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August 24, 16

Mr. David J. Allard, CHP, Director
Bureau of Radiation Protection
Environmental Quality Board
Rachel Carson State Office Building
16th Floor, 400 Market Street
Harrisburg, PA 17101-2301

RE: Proposed Rulemaking Notice: Chapter 240 Fee Increase and Radon Mitigation System Tags

Dear Mr. Allard,

As President of SWAT Environmental of Pennsylvania, I respectfully submit feedback and commentary on the new proposed fee structure for the PA Radon Industry. In addition, herein I have posed 6 questions that I request the EQB respond to specifically.

Fees

The almost 50% increase in fees being proposed is really quite significant. I fear that some of the smaller testers and mitigators may find this unworkable. It is not in the interest of the citizens of PA to have a smaller pool of qualified radon professionals. It is also likely to impact operators in some of the more remote areas of the state. Having less (or no) local radon professionals in a given area is a real concern. Because radon is a widespread and serious health issue, PA citizens need access to affordable, certified radon test & mitigation services.

Question 1: What measures has the Department taken to secure funding for its activities without further burdening the radon test and mitigation industry with higher fees?

Radon Mitigation Tag

The proposal for instituting a \$50 per mitigation system tax, in the form of a radon stamp or tag, is new for the state and has a myriad of potential challenges associated with it.

Disincentive to mitigate.

The first issue is the potential that less citizens will mitigate their homes due to the increase in cost. The DEP Radon Division web page states that PA has one of the most serious radon problems in the U.S. and that 40% of PA homes have levels above 4.0 pC/L. Dis-incenting the public to act to protect themselves from the dangers of radon exposure is counter to the mission of the department.

The public comment is already full of feedback from the Realtor™ community expressing concern. If they believe the tag cost is a disincentive to buying a house, it could certainly be a disincentive to installing a mitigation system. Since the vast majority of mitigations are part and parcel of a real estate transaction, this gives the Realtor™ community a very strong ability to influence the market.

Should mitigation cost rise too high, it is absolutely the case that we'll see price/volume elasticity. This will especially be the case should further regulatory changes (already in process) cause the total extra cost to go from \$50 to over \$200. That, along with any additional delay in the process of mitigation/testing, has the very real potential to delay or derail home closings.

Should the Realtor™ community see their livelihood being negatively impacted, they will likely persuade their customers to forgo mitigation (or to merely transfer funds to the buyer, which in our experience produces the same result). Departmental policies can absolutely negatively impact the market.

Question 2. What research has the department conducted to understand the tradeoff between cost of mitigation/test and the willingness of the citizens of the Commonwealth to do so? How expensive can mitigation become before we experience a dramatic drop in activity?

Logistic Challenges.

If the tag program is approved, there are several logistic challenges that will need to be addressed.

The Tag program will make the DEP and its staff part of the supply chain for the entirety of the Pennsylvania radon mitigation industry. No mitigations may be conducted without a tag ready for deployment. This makes the method and process of tag procurement mission critical for the industry. Selling and delivering 10,000 units of anything is a significant challenge. This is a fundamental change for the DEP.

Typical supply chain issues such as online ordering, order acknowledgment, payment methods, and on-time delivery will be necessary to address. It is noted that these business processes are not typically found within a regulatory agency, nor usually supported by its corresponding IT systems.

Tag ordering. Tag ordering should be done online, possibly through Greenport. This will eliminate error-prone paper processes as well as create an ongoing record of orders.

Question 3: What are the plans for tag ordering?

Tag Payment. Payment options need to include credit cards. Without a credit card option, smaller mitigators who may not have bank credit lines will be forced to buy the

tags before collecting customer payments to cover them. Since the tags are effectively now part of the mitigation system's Bill of Materials (and not insignificant, given the radon fan costs \$100-\$200), credit cards enable the mitigator a means of paying "net 30" while providing the department payment up front.

Question 4: What are the plans for tag payment options?

Tag delivery. Since each tag is worth \$50, in a very real sense envelopes full of \$50 bills are going to be constantly shipping from DEP to mitigators. A means of tracking will be essential given the value of the packages. Guaranteed delivery times are required to insure adequate supply of tags to support weekly schedules.

Lost packages will create no end of time consuming, costly problems for DEP staff. Since each lost or delayed package could impact dozens of mitigations, the financial liability of the DEP could reach tens of thousand of dollars.

Question 5: What are the plans for tag delivery?

Tag restrictions. The current proposal precludes multiple certified mitigators from sharing a common pool of tags. This will require companies with multiple certified individuals to manage multiple pools of tags. Ordering will require guesswork not only with regard to total mitigations anticipated over the next week/month, but also the breakdown by technician.

Notice that companies with multiple mitigators who are FIRM employees will have much less extra forecasting burden. Therefore the currently proposed policy actually provides a DISINCENTIVE to having a workforce that is fully certified, and should the logistics prove unworkable, actually may INCENTIZE having individual certifications lapse in favor of creating larger FIRM structures.

It is not in the interest of the citizens of Pennsylvania to have less certified mitigation professionals.

Question 6: Will the Department consider allowing certified individuals to share a common pool of tags IF THEY HAVE THE SAME EMPLOYER?

Conclusion

The Commonwealth of Pennsylvania has one of the highest levels of citizen awareness in the country when it comes to radon. Most real estate transactions involve radon testing, and, if necessary, mitigation.

I strongly encourage the DEP to tread very carefully as it changes the cost structure of the industry. Overly aggressive regulatory behaviors that increase cost can work to change behavior, to the detriment of the citizens of the Commonwealth.

Respectfully submitted,



Aaron L. Fisher
President and Owner
SWAT Environmental of Pennsylvania