



United States
CONSUMER PRODUCT SAFETY COMMISSION
Washington, D.C. 20207

BALLOT VOTE SHEET

DATE: May 23, 2003

TO : The Commission
Todd Stevenson, Secretary

FROM : W.H. DuRoss, III, General Counsel *WHD III*

SUBJECT: 2003 Midyear Review

BALLOT VOTE DUE: MAY 29 2003

The Executive Director, in her memorandum dated May 22, 2003, recommends project changes and new funding proposals in the 2003 Midyear Review. Please indicate your vote on the following options:

I. APPROVE THE EXECUTIVE DIRECTOR RECOMMENDATIONS AS PROPOSED

(Signature)

(Date)

II. APPROVE THE RECOMMENDATIONS WITH SPECIFIED CHANGES

(Signature)

(Date)

PSA & NPI Cleared
5/23/03

NOTE: This document has not been reviewed or accepted by the Commission
Initial *JD* Date *5/23/03*

III. DO NOT APPROVE THE RECOMMENDATIONS

(Signature)

(Date)

IV. TAKE OTHER ACTION (please specify).

(Signature)

(Date)



UNITED STATES
 CONSUMER PRODUCT SAFETY COMMISSION
 WASHINGTON, DC 20207

Memorandum

Date: May 22, 2003

TO : The Commission

THROUGH: Todd Stevenson, Secretary *T.S.*
 W. H. DuRoss, III, General Counsel *W.D. III*

FROM : Patricia M. Semple *PS*
 Executive Director

SUBJECT : 2003 Midyear Review

This memorandum presents a status report on the use of Commission resources and the progress of planned projects and performance goals in the first half of fiscal year 2003. This memo also presents staff proposals for adjustments in CPSC's operating plan for the second half of the year. We request Commission approval of recommended project changes and new funding proposals.

Resource Status

Agency spending in total through the first half of the fiscal year was 57% of the annual plan. The amount is greater than 50% because it includes many full year obligations. We project that \$135,000 is available for reallocation. This is much less than in previous midyear reviews primarily because the 2003 appropriation reduced our funded FTEs from 480 to 471.

We have been averaging about 468 FTEs for the first half of the year. If current employment remains level and we hire planned summer employees, we may use all 471 funded FTEs. Since October, we have had 18 departures (7 or 39% was due to retirements); last year at this time, we had 39 departures. We have hired 29 new employees so far this year. We are actively recruiting new employees to fill existing vacancies and in anticipation of future departures.

Additional funds may materialize in the second half of the year. We may receive additional reimbursements and our planned contract costs may prove lower than currently allocated.

Attachment A contains a summary of our current resource status.

Project Status

We have reviewed agency projects and performance goals in terms of progress to date, Commission direction, new information, and opportunities to advance safety initiatives. We are generally on track to meet or exceed most of our 2003 annual performance goals.

CPSC & (M) Cleared

5/23/03
 For Mr. [unclear]
 [unclear]

CPSC Hotline: 1-800-638-CPSC(2772) ★ CPSC's Web Site: <http://www.cpsc.gov>

Reviewed or accepted by the Commission
 Initial *[Signature]* Date *5/23/03*

Under Hazard Identification and Analysis, work continues on collecting data for the All Injury NEISS project. In addition, staff continues to collect consumer product death and injury data, investigate incidents, research emerging hazards, and conduct economic analyses in support of hazard reduction efforts. We continue to process data under the new fire death and injury data system that was funded last year by the U.S. Fire Administration. We have made good progress on creating a new Burn Center Reporting System. When fully implemented later this year, we anticipate that over 100 burn centers will be reporting all clothing-related burn injuries to children under 15 years of age. We also completed the required report to Congress on children's sleepwear (which was submitted to Congress in April). In addition, our Emerging Hazards staff has begun implementing the new critical management initiative to develop a more systematic method to identify potential new strategic goal areas, hazard projects, and remedial actions. We expect to complete reports on two product areas this year.

Our Hazard Assessment and Reduction projects are moving forward. In February, we submitted the Congressionally requested report on hairdryers. Staff has sent briefing packages to the Commission on product registration cards, CCA-treated wood in playground equipment, lead in candlewicks, and baby bath seats. Staff has worked with voluntary standards organizations on a number of product safety issues. In addition, staff completed analyses on several issues including gasoline containers, clothes dryers, ATVs, and playground equipment injuries to children under 2. Work has been delayed on two performance goals causing a continuation into 2004: the Clothing Textile Standard Update and a Powered Scooters Hazard Evaluation. These projects were delayed because staff was diverted to work on a briefing package addressing bedding issues and because of the expanded work on Emerging Hazards.

