



# U.S. CONSUMER PRODUCT SAFETY COMMISSION

2007

## PERFORMANCE AND ACCOUNTABILITY REPORT



***Saving Lives and Keeping Families Safe***

NOVEMBER 2007

[www.cpsc.gov](http://www.cpsc.gov)  
1-800-638-CPSC



## MESSAGE FROM THE CHAIRMAN

The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products under the agency's jurisdiction. Over the past 30 years, the CPSC's work to ensure the safety of consumer products—such as toys, cribs, power tools, cigarette lighters and household chemicals—contributed significantly to the substantial decline in the rate of deaths and injuries associated with consumer products.

Many of the consumer products we use are no longer manufactured in the United States. Today, over 70% of toys, 95% of fireworks, and 59% of electrical products are manufactured in other countries, particularly in China.

Imported products increased by 200% from 1997 to 2006 and currently about two-thirds of all U.S. consumer product recalls are of imported products. These recalls have included children's products that contain lead or lead-containing paint, toys with magnets, and explosive illegal fireworks.



### 2007 PERFORMANCE HIGHLIGHTS

In 2007, we intensified our efforts to reduce the hazards from imported consumer goods. In the summer of 2007, a number of imported products made in China, including painted toys and children's jewelry, were found to contain lead. We worked with industry to recall those toys already in the marketplace and prevent others from entry into the U.S. In September 2007, we made an important breakthrough with the Chinese government when we hosted the 2<sup>nd</sup> Biennial U.S.-Sino Product Safety Summit. At this Summit, CPSC reached agreement with our Chinese counterpart agency, the General Administration of Quality Supervision, Inspection, and Quarantine, that the Chinese government would take immediate action to eliminate the use of lead paint on Chinese manufactured toys exported to the U.S. This was an important signal that the Chinese government is serious about working with CPSC to keep dangerous products out of American homes. CPSC staff is also following up to assure that this commitment is fully implemented.

To combat the problem further, we worked with the Chinese government to improve import safety. The Chinese government agreed to: (1) increase inspections; (2) take specific steps to assist CPSC in tracing imported products with identified safety problems to Chinese firms; (3) exchange technical personnel with CPSC; (4) establish regular and systematic exchanges of information with CPSC about emerging product safety issues; and (5) attend CPSC-led training activities on the content of U.S. product safety standards and the importance of adhering to all those standards.

We are also working at home to improve import safety. In 2007, we:

- Facilitated the translation of the summary provisions of nearly 300 U.S. safety standards into Chinese so that Chinese manufacturers would understand U.S. product safety standards requirements when manufacturing various products;
- Worked with Customs to improve CPSC's electronic data exchange and our capabilities to identify, track and stop hazardous products from entering the U.S.;
- Cross-trained other federal agencies working at the ports to identify hazardous imported products;
- Identified and implemented methods to decrease the time to test samples of imported products containing lead; and
- Established an Import Safety Initiative.

The import safety problem will not be solved overnight. To address the import safety problem more effectively in the long term, we believe changes to CPSC statutes are necessary. I and Commissioner Moore have each proposed to Congress a number of changes to the agency's statutory authority that are expected to improve the efficacy and speed of removing dangerous products from the marketplace. These changes include provisions to expand prohibited actions, increase criminal and civil penalties, impose new reporting requirements, permit the imposition of safety-related bonds, streamline the regulatory process and allow the CPSC to issue enforcement regulations in addition to consumer product safety standards.

Furthermore, CPSC obtained the largest number of voluntary recalls (472) in the last 10 years. These recalls involved 110 million product units including 2.4 million magnetic play sets posing severe injury hazards and 1.5 million children's wooden toys posing a lead poisoning hazard to children. In total, we obtained 1031 corrective actions (including recalls and other actions to keep unsafe products from consumers).

Finally, CPSC obtained \$2.75 million in civil penalties for violations of safety rules and conducted import surveillance activities with U.S. Customs and Border Protection that prevented non-complying products (fireworks, lighters, and children's products and toys) from entering the country.

Additional 2007 performance highlights include:

***Rulemaking on Lead in Children's Jewelry:*** Staff completed a briefing package recommending that the Commission grant a petition regarding lead in children's jewelry. The Commission voted to grant the petition and to issue an advance notice of proposed rulemaking (ANPR). In 2008, staff will prepare a briefing package with a draft proposed rule for Commission consideration.

***Drive to One Million:*** CPSC started the "Drive to One Million" in 2007. This effort uses several different agency tools to make the public aware that, despite our best efforts, there are still many recalled products in the hands of the public. Our goal is to have at least one million consumers sign up to receive, free of charge, potentially life-saving information electronically through CPSC's e-mail notification system. Consumers can receive notice of recall information as it is released by signing up at [www.cpsc.gov/cpsclist.aspx](http://www.cpsc.gov/cpsclist.aspx).

***Magnet Forum:*** On June 18, 2007, CPSC staff held a forum to develop strategies to address the serious emerging hazards to children associated with magnetic toy ingestion. The forum included members of the medical community, voluntary standard developers, members of the toy industry, and officials from other government agencies, as well as from the Canadian government. Discussion topics included design/technical issues and potential requirements for magnetic toys.

***Nanotechnology:*** CPSC staff has been involved in an inter-agency discussion of the need for data to assess possible hazards associated with exposure to nanomaterials used in consumer products.

***Carbon Monoxide Warning Label for Portable Generators:*** With the increased consumer use of portable generators in recent years, particularly during weather emergencies, deaths from carbon monoxide (CO) poisonings from these products have increased. To address the CO poisoning hazard from using portable generators in or near a home, CPSC now (as of May 14<sup>th</sup>, 2007) requires manufacturers of portable generators to warn consumers of carbon monoxide (CO) hazards through a new "Danger" label. The label states that, "Using a generator indoors CAN KILL YOU IN MINUTES." In a separate action, the Commission began rulemaking to address safety hazards with generators by approving an advance notice of proposed rulemaking (ANPR). Staff is investigating various strategies to reduce consumers' exposure to CO and to enable and encourage them to use generators outdoors only. Those strategies include generator engines with substantially reduced CO emissions, interlocking or automatic shut-off devices, weatherization requirements, theft deterrence, and noise reduction.

**Mattresses:** A mandatory mattress standard to reduce the severity of fires, which was approved by the Commission in 2006, became effective in 2007. When fully implemented, it is expected to save as many as 270 lives per year. To assist the industry with compliance to the new standard, CPSC staff organized several seminars for manufacturers and retailers. Additionally, staff participated in several industry workshops and compiled several written documents including Question and Answer materials. Moreover, CPSC staff developed the Mattress Flammability Information Web page ([www.cpsc.gov/businfo/mattress.html](http://www.cpsc.gov/businfo/mattress.html)), which serves as a useful resource to all interested parties.

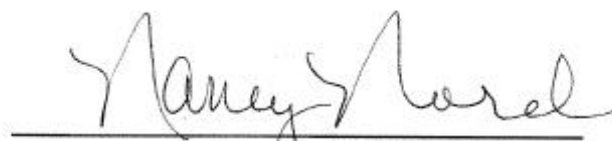
**ATVs:** In 2004, there were an estimated 767 deaths involving ATVs. About 30 percent of all ATV-related deaths and injuries involve children younger than 16. In 2006, CPSC published a notice of proposed rulemaking (NPR) and launched a major information and education campaign on ATV safety. This campaign included new television and radio public service announcements; the creation of [www.atvsafety.gov](http://www.atvsafety.gov), a new Web site for riders, parents, trainers, local and state officials, and the media; utilization of CPSC's Neighborhood Safety Network; and partnerships with other organizations and officials to promote ATV safety. In 2007, staff continued working on the rulemaking process (including analyzing public comments) and created a tab on the ATV Website that contains key and succinct safety information, including death and injury data.

### FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORTING

In 2007, we completed evaluations of our management controls and our financial management system in accordance with the Federal Managers' Financial Integrity Act. No material weaknesses were identified for fiscal year 2007 and we find our financial management system conforms to government financial system requirements. Our independent Inspector General has audited our financial statements and verified that our statements, internal controls, and financial systems conform to generally accepted accounting principles, laws, regulations, and requirements.

### CONCLUSION

CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical or mechanical hazard or can injure children. As we work to ensure consumer safety, it is our goal that the CPSC be regarded as fair, efficient, and effective. All of us at the U.S. Consumer Product Safety Commission look forward to continuing our work to ensure that safe products are available for all American consumers.



Nancy A. Nord  
Acting Chairman

November 15, 2007



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## INSIDE THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

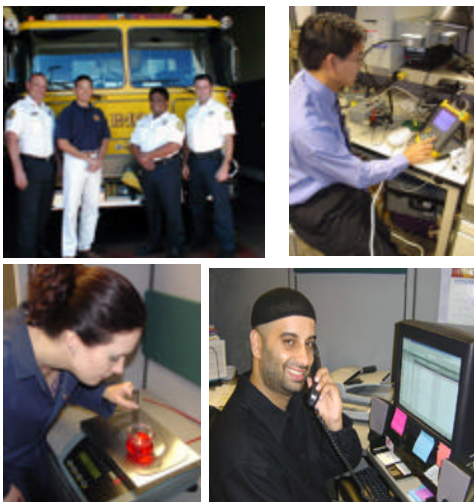
The U.S. Consumer Product Safety Commission (CPSC) is an independent Federal regulatory agency that was created in 1972 by the Consumer Product Safety Act. In addition to the Consumer Product Safety Act, CPSC also administers four other laws: the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act, and the Refrigerator Safety Act.

### OUR MISSION

***CPSC is responsible for protecting the American public from unreasonable risks of injury and death from consumer products.***

### Did You Know?

- ★ In recent years, there was an annual average of about 28,200 deaths and 33.6 million injuries related to, but not necessarily caused by, consumer products under the Commission's jurisdiction.
- ★ These injuries, deaths and their associated property damages cost the American public over \$800 billion annually.
- ★ There are over 15,000 types of consumer products under CPSC jurisdiction.



### WHAT WE DO

- ★ Save the nation billions of dollars annually in health care, property damage, and other societal costs. For example, our work in reducing product-related injuries and deaths from cribs and baby walkers alone saves \$2.4 billion annually in total societal costs.
- ★ Obtain voluntary recalls of hazardous products. In 2007, there were 472 recalls involving 110 million product units.
- ★ Work cooperatively with standards developers, consumers, industry and other interested parties to develop safety standards. From 1990 through 2007, we worked with industry and others to develop or revise 390 voluntary standards while issuing 38 mandatory rules, almost a ten-to-one ratio of voluntary to mandatory standards. We have found that voluntary efforts are often faster and cheaper yet still provide safety protection.
- ★ Provide the public with easy access to information about product hazards and the ability to contact us through our award-winning hotline and Web site. In 2007, we had 32.3 million visits to our Web site and about 187,900 calls to our hotline.

## APPROACHES TO PRODUCT SAFETY

### HOW WE REDUCE HAZARDS

The Commission uses a number of strategies to reduce the risks associated with hazardous consumer products. These strategies include (1) participating in the voluntary safety standards process or developing mandatory safety standards; (2) conducting compliance activities such as recalls, corrective actions, and enforcement of existing regulations; and (3) alerting the public to safety hazards and informing them about safe practices. We also recently developed an international program to focus on reducing hazards from imported products. The agency bases its actions to reduce the risks from hazardous consumer products on information developed from its extensive data collection systems that can be used by staff to assess the causes and scope of product-related injuries.

### *Safety Standards*

Much of our work in saving lives and making families safer is conducted in cooperation with industry and consumers. From 1990 through 2007, we worked with industry and others to develop or revise 390 voluntary safety standards while issuing only 38 mandatory rules. This is a ten-to-one ratio of voluntary to mandatory standards.

Staff participates in the development of voluntary safety standards at a number of steps in the process. Staff first submits recommendations for new standards, or modifications of existing standards, to voluntary standards organizations. After receiving our recommendations, the organizations may conduct technical assessments, as appropriate, publish a proposal for comment, receive and evaluate comments, and publish a standard. This process may take months or several years. Staff participates in the process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries and/or incidents occurred. Our voluntary standards policy does not permit us to vote on proposed changes or new standards. However, our comments are considered throughout the process.

