or amendment or show OSHA why such action is unnecessary, *e.g.*, because an existing State standard covering this area is “at least as effective” as the new Federal standard or amendment. 29 CFR 1953.5(a). State Plans must adopt the Final Rule on Hazard Communication Standard by November 16, 2024.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Federal OSHA estimates the national net cost savings of the final rule are expected to be \$29.8 million per year (\$77,480 in Virginia) [2.6% Virginia factor]. ²	(b) Federal OSHA determined that the revisions to the HCS would make employers' hazard communication programs more worker-protective, efficient, and effective through standardizing practices nationally and internationally (86 FR 9590). In addition, OSHA found that aligning with the GHS Rev. 7 would continue to facilitate international trade, as a number of U.S. trading partners are also preparing to align with Rev. 7.
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	OSHA expects that the revisions to the HCS will also result in modest improvements in worker health and safety above those already being achieved under the current HCS, but the agency is unable to quantify the magnitude of these benefits.	
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs &	Direct Costs: Describe the direct costs of this proposed change here.
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²² [Federal Register: Hazard Communication Standard, p. 44153](#)

Benefits (Monetized)	<p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable	(b) Not applicable
(3) Net Monetized Benefit	Not applicable	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable	
(5) Information Sources	Not applicable	

Table 1c: Costs and Benefits under Alternative Approach(es) – FEDERAL IDENTICAL

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		

(5) Information Sources	
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Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Federal OSHA estimates the net cost savings of the final rule are expected to be \$29.8 million per year (\$77,480 in Virginia) (2.6% Virginia factor). ³	(b) Federal OSHA determined that the revisions to the HCS would make employers' hazard communication programs more worker-protective, efficient, and effective through standardizing practices nationally and internationally (86 FR 9590). In addition, OSHA found that aligning with the GHS Rev. 7 would continue to facilitate international trade, as a number of U.S. trading partners are also preparing to align with Rev. 7.
(3) Other Costs & Benefits (Non-Monetized)	The changes to the HCS will involve costs and savings for manufacturers, importers, and distributors. Manufacturers and importers of chemicals will also achieve benefits as both producers and users and because of foreign trade benefits. Those manufacturers engaging in chemical export will also gain trade benefits. International	

³ [Federal Register: Hazard Communication Standard, p. 44153](#)

	standardization of hazard communication requirements may also make it easier for small companies to engage in international trade if they so desire (see additional discussion below in VI.D., Health and Safety Benefits and Unquantified Positive Economic Effects). ⁴
(4) Assistance	Not applicable
(5) Information Sources	Not applicable

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable	(b) Not applicable
(3) Other Costs & Benefits (Non-Monetized)	<p>OSHA expects that the revisions to the HCS <i>will</i> provide an increase in health and safety for affected employees and a reduction in the annual numbers of injuries, illnesses, and fatalities associated with hazardous chemical exposures in the workplace. Aligning with Rev. 7 will improve worker health and safety with an increase in effective hazard information to employers and workers. Benefits to workers and members of the public will improve safety for workers and others through consistent and simplified communications on chemical hazards and practices to follow for safe handling and use and greater awareness of hazards resulting in safer use of chemicals in the workplace and in the home.⁵</p>	

⁴ [Federal Register: Hazard Communication Standard, p. 44155](#)

⁵ [Federal Register: Hazard Communication Standard](#)

(4) Information Sources	<u>Federal Register: Hazard Communication Standard</u>

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b) Not applicable
(3) Other Costs & Benefits (Non-Monetized)	<p>The changes to the HCS will involve costs and savings for manufacturers, importers, and distributors. Manufacturers and importers of chemicals will also achieve benefits as both producers and users and because of foreign trade benefits. Those manufacturers engaging in chemical export will also gain trade benefits. International standardization of hazard communication requirements may also make it easier for small companies to engage in international trade if they so</p>	

	desire (see additional discussion below in VI.D., Health and Safety Benefits and Unquantified Positive Economic Effects). ⁶
(4) Alternatives	Not applicable
(5) Information Sources	<u>Federal Register: Hazard Communication Standard.</u>

⁶ [Federal Register: Hazard Communication Standard, p. 44155](#)

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements FEDERAL IDENTICAL

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Net Change
16VAC25-85.1910	Statutory:	0	0	0	0
	Discretionary:	0	0	0	0
	Statutory:				
	Discretionary:				
	Statutory:				
	Discretionary:				
				Total Net Change of Statutory Requirements:	0
				Total Net Change of Discretionary Requirements:	0

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).