The Office of Hazard Identification and Reduction (HIR) recommends adding or expanding these efforts: Sprinklers (expand testing to include long-term testing to ensure reliability of sprinklers); Emergency Escape Masks (expand the scope to cover chemical, biological and nuclear agent masks in addition to fire masks); and Fuel-fired Room Heaters and Venting Fires (add a new project to begin a 3-year effort to address 240 deaths with fixed heaters, portable heaters and fireplaces and chimneys found in our most recent assessment). In addition, as directed by the Commission, HIR has added work on a briefing package to address bedding issues. While most of this work can be done within HIR's existing resources, staff is requesting additional contract funds for the Sprinkler testing. HIR is also requesting adding contract funds to strengthen the planned work on suction entrapment in swimming pools and spas.

In the Compliance program, the Fast Track Recall program continues to be successful with about two-thirds of the Commission's recalls being conducted under Fast Track. In addition, we have continued to work on a wide range of product hazards, including baby walkers, bamboo stick sparklers, electric sanders, and portable wood cribs. As of March 31, we received nearly 200 Section 15 reports and conducted about 160 recalls involving nearly 18 million product units. In addition, 3 firms have paid \$1 million in civil penalties and one firm paid \$120,000 in criminal penalties. The Offices of Compliance and General Counsel continue to work on several major civil and criminal cases. Finally, we note that while our Field office monitoring of imported consumer products with the U.S. Customs was disrupted due to the events of September 11, activities are now starting to return to normal but only under code yellow (or lower) conditions as designated by the Department of Homeland Security.

We continue to get safety messages to the public. We issued 4 CPSC-funded consumer information video news releases (VNRs) in the first half of the year as well as 3 manufacturer-funded VNRs. The Office of Information and Public Affairs also issued 102 press releases on recalls and safety topics and distributed over 800,000 safety publications. The Offices of Field Operations, Compliance, Public Affairs, and Information Services planned the 2003 Recall Roundup campaign (our 7th annual campaign, conducted in April) using many communication methods to reach millions of consumers. Finally, the CPSC website continues to experience growth in use; for the first six months of the fiscal year, the site received about 4.5 million visitors, a 6% increase compared to the previous six months.

We continue to make progress in information technology (IT). The changeover to a new, modern telephone system at headquarters was successful. Our contractor has made good progress on helping us develop an "Enterprise Architecture Plan," a requirement that will help guide future IT spending. The Office of Information Services has developed a plan to remedy areas that our first annual Government Information Security Reform Act (GISRA) audit identified as needing improvement. We have hired an IT security specialist to ensure continuing compliance with GISRA mandates. In response to the Government Paperwork Elimination Act (GPEA), several web-based applications are currently being developed that allow electronic work between the Commission and manufacturers and the public. In response to the Telecommuting Act, we are about to launch the third headquarters phase. We are on schedule to meet the Act's requirement of full implementation of headquarters telecommuting by 2004. Finally, as Attachment B illustrates, there remain, however, many unfunded IT needs which are important to our future ability to maintain our current IT progress.

New Funding Proposals

Staff has suggested over \$2 million in new funding proposals designed to advance safety initiatives or otherwise improve agency operations. However, as we only have \$135,000 in available funds, we had to make choices. After review with staff, I propose that the Commission fund these items to directly advance the program work of the Office of Hazard Identification and Reduction (HIR). These include:

1. \$20,000 to support voluntary standards work in reducing suction entrapment in swimming pools and spas. This will purchase equipment for laboratory testing. This work is consistent with our new 2004 draft strategic plan goal on child drownings.
2. \$30,000 to support our code and standards work on the long-term reliability of fire sprinkler systems. This will purchase equipment for laboratory testing.
3. \$85,000 to fund data collection under the new improved fire death and injury data systems for the balance of the current data period. We hope to identify sources of funding for the start of the next data cycle in the fiscal year 2004 operating plan. Our previous source of funding, the U.S. Fire Administration, is currently unable to provide funds due to the startup of the new Homeland Security Department, under which the Fire Administration now finds itself.