Safety standards may also be developed through mandatory rulemaking. If a voluntary standard exists, then by law, we may issue a mandatory standard only when we find that the voluntary standard will not eliminate or adequately reduce the risk of injury or death or it is unlikely that there will be substantial compliance with the voluntary standard.

Generally, most of our statutes require us to go through a three-step rulemaking process (an advance notice of proposed rulemaking, a notice of proposed rulemaking, and a final rule). During this process, we seek input from all interested parties, including consumers, industry, and other government agencies. We usually develop performance standards, rather than design standards, to give manufacturers the most flexibility in meeting our requirements. Examples of mandatory standards are requirements for child-resistant lighters and for mattresses. We may initiate rulemaking based on petitions from outside parties or based on our own internal staff work.

## Compliance

We also reduce hazards through compliance activities. Compliance staff identifies defective products through their own investigations. We learn about potential product defects from many sources, including consumers, through our hotline and Web site. In addition, firms are required by law to report to the Commission potential product hazards that could present a serious risk or violations of standards. In 2005, staff developed a *Retailer Reporting Model* to report incidents related to products sold in their stores. This model is now being followed by four companies including two of the nation's three largest retailers.

When a recall is necessary, Compliance staff negotiates with the responsible firm. In 2007, CPSC completed 472 cooperative recalls (100 percent voluntary) involving nearly 110 million consumer product units that either violated mandatory standards or presented a substantial risk of injury to the public. Where companies fail to report as required, CPSC can seek penalties in court. In 2007, CPSC negotiated out of court settlements in which four companies voluntarily agreed to pay \$2.75 million in civil penalties to the U.S. Treasury.

To assist industry in recalling products and complying with our regulations easily and quickly, we rely on Fast Track product recalls and the work of our Small Business Ombudsman. We developed the Fast Track program to streamline the process of recalls for firms that were willing and prepared to recall their products quickly. Because every defective product presents a risk of injury or death, removing hazardous products from the marketplace faster can prevent more injuries and save more lives. Recalls under the Fast Track program are conducted without the need for staff to perform a time-consuming hazard analysis and, over 90 percent of the time, are implemented within 20 days of a firm's report to CPSC. For non Fast-Track corrective actions, we also established new efficiency goals to complete key actions within a challenging time period.

We use a Small Business Ombudsman to help small firms comply more easily with product safety regulations and guidelines by providing them with a single point of contact for assistance and information. The Ombudsman coordinates a clear and understandable response from our technical staff so that firms receive the information they need within three business days.

## Consumer Information

CPSC warns the public about product-related hazards. Our "Drive to One Million" campaign was started in 2007. This effort uses several different agency tools to make the public aware that, despite our best efforts, there are still many recalled products in the hands of the public. Our goal is to have at least one million consumers sign up to receive, free of charge, potentially life-saving information electronically through CPSC's e-mail notification system. Consumers can receive notice of recall information as it is released by signing up at [www.cpsc.gov/cpsclist.aspx](http://www.cpsc.gov/cpsclist.aspx).

We alert the public through print and electronic media, our hotline, our listservs, the Internet ([www.cpsc.gov](http://www.cpsc.gov), [www.recalls.gov](http://www.recalls.gov), and [www.atvsafety.gov](http://www.atvsafety.gov)), and other outreach activities such as the *Neighborhood Safety Network (NSN)*. The *NSN* is a grassroots outreach program that provides timely, life-saving information to 5,000

individuals and organizations who, in turn, share our safety posters and news alerts with underserved consumers who might otherwise never hear or receive the information from CPSC. Additionally, we develop and provide safety information to the public through safety and recall alerts, print and video news releases, public service announcements, publications, national and local television appearances, and hotline messages. When knowledge of a hazard requires immediate warnings to the public, such as the recall of a crib that caused the death of a baby, we work closely with the media (newspapers, radio, TV, news wire services) to disseminate our message. For warnings that need to be repeated -- and most do -- we often rely on outreach by partnering with other organizations and using programs, such as the *NSN*, to more rapidly disseminate important safety information.

In order to make the *Neighborhood Safety Network* program even more effective and useful for grassroots safety organizations, CPSC developed an online toolkit that allows them to build their own safety campaign. The toolkit allows communities to promote safety and health by downloading a variety of free publications, posters, checklists, and tools to create their own program on topics such as fire safety, drowning prevention, ATV safety, and older consumer safety. The toolkit has a "Design a Safety Program" link to assist officials in disseminating this life-saving information in their communities. CPSC will continue to update this site with new programs and will continue to promote the initiative among the more than 5,000 members of *NSN*.

In advance of and in the aftermath of natural disasters and hurricanes, CPSC contacts radio stations, newspapers, and television stations in the affected regions to warn against the deadly dangers of using portable gas generators indoors. CPSC also issues radio public service announcements and has provided a video news release on generator safety to the media. In addition, CPSC now requires a warning label on generators to communicate carbon monoxide dangers to the public. On CPSC's Web site there are downloadable posters, safety cards, and door hangers also warning consumers to never use gas generators indoors.

We have improved our Web site, consumer hotline, National Injury Information Clearinghouse, and publications distribution capability to better serve the public. CPSC's Web site has grown to 32.3 million visits in 2007. The number of times users accessed publications on various hazards from our Web site has increased to 4.2 million. This increase is due, in part, to the successful introduction of new technology such as the Really Simple Syndication (RSS) feed system.

RSS has replaced faxing and emailing to disseminate product safety information to the public, providing instantaneous release of information. RSS enables CPSC to post recalls and press releases in a format that allows TV stations and other media to obtain the information from CPSC's Web site and in seconds have the information posted on their Web sites.

We post and spotlight recall notices on the Web site at the same time that we issue a news release announcing a recall. Consumers and firms can file reports of unsafe products on-line and firms are ensured

of confidentiality by encrypted transfer of data. Product safety information is also available in Spanish.

In 2003, we initiated the creation of [www.recalls.gov](http://www.recalls.gov), an innovative "one-stop shop" for all federal product recalls, in partnership with five other federal health and safety regulatory agencies. This Web site is an easy-to-use portal to all federal agencies that have the authority to conduct safety recalls. In 2007, there were 1.9 million visitors to the site.

The hotline receives consumer complaints and provides information on product hazards and recalls to the public. The National Injury Information Clearinghouse provides injury data to our staff and the public and provides manufacturers with consumer complaints, reported incidents, and investigations involving their products.

### ***International Programs and Intergovernmental Affairs***

CPSC established the *Office of International Programs and Intergovernmental Affairs* to coordinate efforts with other countries regarding safety standards development and use, and inspection and enforcement activities. A major emphasis of this program is helping foreign manufacturers establish product safety systems as an integral part of manufacturing. CPSC provides information on how to implement a comprehensive approach to manufacturing safe products that comply with U.S. standards.

## **HOW WE IDENTIFY HAZARDS**

CPSC collects data on consumer product-related injuries and deaths, as well as economic and hazard exposure information, for products under our jurisdiction. We also investigate specific injury cases to gain additional knowledge about injuries or hazards and how the reported product was involved. We systematically analyze this information to determine where hazards exist and how to address them. These activities reflect the agency's commitment to making decisions based on appropriate data analyses. This work provides underlying support to all of CPSC's safety activities.

### ***Product-Related Injuries***

Each year, we collect information about product-related injuries treated in hospital emergency rooms through our National Electronic Injury Surveillance System (NEISS). This unique system provides statistically valid national estimates of product-related injuries from a probability sample of hospital emergency rooms and is the foundation for many CPSC activities. Several foreign governments have modeled their national injury data collection systems after CPSC's system. Annually, NEISS supplies over 360,000 product-related cases from a sample of about 100 hospitals. The hospitals transmit incident information electronically and, in some cases, the data are available within 24 hours after an incident.

In 2000, NEISS was expanded to provide data on all trauma-related injuries based on the Institute of Medicine's recommendation. These expanded data provide other Federal agencies, researchers, and the public with more comprehensive information on injuries from all sources, not just consumer products. The effort is being supported by reimbursable funds of approximately \$2 million from the Centers for Disease Control and Prevention (CDC). The reimbursable funds allow

us to collect non-consumer product injury data, while we continue collecting consumer product injury data with CPSC funds.

### ***Product-Related Deaths***

CPSC also collects mortality data. We purchase, review, and process about 8,000 death certificates each year covering unintentional product-related deaths from all 50 states. Under our Medical Examiner and Coroner Alert Project, we collect and review an average of more than 4,300 additional reports from participating medical examiners and coroners throughout the country. We also collect and review an average of 8,000 newsclips and 12,000 other reports of product-related injuries and deaths from consumers, lawyers, physicians, fire departments, and others.

### ***Data Utility/Emerging Hazards***

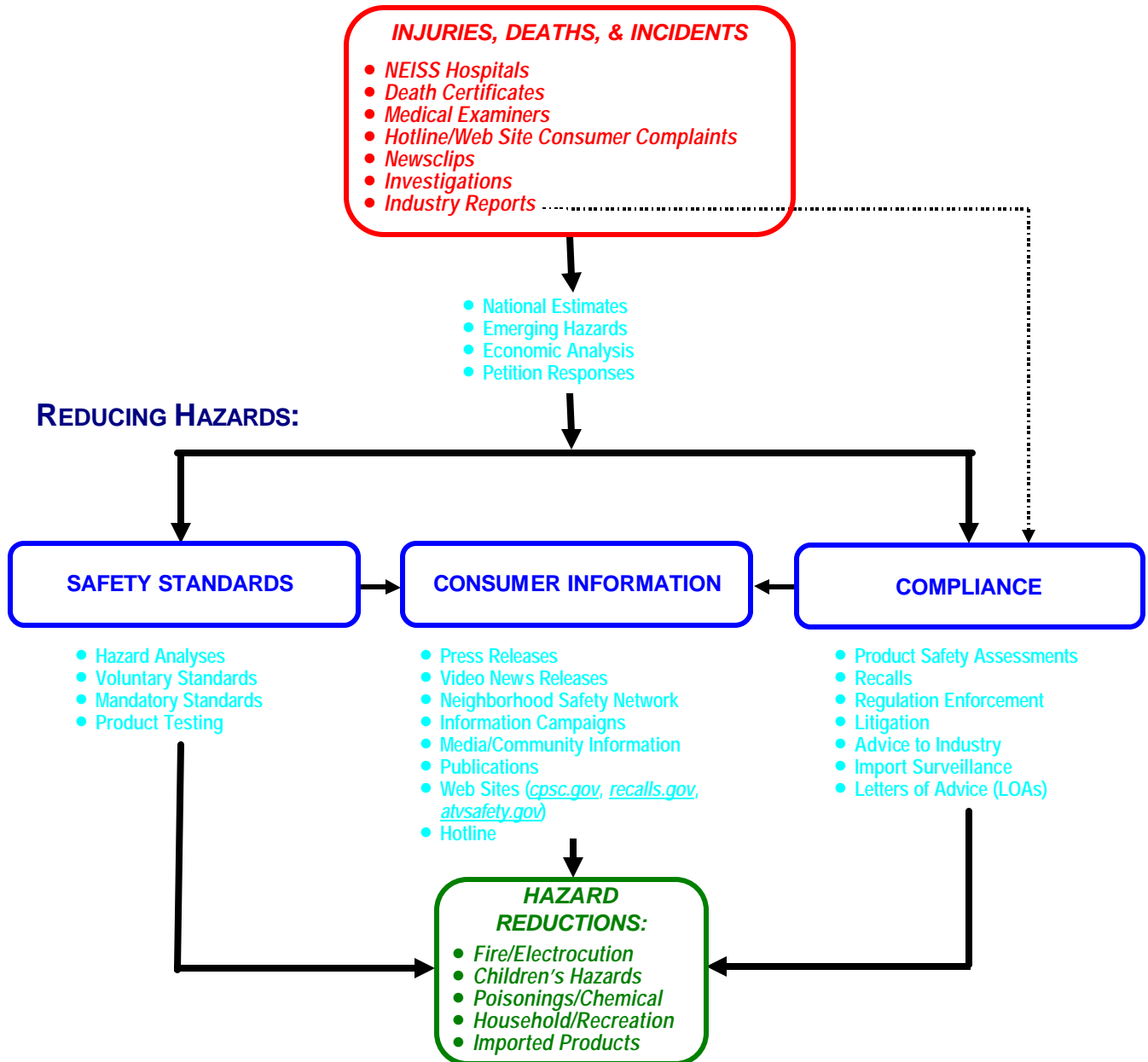
CPSC staff has systematically reviewed death and injury data and associated cost data by product grouping (such as heating, cooking, ventilating equipment, general household appliances, children's products, and home workshop tools) and conducted other emerging hazard reviews. We are conducting special studies in areas identified by the strategic planning process, data reviews, or other staff activity. An investigation begins with careful review of all incoming reports to identify those most important for further study. These cases are followed up with a telephone interview and continued, if appropriate, with an on-site investigation when information is needed on how specific types of injuries occurred. The resulting information shows the interaction among the victim, the product, and the environment, and forms the basis for developing appropriate remedial strategies. We also continue to screen all incoming data daily to identify products that may be associated with increasing numbers of injuries.

We continue to conduct economic studies to provide specialized economic information to staff, Commissioners, other agencies, and the public. Staff develops injury cost projections to estimate potential benefits associated with agency actions. We generate estimates of numbers of products in use to determine potential recall effectiveness and consumer exposure to product hazards, and to support agency hazard analysis work.

The public may file a petition requesting that CPSC regulate a consumer product under its jurisdiction. In response to these petitions, staff may prepare briefing packages for Commission consideration to grant, deny, or defer the petitions.

## APPROACHES TO PRODUCT SAFETY SUMMARY

### IDENTIFYING HAZARDS:



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## CPSC'S STRATEGIC PLAN AT A GLANCE

### STRATEGIC GOALS

CPSC is a results-oriented agency. Our second Strategic Plan adopted in September 2003 (currently under revision) focuses on the following two results-oriented hazard reduction strategic goals:

- **Reduce the death rate from fires by 20 percent.**
- **Reduce the death rate from consumer product related carbon monoxide poisonings by 20 percent.**

Our pending Strategic Plan revision was planned to be completed by September 2006 but, as a result of recommendations in the recent Program Assessment Rating Tool (PART) assessment and the lack of a CPSC quorum between January and August 2007, the revision will be undertaken in 2008. Because our strategic goals were originally developed in 2003 at a full-time equivalent (FTE) level of 471, we may also need to adjust our remaining strategic goals' targets to reflect changed FTE levels.

Our Strategic Plan also contains performance goals in other areas. We have service quality and customer satisfaction strategic goals for services provided by CPSC, and we address the President's Management Agenda (PMA) by establishing annual performance goals in all five PMA areas.

### RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

The Strategic Plan sets the direction of the agency and forms the basis for allocating resources. Each year, we link annual performance goals to the strategic goals through projects and activities. CPSC also sets annual performance goals in other areas that are not in the Strategic Plan, such as electrocution hazards and data collection. This performance report includes accomplishments in both strategic and non-strategic goal areas.



## 2007 PERFORMANCE SUMMARY

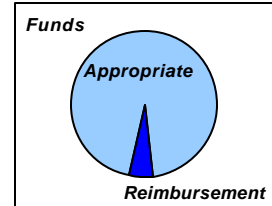
We met or exceeded most of our 2007 Performance Plan goals. It is important to note that in January 2007, CPSC lost its quorum, which impeded the Commission's rulemaking ability for about six months until July/August 2007 at which time the quorum was regained. In successful pursuit of the 2007 plan, we made these safety advances:

- ❖ Obtained 472 voluntary recalls, the largest number in the last 10 years. These recalls involved about 110 million product units. Including recalls, we obtained a total of 1,031 corrective actions of potentially hazardous products. In addition, we obtained \$2.75 million in civil penalties for failure to report possible product hazards in a timely manner and for selling banned fireworks.
- ❖ Completed a briefing package recommending that the Commission grant a petition regarding lead in children's metal jewelry. The Commission voted to grant the petition and to issue an advance notice of proposed rulemaking (ANPR). In 2008, staff will prepare a briefing package with a draft proposed rule for Commission consideration.
- ❖ Sustained the high level of customer satisfaction with CPSC's Fast Track recall program. About 92 percent of respondents to a survey were satisfied with the service.
- ❖ Informed the public through CPSC's communication network. We alerted the public to hazardous products through 394 press releases and recall alerts, 4.2 million electronically-distributed publications, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had 32.3 million Web site visits, a 59 percent increase from 2006.
- ❖ Organized several seminars for manufacturers and retailers to assist the mattress industry with compliance to the new open flame mattress standard, which became effective in July 2007. Additionally, staff participated in several industry workshops and compiled several written documents including Question and Answer materials. Moreover, CPSC staff developed the Mattress Flammability Information Web page ([www.cpsc.gov/businfo/mattress.html](http://www.cpsc.gov/businfo/mattress.html)), which serves as a useful resource to all interested parties.
- ❖ Continued working on the rulemaking process for ATVs (including reviewing public comments and undertaking various research activities) and created a new section on the ATV Website that contains key and succinct safety information, including death and injury data.
- ❖ Held a forum to develop strategies to address the hazard associated with magnetic toy ingestion. Serious intestinal injuries can occur with small magnets, like those found in magnetic building sets and other toys. The forum included members of the medical community, voluntary standard developers, members of the toy industry, and officials from other government agencies, as well as from the Canadian government. Discussion topics included design/technical issues and potential requirements for magnetic toys, as well as information activities that could be conducted to increase public and medical community awareness of the hazard.
- ❖ Required manufacturers of portable generators (as of May 14<sup>th</sup>, 2007) to warn consumers of carbon monoxide (CO) hazards through a new "Danger" label on the product and its packaging. The label states that, "Using a generator indoors CAN KILL YOU IN MINUTES."
- ❖ In addition to our planned goals and in response to the surge in imports of consumer goods, especially from China, and the increasing share of all recalls that are made up of Chinese-made products, CPSC Commissioners have each proposed to Congress a number of changes to the agency's statutory authority. These changes include provisions to expand prohibited actions,

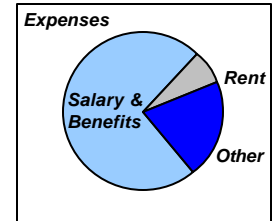
increase criminal and civil penalties, impose new reporting requirements, permit the imposition of safety-related bonds, streamline the regulatory process and allow the CPSC to issue enforcement regulations in addition to consumer product safety standards. The statutes' modernization proposals, if adopted, will increase CPSC's efficacy and speed in removing dangerous products from the stream of commerce. Moreover, CPSC participates in the Interagency Working Group on Import Safety, which was established by President Bush on July 18, 2007, to identify actions and appropriate steps that can be pursued within existing resources to promote the safety of imported products.

## 2007 RESOURCES

In 2007, CPSC's total available resources of \$66,072,032 included \$62,727,790 (94.9%) appropriated by Congress and \$3,344,242 (5.1%) in reimbursements from others. The majority of these reimbursement funds were for the collection of injury data for incidents not under CPSC jurisdiction but using our unique data collection systems.



CPSC obligated \$62,662,981 (99.9%) in appropriated funds. Staff salary and benefits made up most of these obligations. In 2007, the Commission funded an average 393 FTEs using \$45,878,401 (73.2%) of appropriated funding. We obligated \$4,494,293 (7.2%) on space rent to house our staff and product testing facility. CPSC obligated the balance, \$12,290,287 (19.6%), for various support costs, such as information technology and other contractual support services, staff travel, information technology equipment, and supplies.



### 2007 Appropriated Expenditures

	<u>FTEs</u>	<u>\$000</u>
<b>Reducing Product Hazards</b>		
Fire Deaths*.....	126	\$20,294
Carbon Monoxide Poisoning*.....	16	3,296
Children's and Other Hazards .....	169	26,613
 <b>Identifying Product Hazards</b>		
Data Collection** .....	71	10,840
Data Utility*/Emerging Hazards.....	11	1,620
<b>TOTAL COMMISSION</b> .....	<b><u>393</u></b>	<b><u>\$62,663</u></b>

\*These are strategic goal areas.

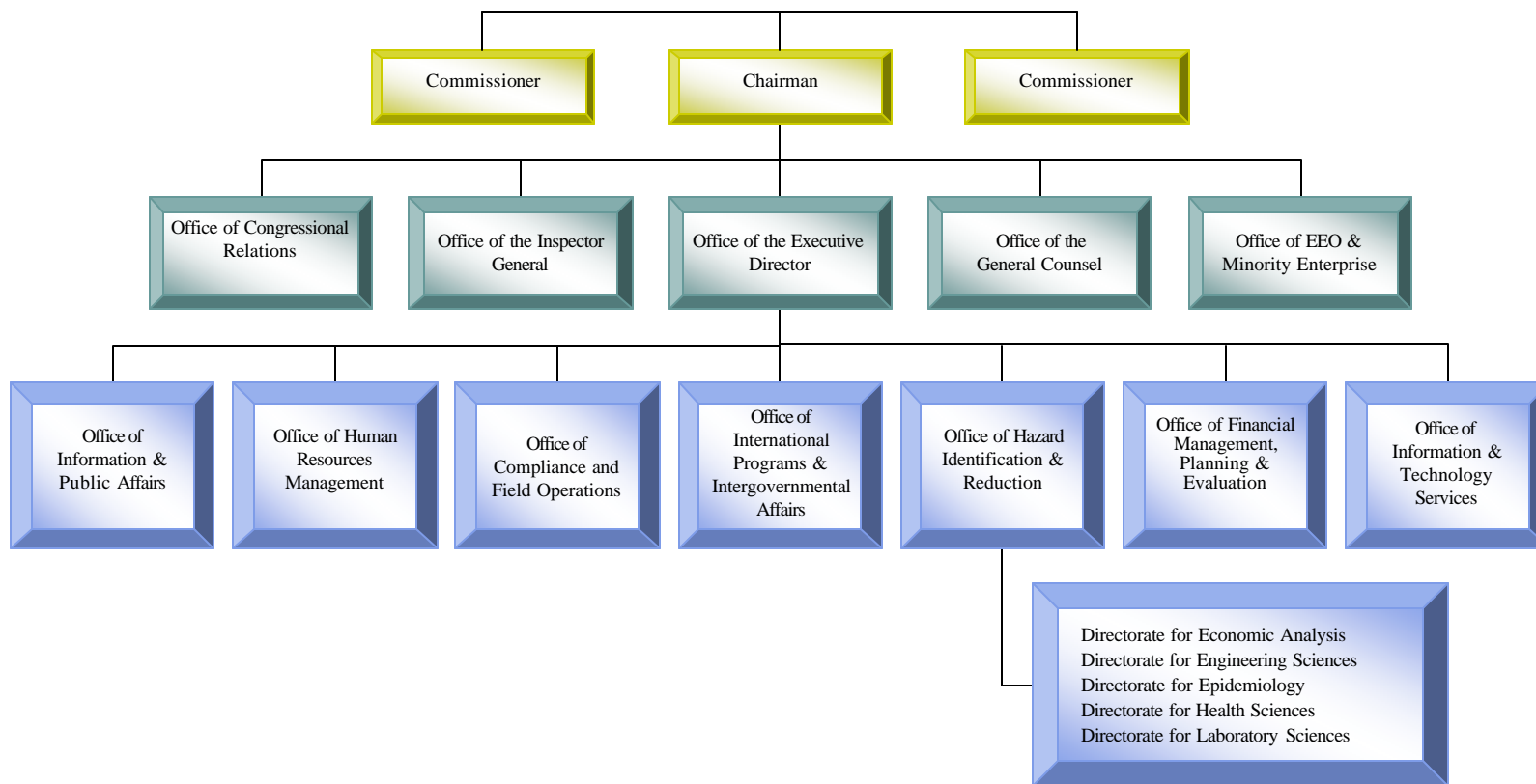
\*\*Data collection activities support all hazard reduction efforts.

**Note 1:** CPSC also collected \$1,956,868 in revenue held in *custody only* from civil penalties and fines, Freedom of Information Act and miscellaneous fees, and fees collected for the Department of Justice that were transferred to the U.S. Treasury or retained by the Department of Justice.

**Note 2:** FTEs calculated based on the Office of Management and Budget method using 260 compensable days in 2007.

## ORGANIZATIONAL STRUCTURE

The Commission is composed of three members appointed by the President with the advice and consent of the Senate. The Chairman is the principal executive officer of the Commission. The following depicts the organizational structure of the CPSC.