The unfunded items are shown on Attachment B. While this list is not in priority order, I would recommend that we fund some information technology requests first if funds become available. All purchases should be prioritized on the basis of agency need, funding prospects for next year, and consideration of additional new items that may develop later this year.

Next Steps

The staff and I are available to review these recommendations and related materials with you. After the Commission votes on the recommendations, staff will implement that decision. The Executive Director will keep the Commission informed of staff progress on these proposals. If additional funds become available by the end of the year, we will apprise the Commission of spending plans.

Attachments

**2003 MIDYEAR REVIEW
RESOURCE SUMMARY
(dollars in thousands)**

	Operating Plan	Current Estimate	Available Resources
FTEs.....	471	471	---
Budget.....	\$57,890*	\$57,755	+\$135**

* Includes \$1.3 million reimbursement income beyond the \$56.6 million appropriation.

** \$65,000 from salaries, \$25,000 from reimbursement overhead offset; \$35,000 from lower than planned HIR contract costs; and, \$60,000 from space rent savings, offset by the \$50,000 reserve for our planned end-of-year fund lapse (to fund future cost increase contingencies).

**2003 MIDYEAR REVIEW
UNFUNDED REQUESTS (not listed in priority order)**

	<u>\$000</u>
Information Technology:	
<i>Network Server</i> – Upgrade system to improve security	70
<i>Network Backup</i> – Additional storage for network to meet growing storage needs.....	25
<i>Servers (11)</i> – Planned upgrade and replacement to meet system demands	81
<i>Field Firewall</i> – Begin maintenance of field firewall security software.....	10
<i>Field Printers/Cameras</i> – Planned replacement cycle	12
<i>Oracle Software</i> – Second copy needed to meet security requirements.....	40
<i>Backup Database Administrator Contract</i> – To support all databases.....	60
<i>Programming Contract Support</i> – For various applications and/or databases.....	294
<i>Oracle Backup Server</i> – Licenses for software and new server to operate software.....	38
<i>Scanners for Inventory System</i> – To implement new inventory system being developed.....	12
<i>Oracle Test Server</i> – To test web-based applications being developed	39
<i>Hearing Room Upgrade</i> – Replace 10 year-old equipment used for public meetings.....	34
<i>Relocate Telephone Computer</i> – To more secure location.....	15
<i>Oracle Gateway Software</i> – To connect web-based applications with existing applications.....	40
<i>Users Manuals</i> – Update Epidemiology’s EPIR database system manual.....	15
<i>Reconfigure IT staff offices</i> – To make space more efficient	5
<i>Specialized Software</i> – For HS staff to prepare/read scientific documents	6
<i>Video Conferencing Pilot</i> – To reduce travel/improve training	25
<i>Projector</i> – To assist Directorate of Administration training.....	2
Hazard Identification and Reduction:	
<i>Small Sample Size Injury Estimates Study</i> – Research new statistical methods.....	50
<i>Historical Database</i> – Develop history of CPSC actions for Emerging Hazard use	15
<i>Engineering Support</i> – Software, cameras, current testers.....	11
<i>Laboratory Equipment</i> – Bandsaw, workbenches, dust and fume collection systems, digital gas divider, microscope, combustion gas analyzer.....	128
<i>File Cabinets/Reference Materials/Workstation Tools</i>	7
Office of Compliance – <i>Clearances</i> – Additional access to Custom’s database	27
Field:	
<i>Equipment</i> – Printer cartridges, records shipping boxes, circuit analyzers	21
<i>Fireworks and Fire Investigation Training</i> for field investigators.....	15
<i>CIO Programs</i> – Up to 5 videos and presentations for use by Field staff.....	256
Administrative Services:	
<i>Replacement Procurement System</i> – Existing system not supported past Dec., 2005.....	400
<i>Move Sample Storage Facility</i> – Likely to be done in 2004.....	60
<i>Upgrade Copy Center Color copier</i>	110
<i>Chair Replacements</i> – Begin to replace 10 year-old headquarters chairs	50

<i>Reconfigure Hotline Space</i> – For use by other offices	100
<i>Reconfigure Field/Compliance Space</i> – To make space more efficient.....	13
<i>Blind Inventory</i> – Recommended by IG/can be deferred	15
<i>Inventory Assessment</i> – Independent assessment of CPSC inventory practice.....	<u>15</u>
Total	<u>\$2,116</u>