## OTHER CONSIDERATIONS

### ANALYSIS OF FINANCIAL STATEMENTS

CPSC management has not identified any substantial financial management issues facing the Commission. Management has not found any major changes in the Commission's assets, liabilities, costs, revenues, obligations, and outlays.

### ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

CPSC's system of internal control provides reasonable assurance that: obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and expenditures applicable to Agency operations are properly recorded and accounted for. The agency completed its 2007 review of the adequacy of management controls required under the Federal Managers' Financial Integrity Act. Managers assured the adequacy of management controls and conformance of financial systems with government-wide standards. No material weaknesses were identified during this review.

CPSC's accounting system conforms to the principles, standards and requirements of the Federal Managers' Financial Integrity Act and its related legislation. CPSC uses the computer-based Federal Financial System (FFS) as CPSC's Financial Management System. FFS is the core financial system featuring general ledger control over agency resources, obligations and spending. It provides for the single entry of data and reconciliation to ensure the accuracy and completeness of transactions.

CPSC has performed reviews of the Agency's financial management system and has examined or tested accounting records and other supporting evidence, to the extent deemed appropriate. No material problems or weaknesses were disclosed. The FFS application is maintained by the Department of Interior's (DOI) National Business Center in Denver, Colorado through a cross-servicing agreement. An independent auditor has issued a clean 2007 opinion on the FFS application.

### MANAGEMENT COMMENT ON INSPECTOR GENERAL STATEMENT OF MANAGEMENT CHALLENGES

The Office of the Inspector General has identified the serious management and performance challenges facing CPSC as well as most federal agencies (see Financial Report section). These include:

- Management of Human Capital
- Dealing with Imported Products
- Contracting
- Information Technology and Protection of Personally Identifiable Information

We concur in the identification of these challenges that face CPSC and other federal agencies. As noted by the Inspector General, CPSC has taken positive substantive action in all these areas. We are addressing human resource management challenges to meet workforce-planning needs and emphasize employee accountability.

CPSC is addressing the surge in imports by achieving a record number of recalls in 2007, working with major importing partners to increase knowledge of U.S. safety standards, and taking steps to increase its import surveillance by working with the U.S. Customs and Border Protection. We are certifying that our contract specialists meet the latest contracting standards and we are developing greater training for our contracting representatives. We implemented upgraded security measures to protect our employees and facilities. Finally, we addressed all previously identified material weaknesses in our information technology security audit and we recognize that continuous security development is necessary.

## LIMITATIONS OF THE FINANCIAL STATEMENTS

The principal financial statements have been prepared to report the financial position and results of operations of CPSC, pursuant to the requirements of 31 U.S.C. 3515(b).

While the statements have been prepared from the records of CPSC in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

## PAYMENTS MANAGEMENT

CPSC has reviewed its programs and activities and determined that none is susceptible to significant erroneous payments. Significant erroneous payments are those defined as annual erroneous payments in the program exceeding both 2.5 percent of program payments and \$10 million. CPSC has no annual erroneous payments that meet these criteria. CPSC's annual appropriation for FY 2007 was \$62.7 million.

All payments were reviewed to determine if any were erroneous as defined in "The Improper Payments Information Act of 2002" (Public Law 107-300). An erroneous payment means (1) any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and (2) it includes any payment to an ineligible recipient, any payment for an ineligible service, any duplicate payment, payments for services not received, and any payment that does not account for credit for applicable discounts.

CPSC's current procedures are adequate to prevent significant erroneous payments. Payments are approved by authorized officials, who certify the receipt of goods and services. Also, payments are examined and audited by Finance staff and reviewed by a Certifying Officer. Payment and obligation data are also reconciled monthly by each CPSC office. Results are reported to the Division of Financial Services for review, analysis, and appropriate action as necessary.

## INTRODUCTION

### PERFORMANCE REPORT ORGANIZATION

This Performance Report gives a comparison of 2007 actual performance with the annual goals and targets set forth in the 2007 Performance Budget (February 2007). The goals are in *italics* to distinguish them from the accomplishments. CPSC's 2007 performance is characterized as follows:

- Exceeded - work was accomplished beyond the target.
- Completed - performance goal met.
- Project Discontinued - the project was discontinued either because the initial work did not support continued action or the goal was found not to be an effective use of agency resources.
- Will Complete - the goal was not met and will be completed in the future.
- Not Met - the goal was not met; for goals that are estimates and based on historical trends, a new target will be set the following year.
- Data Currently Not Available - final data will be reported in the President's Request to Congress usually submitted on the first Monday in February.

The Performance Report contains the death and injury data that were included in the Performance Budget. We may have more recently available data, but for this report, we retained what was in the Performance Budget since it was the basis for development of the performance goals.

### RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

The Strategic Plan sets the direction of the agency and allocates resources. Each year, we link annual performance goals to the strategic goals through projects and activities. CPSC also sets annual performance goals in other areas that are not in the Strategic Plan, such as electrocution hazards, drowning hazards, and data collection. We also set annual performance goals to support the President's Management Agenda. This performance report includes accomplishments in both strategic and non-strategic goal areas.

### TWO TYPES OF ANNUAL PERFORMANCE GOALS

We set performance goals for our key hazard reduction and identification activities, CPSC services to industry and consumers, data quality, and the President's Management Agenda. These activities require two different types of performance goals.

First, for product related activities, corrective action activities, and many of the activities under the President's Management Agenda, annual goals are set targets for completing a certain number of the activities, e.g., sending a targeted number of recommendations to voluntary standards organizations designed to address fire-related deaths. Corrective action goals are targets related to timeliness and efficiency and are set in terms of percentages, e.g., negotiating and obtaining corrective action on a percentage of cases where a CPSC standard has been violated.

Second, for activities that address unforeseen safety issues, such as recalls, news releases, and consumer outreach, annual goals are more appropriately characterized as estimates. We set numerical estimates for these activities based on a review of past years' data. The actual number of recalls, news releases, and consumers reached through video news releases (VNRs), television appearances and our Web publications typically varies from these estimates, depending on the number and type of safety-related issues that arise during that year.





## REDUCING PRODUCT HAZARDS: FIRE HAZARDS



**STRATEGIC GOAL: Reduce the rate of death from fire-related causes by 20 percent from 1998 to 2013.**

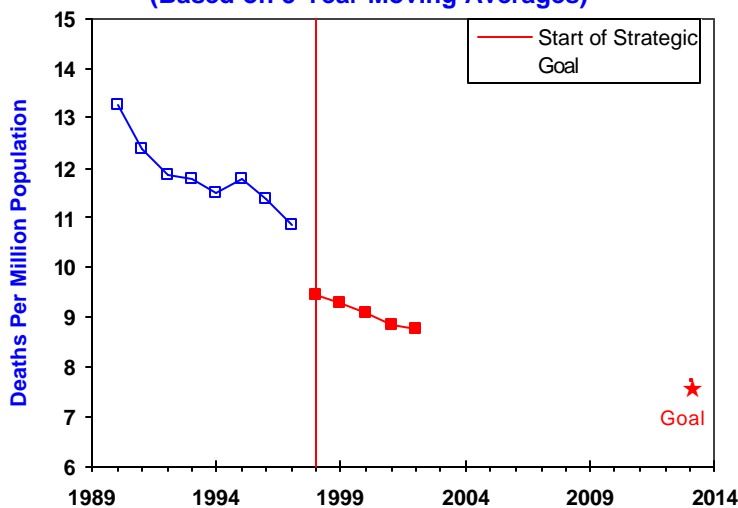
Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	145	154	153	142	126
Amount	\$16,967	\$19,473	\$21,907	\$21,440	\$20,294

### THE HAZARD

This nation's fire death rate remains high. From 1999 to 2003<sup>1</sup>, an estimated annual average of 2,540 people died, and 14,070 were injured because of fires in residences. These fires resulted in property losses of about \$4.81 billion. The total cost to the nation from residential fires was over \$24 billion. Children and seniors are particularly vulnerable. In 2003, over 600 children under the age of 15 died of fire-related causes, and over 350 of these deaths were to children under the age of 5 years. Children under the age of 5 have a fire death rate nearly twice the national average. Older adults also have significantly higher fire death rates in comparison to the rest of the population. In 2003, residential fires resulted in nearly 800 deaths to adults 65 years and older.

Products most often ignited in fatal fires are upholstered furniture, mattresses, and bedding. In recent years, these product categories were associated with about one-third of fire deaths. Cooking equipment is often involved as a source of ignition in fire deaths, accounting for about 10 percent of fire deaths in recent years.

**Fire-Related Death Rate Associated with Consumer Products by Year (Based on 3-Year Moving Averages)**



### OUR PROGRESS

Under previous Strategic Plans (1997 and 2000), we set a target to reduce the rate of fire deaths due to consumer products by 10 percent from 1995 to 2005. From 1995 to 2003<sup>2</sup>, the fire death rate declined by nearly 17 percent, a reduction of 270 fire-related deaths. To further reduce the death rate, we retained this as a strategic goal in our current Strategic Plan, but with a new target of 20 percent reduction from 1998 to 2013.

Past standard-setting and compliance activities contributed to the general

<sup>1</sup>2003 was the latest year for which complete death data was available as of February 2007, when the Performance Budget was finalized; these estimates are based on fires in residential structures that were attended by the fire service.

<sup>2</sup> Estimates generated for 1999 and later are not strictly comparable to estimates before 1999 because of major revisions to the World Health Organization's International Classification of Diseases coding system (ICD) and the U.S. Fire Administration's (USFA) National Fire Incident Report System (NFIRS).

decline in fires and fire deaths and show that the agency is effective in reducing fire hazards. These activities include work on cigarette ignition-resistant and open flame-resistant mattresses and upholstered furniture, heating and cooking equipment, electrical products, general wearing apparel, children's sleepwear, child-resistant lighters, fireworks, battery-operated children's vehicles, smoke alarms, and residential fire sprinklers.

## ANNUAL GOALS AND RESULTS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate.

Annual Goals Summary		2003	2004	2005	2006	2007
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	<b>Goal</b>	3	3	4	5	8
	<b>Actual</b>	2	3	1	4	5
2. Present recommendations to voluntary standards or code organizations	<b>Goal</b>	3	3	0	1	2
	<b>Actual</b>	3	3	0	0	0
3. Complete data analysis and technical review activities	<b>Goal</b>	12	10	14	12	11
	<b>Actual</b>	7	5	10	9	8
4. Support voluntary standards and code revisions	<b>Goal</b>	17	14	13	11	11
	<b>Actual</b>	17	14	17	11	12
<b>Compliance</b>						
5. Preliminary determination within 85 business days (unregulated products) <sup>†</sup>	<b>Goal</b>	**	**	**	**	66%
	<b>Actual</b>	41%	58%	64%	58%	94%
6. Corrective action within 60 business days of preliminary determination (unregulated products) <sup>†</sup>	<b>Goal</b>	**	**	**	**	80%
	<b>Actual</b>	75%	79%	70%	82%	81%
7. Corrective action within 35 business days of notice of violation (regulated products) <sup>†</sup>	<b>Goal</b>	**	**	**	**	80%
	<b>Actual</b>	94%	89%	70%	90%	99%
8. Monitor existing voluntary standards	<b>Goal</b>	1	**	**	1	1*
	<b>Actual</b>	2	0	0	1	1
9. Monitor existing mandatory standards	<b>Goal</b>	**	**	**	**	1
	<b>Actual</b>	0	0	0	0	1
10. Conduct port-of-entry surveillance	<b>Goal</b>	2	2	1	1	1*
	<b>Actual</b>	3	2	2	2	2
<b>Consumer Information</b>						
11. Consumer outreach (in millions)	<b>Goal</b>	**	**	**	**	125.0
	<b>Actual</b>	--	81.7	94.1	185.0	--
12. Issue press releases and recall alerts	<b>Goal</b>	45 <sup>##</sup>	60	60	113	107
	<b>Actual</b>	72	100	131	111	108
13. Conduct public information efforts/ partnerships	<b>Goal</b>	7	5	6	7	7
	<b>Actual</b>	7	5	5	5	8

<sup>†</sup> Actual numbers for this goal differ from previously published numbers, due to an adjustment in measurement to better capture actions extending over two fiscal years.

\*\*No goal established.

\*Estimate based on prior years' experience. The actual number of monitoring and surveillance activities will depend on the mix of safety-related problems arising during the year.

--Data not available.

--- Data currently not available. Final data will be reported in the President's Request to Congress usually submitted on the first Monday in February.

##Prior to 2004 this goal did not include recall alerts.

## Safety Standards

### 1. Prepare for Commission consideration 8 candidates for rulemaking or other alternatives.

#### Upholstered Furniture



CPSC Testing

Ignitions of upholstered furniture account for more fire deaths than any consumer product under CPSC's jurisdiction. The staff is developing a draft flammability standard to address the risk of fire associated with ignitions of upholstered furniture by smoldering cigarettes and by small open flame sources like lighters, matches and candles.

In 2003, the Commission published an advance notice of proposed rulemaking (ANPR) covering both cigarette-ignited and small open flame-ignited fires. In 2004 and 2005, staff developed a revised draft standard addressing both ignition mechanisms. In 2006, the staff analyzed public comments, conducted technical work to support a possible standard, and presented a briefing package of regulatory options to the Commission.

**Goal:** *In 2007, staff will continue technical research and publish its technical reports to support a possible proposed rule. Staff will also continue to work with the California Bureau of Home Furnishings and Thermal Insulation, industry and other stakeholders, and the U.S. Environmental Protection Agency (EPA) on related issues.*

**Completed:** In 2007, staff prepared technical reports on laboratory testing of furniture materials, economic impacts of a standard, and potential health effects associated with flame retardant chemicals that could be used to meet a standard. These reports were published on the CPSC Web site. Staff also participated in numerous meetings and discussions with industry, state and federal government agencies and other stakeholders including California Bureau of Home Furnishings and Thermal Insulation, on a variety of technical issues, and continued to analyze stakeholder comments and recommendations. In 2008, staff will follow Commission direction on a possible proposed rule.

#### Bedclothes - Flammability



In 2005, CPSC voted to publish an ANPR to develop a mandatory standard to address open-flame ignition of bedclothes and began evaluating the ANPR comments. In 2006, staff participated in a test method study being conducted by the California Bureau of Home Furnishings and Thermal Insulation to evaluate their test method.

**Goal:** *In 2007, staff will prepare a draft project status report including information on the progress of California's efforts to develop a test method for filled bedding items, and conduct other testing and analysis activities as appropriate.*

**Completed:** In 2007, staff continued to monitor the progress of California's efforts and provided a draft status report on project related activities. Staff began an analysis of in-depth investigations to determine the addressable deaths and injuries. Staff also continued to evaluate how information derived from implementation of the new open-flame mattress standard impacts bedclothes flammability.

**Mattresses - Cigarette Ignition**

In 2005, CPSC published an ANPR, initiating a possible amendment or revocation of the existing cigarette ignition standard. In 2006, staff analyzed comments on the ANPR, and initiated research at the National Institute of Standards and Technology (NIST) to support regulatory options.

**Goal:** *In 2007, the staff will monitor the progress of NIST's research, review cigarette fire in-depth investigations, and prepare a draft status update.*

**Completed:** In 2007, staff prepared a draft status update of project activities which are planned for 2008. Staff also monitored the progress of the NIST research, reviewed in-depth investigation reports involving mattresses and cigarette ignition.

**Cigarette Lighters, Mechanical Malfunction**

In 2005, CPSC issued an ANPR to develop a new mandatory safety standard for cigarette lighters to prevent mechanical malfunctions. In 2006, staff conducted a study of conformance with ASTM voluntary cigarette lighter standard (F-400) and provided that information to the Commission for consideration.

**Goal:** *In 2007, staff will take action as directed by the Commission.*

**Not Met:** In 2007, no activities were directed by the Commission. Staff monitored voluntary standard activities for ASTM F-400 *Standard Consumer Safety Specification for Lighters* to reduce the fire hazard associated with mechanical failure.

**Clothing Textile Standard Amendments**

The Standard for the Flammability of Clothing Textiles was enacted to reduce clothing-related thermal burn injuries and fatalities due to the use of highly flammable textiles in clothing. Several aspects of the existing standard require test procedure clarifications or are out of date due to changes in test equipment, consumer practice, environmental law, and textile product cleaning techniques. These discrepancies between actual clothing use conditions and variations in compliance testing undermine the efficiency of the standard.

An ANPR was published in late 2002. In 2003, staff reviewed the ANPR comments and developed a plan to prepare a proposed standard. From 2004 through 2006, the staff prepared recommendations for amendments to the standard and a notice of proposed rulemaking (NPR) briefing package for Commission consideration.

**Goal:** *In 2007, staff will send a briefing package to the Commission with recommended amendments for Commission consideration and will continue activities as directed by the Commission.*

**Will Complete:** In 2007, interested stakeholders requested to meet with staff to discuss technical issues associated with a possible amendment to the clothing textile standard. The results of this meeting needed to be considered before proceeding with

recommendations to the Commission. In early 2008, staff plans to send a briefing package to the Commission with recommended amendments for Commission consideration and will continue activities as directed by the Commission.

### **Carpet and Rug Standards Amendments (Ignition Source)**



The standards for the surface flammability of carpets and rugs were adopted to prevent fires spread by carpets and rugs that are ignited by a small ignition source (such as a match or burning ember). The test method requires the use of a methenamine tablet produced by Ely Lilly or an equivalent tablet as the ignition source for the carpet tests. In 2002, Ely Lilly ceased production of its tablet. The standards need to be amended to specify the characteristics that produce tablets equivalent to the Lilly product without reference to a specific brand-name product. In 2006, staff prepared a briefing package with recommended product specification amendments for Commission consideration. The Commission voted to instruct the staff to prepare an NPR for Commission consideration.

**Goal:** *In 2007, staff will address NPR comments and prepare the draft final rule (technical amendment) for Commission consideration.*

**Completed:** In 2007, staff addressed NPR comments and prepared a draft final rule for Commission consideration. The Commission voted to direct the staff to prepare a final rule for publication in the Federal Register.

### **Lighters Amendments**



In 2006, the staff completed a regulatory review of both the Safety Standard for Cigarette Lighters and the Safety Standard for Multi-Purpose Lighters.

**Goal:** *In 2007, the staff will complete a status report documenting the issues raised by the regulatory review, and detailing options to address those concerns.*

**Will Complete:** This project was not completed because the project manager left unexpectedly. The project will be completed in 2008.

### **Fireworks Amendments**



In 2006, an ANPR was published seeking information and comments on (1) the risk of injury from fireworks devices, (2) alternatives other than those listed in the ANPR, (3) an existing standard which could be issued as a proposed regulation, and (4) testing currently being conducted on fireworks devices.

**Goal:** *In 2007, the staff will review comments received in response to the ANPR and begin to evaluate possible alternatives for updating CPSC's fireworks regulations. The staff will complete a status report summarizing the work completed during the year.*

**Completed:** Staff wrote a status report that reviewed comments received in response to the ANPR and evaluated possible alternatives for updating CPSC's fireworks regulations.

## 2. Prepare and present recommendations to voluntary standards or code organizations to strengthen or develop 2 voluntary standards or codes, as appropriate, for:

### Electrical Lighting Products



CPSC staff is investigating the causes of fire incidents involving lamps, light fixtures and light bulbs.

**Goal:** *In 2007, staff will develop recommendations for improvements to the applicable voluntary standards to address incidents involving the design, installation, use, and/or maintenance of lighting products, as appropriate.*

**Will Complete:** In 2007, the staff's draft report on its evaluation of samples involved in potential fire or shock/electrocution incidents associated with electric lighting was shared with interested parties for comment. In 2008, staff will review all comments and finalize its report. Staff will also make recommendations for improvements to the voluntary standards, as appropriate, in 2008.

### Fire Escape Masks



Fire escape masks are products marketed as safety devices to protect users against deadly toxic smoke while evacuating a fire, chemical or other emergency in the home and other locations. These products have the potential to reduce deaths and injuries by providing more escape time and protecting people from toxic gases during fires. Currently, there are no performance standards for these products. At the end of 2004, through an Interagency Agreement with CPSC, the U.S. Fire Administration (USFA) provided funding to conduct testing of escape masks. In 2005, staff continued to evaluate the effectiveness of escape masks by conducting testing and evaluating the human factors issues associated with these products. In 2006, staff and contractor testing and evaluation were completed.

**Goal:** *In 2007, reports of testing results will be completed and recommendations for revisions to the voluntary standard will be developed, as appropriate.*

**Will Complete:** In 2007, staff completed reports on the testing and human factors evaluation of fire escape mask samples, including recommendations for revisions to the standard that would improve usability for novice users. Recommendations will be presented in 2008.

## 3. Complete 11 data analysis, data collection, and technical review activities.

### Aluminum Wiring Repair Methods



In the 1960s and early 1970s, aluminum branch circuit wiring was used in residential construction. Connections with aluminum wiring are significantly more likely to overheat than connections made with copper wire. A new mechanical connector for use with aluminum wiring has been developed, and this connector shows considerable cost savings compared to the one currently recommended by CPSC. A 2006 end-of-year contract was funded to investigate this connector.

**Goal:** *In 2007, the contractor will complete a draft report of the*

*evaluation of the connector.*

**Completed:** In 2007, under contract to CPSC, a national expert on residential aluminum wiring issues performed a technical evaluation on the newly developed connector to preliminarily assess its suitability for use in repairing branch circuits wired with aluminum conductors. CPSC technical staff received a report of the contractor's assessment that indicated that the connector may be suitable to use. Additional analyses will be conducted in 2008.

**Cigarette Ignition Risk**



Staff will compare the characteristics of the standard cigarette used in CPSC staff tests for smoldering ignition to Reduced Ignition Propensity (RIP) cigarettes. Staff will assess the differences in fire behavior of products exposed to these cigarettes.

**Goal:** In 2007, staff will develop a test plan to compare the characteristics of RIP cigarettes to those of currently marketed (non-RIP) cigarettes using modified Upholstered Furniture Action Council upholstered furniture mockups and mattresses meeting the new mattress standard, 16 CFR 1632.

**Exceeded:** In 2007, staff completed a review of previous research on RIP cigarettes. Based upon this review, staff drafted a test plan to compare the flammability behavior of upholstered furniture and mattresses when exposed to RIP and non-RIP cigarettes. Moreover, a contract was awarded to compare the ignition propensity of RIP and non-RIP cigarettes according to an ASTM standard. Staff completed a market sketch to identify brands of cigarettes to be collected for testing to the ASTM standard, developed a sample collection plan, and completed sample collection. Staff is also continuing to monitor state legislation requiring RIP cigarettes.

**Electrical Safety Checklist**



**Goal:** In 2007, staff will update the Home Electrical Safety Audit Room by Room Checklist to reflect more recent National Electrical Code changes and to make the document more user-friendly.

**Will Complete:** In 2007, staff revised the checklist to bring it up to date with current technology and with the *National Electrical Code*. Revisions include recommendations to use arc fault circuit interrupters (AFCIs) and expansion of areas in the home that need ground fault circuit interrupter (GFCI) protection. A contract is in place to add new graphics to the checklist to make it more user-friendly. However, since the effective date of the contract was in the latter part of the fiscal year, the graphics work will not be completed until 2008.

**Extension Cords**

Extension cords continue to be associated with a large number of fire incidents (3100 in 2002). Extension cords are frequently subjected to difficult conditions during use, which can result in local overheating, arcing, and ignition of nearby combustibles. The voluntary standards covering extension cords may not include requirements to adequately evaluate extension cords for mechanical abuse or other consumer use.



**Goal:** In 2007, the staff will review in-depth investigation reports in which fire incidents were attributed to extension cords, and identify failure modes. The staff will also review applicable voluntary standards to determine if current requirements are adequate to address observed failures. The staff will prepare a draft status report with recommended future actions.

**Exceeded:** In 2007, staff reviewed 106 in-depth investigation reports involving fires attributed to extension cords. Each investigation was reviewed for information that would relate the incident to mechanical characteristics of the wiring insulation (abrasion, crushing, pinching resistance, and flexing endurance). Staff also reviewed the requirements for extension cords in applicable voluntary standards. A draft status report on these activities, with recommended future actions, was completed. Moreover, staff conducted an epidemiological analysis to ascertain the number of tests needed to determine how the current population of extension cords performs with respect to the four mechanical characteristics of the insulation. This analysis is included in the staff's draft status report. Staff is also participating in follow-up activities with Underwriters Laboratories (UL) on the voluntary standards for extension cords.

### Fire Escape Planning



Available escape time in a fire is less than it was 30 years ago, and escape time is often overestimated by household occupants. Only about 25% of households actually practice a fire escape plan. In addition, about half of fire deaths occur at night. Therefore, there may be a need for improved fire escape devices to better guide occupants out of the home when visual conditions are expected to be poor. The purpose of this activity is to determine if technology and/or improved educational materials can reduce fire escape times and increase life safety in a fire scenario.

**Goal:** In 2007, the staff will initiate an investigation of various technologies and concepts, such as visual signals and unique audible sounds, to improve residential occupant escape in the event of fire. The investigation will also include an evaluation of the feasibility of incorporating the technology or concept in residential homes. Occupant escape times without and with assistance/guiding devices will be investigated, and educational aides for developing and practicing a fire escape plan will be evaluated. A draft status report of this work will be completed. This activity, along with the results of the work, will be completed in 2008.

**Completed:** In 2007, staff contracted with Naval Research Laboratory (NRL) to investigate and develop a prototype alarm device to assist occupants in exiting a building in the event of a fire. NRL completed design and fabrication of a prototype residential-use device that would assist in the escape from a fire and demonstrated its operation. NRL completed a draft report of its work. CPSC staff completed compilation of fire escape education materials and began analysis of fire education materials.



### Flammable Liquids



A staff evaluation of clothing fire incidents collected through CPSC's burn center incident reports found that nearly half of the incidents involved children and flammable liquids such as gasoline and kerosene. In 2006, staff analyzed incident data, identified possible approaches to preventing flammable liquid incidents, and drafted a report summarizing this information.

**Goal:** *In 2007, staff will finalize the report, and create and propose information programs to address the most significant fire scenarios that involve flammable liquids.*

**Completed:** In 2007, staff finalized its report and proposed an information and education plan to address the unpredictability of flammable liquids indicating that the unpredictability of flammable liquids affects all users – novice and experienced, youth and adults. Staff also proposed several areas for potential future research.

### High Energy Battery Packs/Chargers



Portable electronic devices use higher energy density batteries, such as lithium-ion batteries. Batteries that experience an internal cell short may overheat and explode, posing a hazard to consumers. In 2006, a contractor completed internal short characterization testing of high energy density lithium-ion batteries (cells) for mobile telephone use.

**Goal:** *In 2007, staff will follow up this work by examining potential methods and/or safety features that could be incorporated to reduce the hazards. A report of the staff review will be completed. In 2008, voluntary standards recommendations will be made, as appropriate.*

**Completed:** In 2007, staff completed a hazard analysis of high energy rechargeable batteries. Staff investigated various aspects of high energy batteries to determine the different hazards that can result when batteries leak, rupture, and explode. The staff conducted integrity testing on various lithium-ion batteries to determine the effects due to long-term vibration. The staff completed a draft report describing the different types of high energy batteries, hazards, and potential methods for improving the safety of high energy batteries.

### Range Extinguishing Systems



Cooking fires continue to be a major cause of residential fires. There is a variety of products marketed to consumers to prevent these fires, including range extinguishing systems. In 2006, the staff conducted an evaluation of production and prototype range extinguishing systems in cooperation with NIST.

**Goal:** *In 2007, the staff will complete technical research and prepare a draft report.*

**Will Complete:** In 2007, staff completed testing conducted at NIST. Due to higher priority work being conducted at NIST's fire facility, testing was delayed so that NIST's report, including data, could not be completed. This work will be completed in 2008, and CPSC staff will pursue standards development activities, as appropriate.

### Residential Fire Survey



There were an estimated 374,700 residential fires attended by the fire service that resulted in \$5.31 billion in property loss in 2003. Fire service attended fires are thought to represent only about 3 percent of all U.S. residential fires annually. A probability telephone survey of causes and characteristics of residential fires, both attended and not attended by the fire service, was conducted by a contractor in 2004 and 2005. Data collection included information about the performance of smoke alarms, sprinklers, and fire extinguishers in those fires. In 2006, staff completed analysis of the survey data.

**Goal:** *In 2007, a draft report documenting the survey, statistical methods used, and results will be completed.*

**Completed:** In 2007, staff completed an extensive statistical analysis of the survey data. A draft report documenting methods used and results was completed and peer reviewed by internal staff. Management review and finalization of the report will be completed in 2008.

### Smoke Alarms



Young children and seniors may have difficulty hearing certain smoke alarm signals. Little behavioral research exists on smoke alarm signaling and related smoke alarm design issues.

**Goal:** *Staff will conduct a review of research in behavioral analysis areas such as sensation, perception, and sleep. Data will be compiled and analyzed. The staff will draft a report to define and highlight the most critical data-deficient human factors areas for smoke alarm design.*

**Completed:** In 2007, staff reviewed research on consumer responses to smoke alarms relative to sensation, perception, and sleep, and prepared a draft report of its review. Areas needing further study include perception and response to alternative stimuli like voice, strobe, or vibration.

### Temperature Controls



A temperature regulating or limiting control component typically reacts to heating or cooling to turn a heating appliance off or on. Some CPSC staff tests have found safety and operating controls that either failed to open or did not open at the specified temperature.

**Goal:** *Staff will develop a plan for testing the performance characteristics of temperature control samples that may contribute to poor performance, such as deviations in calibration. Thermal lag in first-time operation and possible temperature effects, which may affect electrical properties, will also be investigated. Testing will be conducted according to the plan.*

**Will Complete:** In 2007, staff developed a test plan and completed the test setup for incorporating temperature controls in a programmable and controlled temperature oven. The staff conducted integration and analysis testing on the system to produce various temperature profiles that reflect real world conditions. Staff began

investigating the environmental conditions on temperature controls that may result in a thermal lag in first-time operation. The repeatability and extent of time lag will be further investigated in 2008.

#### 4. Support voluntary standards and code revisions.

##### **Voluntary Standards**

**Goal:** Staff will support the development or revision of 11 voluntary standards for candles, escape masks, fire sprinklers, turkey fryers, arc fault circuit interrupters, batteries, portable fans, fixed electric heaters, smoke alarms, lighting, and the National Electrical Code.

**Exceeded:** The staff monitored or participated in the development or modification of 12 voluntary standards for the following products:

- Arc-Fault Circuit Interrupters
- Batteries
- Candles
- Emergency Escape Masks
- Fans, Portable
- Heaters, Electric
- Lighters
- Lighting, Electric
- National Electrical Code
- Smoke Alarms
- Sprinklers
- Turkey Fryers

## Compliance

#### 5. Preliminary determination within 85 business days on unregulated products.

##### **Preliminary Determination Efficiency**

Compliance Officers open investigations based on reports of a possible defect from a manufacturer, importer or retailer, or on their own initiative following up consumer complaints, newspaper accounts or information from CPSC surveillance activity. Each investigation involves a thorough review of information from the company and other sources, with analysis by CPSC's technical experts. The investigation culminates in a staff "preliminary determination" that there is or is not a product defect. This new annual output goal establishes a target for rapid investigation and resolution of fire-related hazards.

**Goal:** A "preliminary determination" will be made within 85 business days on 66% of open investigations relating to unregulated products.

**Exceeded:** Staff made preliminary determinations on 94% of the cases it developed using various sources such as reports of possible defects from manufacturers, importers, or retailers, following up on consumer complaints, newspapers accounts, or other information available to them within 85 business days.

#### 6. Corrective action within 60 business days of preliminary determination on unregulated products.

##### **Corrective Action Timeliness (Unregulated Products)**

Each investigation involving a fire-related hazard will culminate in a preliminary determination that a product is or is not defective. If the product is determined to be defective, the Compliance Officer will begin negotiating with the responsible company to obtain a voluntary corrective action. For defects that pose a risk of serious injury, the

Compliance Officer will seek a consumer-level recall, which usually involves a free repair or replacement of the product or a refund of the purchase price. For less serious hazards, the corrective action may involve stopping sale of the product and correction of future production.

**Goal:** *Corrective action will be negotiated and commenced within 60 business days on 80% of the cases after a firm has been notified of staff's preliminary determination.*

**Completed:** Staff negotiated a corrective action resulting in consumer-level recalls for products that pose a risk of serious injury or a corrective action for less serious hazards on 81% of the cases in 60 or fewer business days.

## 7. Corrective action within 35 business days of violation notice on regulated products.

### **Corrective Action Timeliness (Regulated Products)**

Compliance staff regularly conducts surveillance activity to check compliance of products with CPSC mandatory standards. Samples collected by investigators in the Field are sent to the CPSC Laboratory for analysis. Additional technical analysis is often conducted by CPSC technical experts. When it is determined that a product violates CPSC standards, a Compliance Officer sends a letter of advice (LOA) to the manufacturer, importer or retailer. For violations posing a serious risk of injury, the letter will seek a consumer-level recall (unless the sample was collected at a port of entry and no products have been distributed within the United States). For less serious violations, the letter may seek a lesser corrective action, such as stopping sale of the violative products and correction of future production.

**Goal:** *Corrective action will be negotiated and obtained within 35 business days on 80% of the regulated products cases after the firm has been issued a LOA.*

**Exceeded:** Staff successfully negotiated and obtained corrective actions on 99% of the cases where a product violated a CPSC standard within 35 business days after a LOA has been issued. Corrective actions include consumer level recalls and, for less serious violations, stopping sale of violative products and correcting future production.

## 8. Monitor existing voluntary standards.

### **Voluntary Standards**

**Goal:** *Staff will monitor compliance with 1 existing voluntary standard likely to reduce fire-related injuries.*

**Completed:** The compliance staff monitored one voluntary standard likely to reduce fire-related injuries.

## 9. Monitor existing mandatory standards.

### **Mandatory Standards**

**Goal:** *In 2007, the staff will implement the rule on Mattress Flammability – Open Flame (16 CFR Part 1633), as issued in 2006,*



*working with affected industries as needed.*

**Completed:** The Compliance staff held a series of meetings with the affected industries in conjunction with the implementation of 16 CFR Part 1633. In addition, the Field staff is conducting inspections to monitor compliance with the standard.

## 10. Conduct port-of-entry surveillance.

### **Import Surveillance**



In 2006, CPSC field staff and U.S. Customs and Border Protection prevented about 2.1 million units of non-complying lighters and violative fireworks from entering the country. The Office of International Programs and Intergovernmental Affairs will continue to conduct activities and create strategies to foster greater import compliance with recognized safety standards.

**Goal:** Staff will conduct port-of-entry surveillance for 1 product for which fire safety standards are in effect.

**Exceeded:** In 2007, Field staff and U.S. Customs and Border Patrol conducted port-of-entry surveillance in Long Beach, CA, Kansas City, MO and Tacoma, WA that prevented approximately 2.7 million units of fireworks and lighters from entering the U.S. market.

## **Consumer Information**

**- Alert the public to fire-related hazards through:**

### 11. Consumer Outreach (in millions)

#### **Consumer Outreach**

In 2006, about 185 million consumers were reached with safety information related to fire hazards through TV appearances, VNRs and Web publications. This number is unusually high due to the unprecedented press coverage of computer battery fires and the subsequent recalls. Because of this, the target for 2007 was set excluding the consumer reach for these recalls.

**Goal:** Staff will reach 125.0 million consumers with fire safety messages through TV appearances and interviews on national television networks, VNRs to national and local television networks, and e-publications through CPSC's Web site.

**Data Currently Not Available:** Final data will be reported in the President's Request to Congress normally submitted on the first Monday in February.

### 12. Issue press releases and recall alerts

#### **Press Releases and Recalls**

In 2006, we issued 111 press releases and recall alerts on hazardous products.

**Goal:** Staff will issue 107 press releases and recall alerts to inform

*the public about products presenting a risk of fire-related death.*

**Completed:** In 2007, we met our goal by issuing 108 press releases and recall alerts to inform the public about hazardous products presenting a risk of fire-related death. Press releases included recalls of computer batteries, electronic keyboards and a notice of the new mattress standards.

### 13. Conduct 7 public information efforts, including at least 1 partnership with industry and/or a fire safety group.

#### Fireworks



**Goal:** CPSC will conduct a national safety campaign for the Fourth of July to increase public awareness of the dangers associated with legal and illegal fireworks. This campaign will include activities such as a news conference, VNR, and Podcast message. Possible partnerships may include the Department of Justice and the Department of Homeland Security. We may reissue a fireworks safety poster for use by the Neighborhood Safety Network (NSN).

**Completed:** CPSC conducted a national safety campaign for the Fourth of July. The campaign included our traditional fireworks safety press conference in which a new partner was added. The U.S. Fire Administration joined CPSC and the Bureau of Alcohol, Tobacco, Firearms, and Explosives at this year's press event, which emphasized the "Deadly Dangers When Consumers Use Illegal Fireworks." The news conference was well-attended by broadcast and radio networks and was complemented by a print news release, a record-setting VNR (more than 870 airings reaching more than 75 million viewers), Podcast recording and NSN message. Additionally, CPSC announced, in the weeks before July 4<sup>th</sup>, a major court victory against Firefox Enterprises for illegally trying to sell the chemical components used to make illegal fireworks. CPSC's press release and announcement was made in conjunction with the Department of Justice and resulted in national newswire coverage.

#### General Fire Hazards



**Goal:** In support of CPSC's implementation of a new open-flame flammability standard for mattresses, we will develop and conduct an information and education campaign in the second half of the fiscal year. The campaign will include activities such as a news release, VNR, Neighborhood Safety Network poster, new publication, and partnership with other grassroots organizations.

**Completed:** CPSC successfully completed the goal of informing consumers nationwide about a safer mattress coming to the marketplace that can add an additional layer of fire protection to the bedroom. In May and June, CPSC disseminated more than 500,000 copies of a new publication, titled "Safer Sleep," to retailers and manufacturers; an informative VNR was produced and broadcast which was seen by nearly 45 million TV viewers; a live demonstration of a mattress burn was aired on the leading network morning show; and NSN members were advised to purchase a new, fire-resistant mattress the next time they are in the market for one.

### Halloween Hazards



**Goal:** CPSC will remind consumers of the flammability hazards associated with costumes and other Halloween hazards and highlight warnings about the risk of fire associated with homemade children's costumes, jack-o-lanterns, and other Halloween decorations. We will conduct activities such as issue a news release, reissue our Neighborhood Safety Network Halloween safety poster, host a media availability, and conduct TV, radio, and newspaper interviews.

**Completed:** Once again, CPSC was a leading voice in warning parents about the potential fire dangers associated with candles and costumes during Halloween. The agency issued a comprehensive press release with safety tips, recorded a Podcast, and conducted numerous media interviews. A VNR broadcast for the campaign was used 400 times and viewed by 17 million consumers.

### Holiday Hazards



**Goal:** During the winter holiday season, CPSC will reissue an annual news release and Neighborhood Safety Network poster to warn consumers about the fire risk from defective decorative holiday light strings and from natural trees, and provide tips on the safe use of candles and fireplaces. CPSC may also conduct a media availability for local and national reports.

**Completed:** CPSC issued a comprehensive news release warning consumers about the potential fire dangers presented by Christmas trees, holiday lights, candles, and fireplaces. The news release also provided updates to fire and injury statistics. The Neighborhood Safety Network poster, *Decorate Safely*, was reissued to NSN members providing some holiday decorating tips. Moreover, staff issued a publication, *Holiday Decoration Safety Tips*, which warns consumers about the fire risk from holiday decorations and provides tips on the safe use of candles and fireplaces. The outreach effort was complemented by the re-issuance of a widely used VNR, which was seen by more than 20 million viewers.

### Home Heating



**Goal:** At the beginning of the home heating season, the staff will conduct activities such as issue a news release, a VNR, a Podcast message and hold a joint press event with the Centers for Disease Control and Prevention to warn about fire hazards from home heating equipment, especially space heaters, furnaces, and chimneys.

**Completed:** As planned, the agency teamed up with CDC to hold a press event in Atlanta in October on home heating safety, which included new data and safety tips for consumers who use fireplaces, furnaces and space heaters. In an effort to reduce fires with these products, CPSC conducted TV, print, and radio interviews; issued a news release; and recorded a Podcast.

### Safe Holiday Cooking

**Goal:** During the Thanksgiving season, CPSC will join the Association of Home Appliance Manufacturers (AHAM) and Underwriters Laboratories in a cooking safety campaign. CPSC will contribute to a UL-produced VNR and an AHAM-issued press release. We will also



*coordinate with AHAM on distribution of a special cooking safety brochure. A Neighborhood Safety Network safety message will also be disseminated.*

**Completed:** CPSC once again joined forces with AHAM and UL during the holiday cooking season to provide tips on safety in the kitchen. The UL-issued video included soundbites from a CPSC spokesperson. CPSC provided technical tips and advice on safe holiday cooking for the AHAM news release. CPSC also disseminated a safe cooking message to members of NSN.

**Smoke Alarms**



**Goal:** *In a continuing effort to remind consumers that smoke alarms save lives, CPSC will issue a news release in conjunction with daylight savings time in the spring and the fall to emphasize that consumers need to have and maintain their smoke alarms. CPSC may also promote new research or findings on the response by children and the elderly to smoke alarms.*

**Exceeded:** CPSC conducted two major campaigns this year, involving smoke alarm messaging: 1) in October, the agency teamed up with CDC to hold a press availability in Atlanta on home heating safety which included a safety tip for homeowners to change their smoke alarm batteries. This campaign involved a news release, video and media interviews. 2) In March, CPSC partnered with the U.S. Fire Administration, and was supported by the National Fire Protection Association, International Association of Fire Chiefs, and International Association of Fire Fighters, in a major campaign to tie together smoke alarm effectiveness to the family escape plan. A news release was issued, a public service announcement was produced, and a joint press availability was conducted at a home badly damaged by a fire. The Acting Chairman and Director of Public Affairs conducted network and local television and radio interviews.

**Campus Fire Safety**

**Completed (Unplanned Activity):** A press conference was conducted on the campus of the University of Maryland, in which the CPSC Acting Chairman, the Assistant Administrator for the U.S. Fire Administration, the lead educator for the National Fire Protection Administration, and the fire marshal for the college, announced new campus fire data and provided life-saving tips to incoming students. A news release was also issued by CPSC.



## REDUCING PRODUCT HAZARDS: CARBON MONOXIDE POISONING



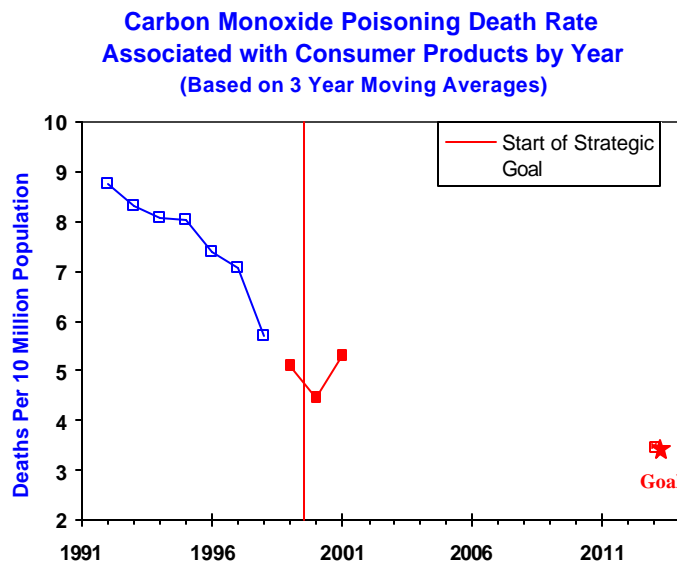
**STRATEGIC GOAL: Reduce the rate of death from carbon monoxide poisoning by 20 percent from 1999-2000 average by 2013.**

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	12	12	10	13	16
Amount	\$1,563	\$1,629	\$1,473	\$2,496	\$3,296

### THE HAZARD

Carbon monoxide (CO) is a poisonous gas that has no smell, color or taste -- truly an invisible killer. Burning any fuel, such as gas, oil, wood, or coal produces this gas, so that any fuel-burning appliance is a potential CO source. At higher concentrations in the blood, CO can cause cognitive impairment, loss of consciousness, coma, and death.

From 1999-2002<sup>3</sup>, there was an estimated annual average of 141 unintentional non-fire CO poisoning deaths associated with consumer products, at a societal cost of approximately \$705 million each year. Because some symptoms of moderate CO poisoning may mimic common illnesses, such as influenza or colds, there may be a high incidence of missed initial diagnoses. Not only are victims frequently unaware of exposure to CO, but also health care providers may not suspect, or check for, CO poisoning. While some symptoms of CO poisoning are reversible, delayed neurological effects can develop following severe poisonings, especially those involving prolonged unconsciousness. Prompt medical attention is important to reduce the risk of permanent damage.



Most consumer product-related CO poisoning deaths are associated with the use of heating systems. Other consumer products associated with CO poisoning deaths include charcoal grills, gas water heaters, gas ranges and ovens, fuel-burning camping equipment, and engine-driven tools such as portable generators and power lawn mowers. Problems with chimneys, flues, or vents connected to fuel-burning products have also been mentioned in the fatal scenarios.

### OUR PROGRESS

Under our previous Strategic Plans, we had a target to reduce the rate of CO poisoning deaths due to consumer products by 20 percent from 1994 to 2004. From 1994 to

<sup>3</sup>2002 was the latest year for which complete death data were available as of February 2007, when the Performance Budget was finalized.

1998, the death rate was reduced by 22 percent. To further reduce the death rate, we retained this strategic goal in our Strategic Plan with a new target of 20 percent reduction by 2013 from the 1999-2000 average.

As shown in the graph on the previous page, there is a discontinuity of rates between 1999-2002 and the previous years. This discontinuity may be due, at least partially, to different methods used to estimate the number of deaths in the two time periods.<sup>4</sup>

We have been successful in the past in reducing deaths through a number of interventions, including: working with industry to encourage the development of new products to protect consumers from CO poisonings; working with industry to develop a voluntary performance standard for CO alarms; and warning the public about CO poisoning through information campaigns.

Recently, there has been an increase in the number of CO-related deaths, in part associated with the use of portable generators during natural disasters, such as hurricanes. Activities in our plan are designed to address this increase.

## ANNUAL GOALS AND RESULTS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate.

Annual Goals Summary		2003	2004	2005	2006	2007
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	<b>Goal</b>	**	**	**	**	1
	<b>Actual</b>	0	0	0	1	1
2. Complete data analysis and technical review activities	<b>Goal</b>	2	0	3	3	2
	<b>Actual</b>	2	0	1	2	1
3. Support voluntary standards and code revisions	<b>Goal</b>	4	3	3	3	3
	<b>Actual</b>	4	3	3	3	3
<b>Compliance</b>						
4. Monitor existing voluntary standards	<b>Goal</b>	**	1	**	1	1
	<b>Actual</b>	0	0	0	1	1
<b>Consumer Information</b>						
5. Consumer Outreach (in millions)*	<b>Goal</b>	**	**	**	**	20.0
	<b>Actual</b>	--	9.2	5.2	14.6	---
6. Issue press releases and recall alerts	<b>Goal</b>	1 <sup>#</sup>	5	5	8	7
	<b>Actual</b>	6	7	8	11	14
7. Conduct public information efforts/partnerships	<b>Goal</b>	3	3	2	3	4
	<b>Actual</b>	3	3	2	2	4

\*\*No goal established.

--Data not available.

--- Data currently not available. Final data will be reported in the President's Request to Congress usually submitted on the first Monday in February.

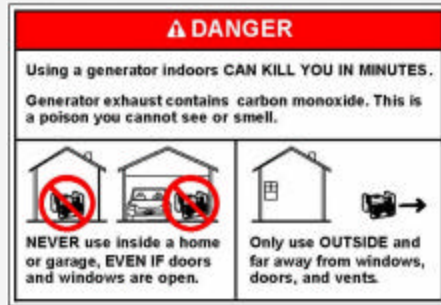
<sup>#</sup>Prior to 2004 this goal did not include recall alerts.

<sup>4</sup>The new method used after 1998 includes three changes: a change in the International Classification of Diseases (ICD), a change in methodology within CPSC, and inclusion of a new category of products in the estimates.

## Safety Standards

### 1. Prepare for Commission consideration 1 candidate for rulemaking or other alternatives.

#### Portable Generators (Labels)



Label from Final Rule

The contribution of generators to the total yearly estimated CO poisoning deaths has been increasing annually, from 6% in 1999 to 24% in 2002. Generators pose a severe risk of CO poisoning when used in enclosed areas such as basements, crawl spaces or garages (with doors open or closed) or outdoors near openings that allow the engine exhaust to enter occupied spaces. In 2006 the Commission issued a notice of proposed rulemaking (NPR) for warning labels for portable generators.

**Goal:** In 2007, the staff will address public comments on the NPR and prepare a briefing package on the draft final rule for Commission consideration.

**Completed:** In December 2006, CPSC staff prepared a briefing package for labeling requirements for portable generators for Commission consideration. (See label at the left.) The briefing package responded to public comments on the NPR and contained a draft final rule. In January 2007, the Commission voted to issue the final rule with an effective date of May 14, 2007.

### 2. Complete 2 data analysis, collection and technical review activities.

#### Portable Generators (Technical and Other Issues)



In addition to work involving warning labels for generators, in 2005, staff began investigating the feasibility of devices that will shut the generator's engine down before an unsafe CO environment is created. Staff also collected and analyzed incident and market data. In 2006, staff presented a briefing package to the Commission outlining options to address CO poisoning hazards associated with generators.

**Goal:** In 2007, the staff will conduct activities as noted in its briefing package and as directed by the Commission. These activities include (1) managing an interagency agreement (IAG) with NIST to model the infiltration of CO into various styles of homes when a generator is operated in an attached garage under a number of different conditions; (2) managing a contract to develop and demonstrate a low CO emission engine, with bimonthly status reports; and (3) modifying the IAG with NIST to add tasks to validate through physical testing NIST's model for predicting oxygen depletion for a portable generator operating in a garage.

**Completed:** In 2007, staff managed a contract with the University of Alabama for the development and demonstration of a low-CO emission engine on a portable generator. That work is on-going and the contract is expected to be completed in 2008. Also in 2007, staff managed the IAG with NIST for conducting indoor air quality modeling of in-home CO infiltration with a generator running in an attached garage. Preliminary modeling results indicated a need to modify the IAG to include model validation with physical testing. In June 2007, staff modified the IAG to include these tasks, with an expected completion date of March 2009.

**Vented Gas Appliance CO Sensors**

Gas-fired heating appliances continue to be a leading cause of unintentional CO poisoning deaths. Staff previously conducted testing that demonstrated the use of sensor technology to provide shutdown response to hazardous levels of CO within the flue passageways of a gas furnace. Staff also developed a test program to explore sensor longevity and durability within the flue passageways of a furnace. In 2006, CPSC awarded a contract to conduct longevity/durability tests of sensors within a gas furnace.

**Goal:** *In 2007, staff will manage a test contract, analyze the data, and draft a report of the findings. Staff will also continue to work with Sandia National Laboratories (SNL) on the development of a sensor for use in a gas furnace. SNL anticipates completion of this work in 2007.*

**Will Complete:** In 2007, SNL completed and forwarded to staff a report on their work to develop a CO sensor for use in a gas furnace. However, due to funding and test site constraints, SNL was not able to conduct in-situ testing of CO sensors in a gas furnace. Also in 2007, staff initiated work on a contract to test sensor longevity and durability within the flue passageways of a furnace. Due to technical problems associated with preliminary testing by staff, the start date of the contract testing was delayed. As a result, the work to analyze the data and draft a report of the findings will be completed in 2008.

**3. Support voluntary standards and code revisions.****Voluntary Standards**

**Goal:** *Staff will support the development or revision of voluntary standards for CO alarms, portable generators, and vented gas appliances (CO sensors).*

**Completed:** The staff monitored and/or participated in the development or modification of the three voluntary standards listed above.

**Compliance****4. Monitor existing voluntary standards.****Voluntary Standards**

**Goal:** *Staff will monitor compliance with 1 existing voluntary standard likely to reduce CO poisoning-related deaths or injuries.*

**Completed:** Staff continued to monitor the performance of one voluntary standard likely to reduce CO poisoning-related deaths or injuries and reviewed and compiled the results of a three-year study.

## Consumer Information

### - Alert the public to the hazards of CO poisoning deaths through:

#### 5. Consumer Outreach (in millions).

##### Consumer Outreach

In 2006, about 14.6 million consumers were reached with safety information related to CO poisoning hazards through TV appearances, VNRs and Web publications.

**Goal:** *The staff will reach 20.0 million consumers with CO safety messages through TV appearances and interviews on national television networks, VNRs to national and local television networks, and e-publications through CPSC's Web site.*

**Data Currently Not Available:** Final data will be reported in the President's Request to Congress normally submitted on the first Monday in February.

#### 6. Press releases and recall alerts.

##### Press Releases and Recalls

In 2006, we issued 11 press releases and recall alerts related to CO hazards.

**Goal:** *The staff will issue 7 press releases or Web recall alerts for hazardous products presenting a risk of CO poisoning.*

**Exceeded:** CPSC distributed 14 news releases and recall alerts on its Web site related to program activities addressing CO poisoning. Press releases included carbon monoxide alarms, and recalls of boilers for leaking exhaust and water heaters for repair due to CO poisoning hazard.

#### 7. Conduct 4 public information efforts and/or partnerships with a trade association or safety advocacy group.

##### Home Heating



**Goal:** *To remind the public of the continuing threat of CO in the home, we will highlight the need for routine maintenance of gas appliances. At the beginning of the home heating season, we will conduct one public information effort, such as issuing a news release, a VNR, a Podcast message, or holding a joint press event with the Centers for Disease Control and Prevention, to warn about CO hazards from home heating equipment, especially furnaces, gas heaters and generators.*

**Completed:** CPSC successfully conducted a national safety campaign in partnership with CDC concerning CO dangers associated with home heating equipment. In October, a CPSC official joined CDC Director of the National Center for Environmental Health to hold a press availability to discuss the potentially poisonous gas that can be given off by home heating systems that use liquid propane gas, natural gas, kerosene, oil, coal, or wood. The campaign, which was launched in advance of a major winter storm,

also touched on the potential CO danger associated with generators being used indoors. Numerous broadcast, radio, and print interviews were conducted, a joint news release was issued, a video was distributed, and a Podcast was recorded.

### Portable Gas Generators



**Goal:** During times of power loss, homeowners may be exposed to more CO because of improper use of consumer products, such as portable gas generators, to heat and provide power to their homes. CPSC has ongoing regulatory activity related to generators. CPSC will promote generator safety and related rulemaking activities using at least one communication tool such as a news release, a video, a Podcast and safety materials to help reduce generator-related deaths and poisonings, especially during hurricanes, tornadoes, floods, and/or blizzards.

**Exceeded:** Upon passage of the final rule instituting a mandatory danger label on all portable generators, CPSC issued a news release, reached nearly 13 million viewers via a VNR, reached millions of additional viewers via two network morning show segments, secured a national news story on the Associated Press wire, recorded a Podcast, notified NSN members, and assisted the Office of Compliance in disseminating the final label to key stakeholders.

Additionally, CPSC issued a news release and conducted media interviews following the passage in December of an ANPR aimed at making generators safer for consumer use.

### CO Alarms

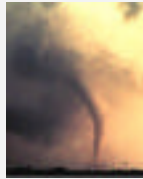


**Goal:** Throughout the year, CPSC will remind consumers of the importance of installing CO alarms and the need to change the batteries. CPSC will promote CO alarm use through the use of at least one communication tool such as news releases, safety alerts, or publications.

**Exceeded:** CPSC conducted two campaigns this year, involving CO alarm messaging: 1) in October, the agency teamed up with CDC to hold a press availability in Atlanta on home heating safety which included a safety tip for homeowners to install/change their CO alarm batteries. This campaign involved a news release, video and media interviews. 2) In January, CPSC partnered with the U.S. Fire Administration to “sound the alarm” on the importance of having working CO alarms in the home. This effort involved issuance of a news release; issuance of a jointly produced public service announcement, which USFA distributed through the Department of Homeland Security network; and a message to all NSN members. The message to consumers to have a CO alarm as the first-line of defense against the “invisible killer” was jointly provided by the CPSC Acting Chairman and the Acting Administrator of USFA.

### Natural Disaster Awareness

**Goal:** During times when there is loss of power, homeowners may be exposed to more risk of CO poisoning due to improper use of consumer products to heat and provide power to their homes. Staff will use at least one communication tool, such as a news release,



*radio public service announcement, TV public service announcement, or Podcast to address the CO dangers of consumer products used in the home during local or regional storm events.*

**Exceeded:** In advance of hurricane season, Public Affairs and the Office of Compliance and Field Operations worked in coordination to pre-position CO safety materials in states most likely to be affected by a hurricane or major natural disaster. Bulk shipments of door hangers, posters, “What to Know” safety cards, and safety alerts were sent to state designees or emergency management officials in southern, mid-Atlantic and northeastern states. The shipments totaled nearly a quarter-million units.

For states, community officials, or consumers interested in downloading generator safety information, CPSC created a single site on [www.CPSC.gov](http://www.CPSC.gov) with the color posters, safety card, various press releases, and broadcast and radio public service announcements.

## REDUCING PRODUCT HAZARDS: CHILDREN'S AND OTHER HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	228	210	186	168	169
Amount	\$27,747	\$27,367	\$26,143	\$25,651	\$26,613

### THE HAZARDS

#### Children's Hazards



Children's hazards are associated with a wide range of consumer products. Examples of children's hazards include drowning hazards related to pools and other in-home products, choking and suffocation hazards related to some children's toys; strangulation, suffocation and entrapment risks to infants in sleep environments; strangulations from window blind cords and clothing drawstrings; unintentional ingestion of toxic household chemicals and various hazards with infant products such as old or improperly constructed high chairs and strollers.

CPSC has had a significant impact in reducing injuries and deaths for a number of children's hazards. For example, staff worked with industry to develop a voluntary safety standard to prevent baby walker-related head injuries from falls. Baby walker-associated injuries for children younger than 15 months decreased from 25,700 in 1992 to an estimated annual average of 4,100 from 2001 to 2003. Staff also recalled numerous toys and other products that present choking hazards to children.

#### Chemical Hazards



CPSC seeks to reduce or prevent deaths or injuries due to ingestion, inhalation, or dermal exposure from hazardous substances in consumer products. We have played a prominent role in protecting children from the risk of lead and other chemical hazards. For example, Commission action has resulted in manufacturers eliminating the use of lead as a stabilizer in vinyl mini-blinds, developing and distributing guidance about lead on public playground equipment, recalling crayons that contained hazardous levels of lead, recalling toys with lead paint and issuing a policy statement to manufacturers, retailers, distributors and importers urging them to eliminate the use of lead and other hazardous chemicals in children's products. The Commission has also initiated rulemaking to limit the use of lead in children's metal jewelry.

The Poison Prevention Packaging Act (PPPA) authorizes CPSC to issue requirements for child resistant packaging for such products as drugs and other hazardous household chemical substances. Since the PPPA became law in 1970, deaths to children under 5 years of age have declined substantially. While child poisoning deaths have been relatively low for a number of years, the Commission has seen evidence that without continued surveillance, the death rate could increase. For example, when the Food and Drug Administration gave



ibuprofen over-the-counter status, the Commission at that time decided to allow voluntary compliance with child-resistant packaging for this product. However, as more manufacturers marketed ibuprofen, they chose to use non child-resistant packaging and a substantial increase in ingestions treated in hospital emergency rooms occurred. CPSC now requires that over-the-counter ibuprofen be in a child-resistant packaging.

Unintentional<sup>5</sup> ingestion of toxic household chemicals is associated with an annual average of 39 deaths to children under age 5, and an estimated 87,700 children treated in hospital emergency rooms. In 1999, there were 1 million calls to Poison Control Centers and about 79,000 children under 5 years of age were treated in U.S. hospital emergency rooms following ingestion of household chemicals and drugs. We estimate societal costs of almost \$2.3 billion for these poisoning incidents.

### **Household and Recreation Hazards**



Household and recreation hazards are found throughout the nation's homes and affect many of our family activities. CPSC work in this area covers products such as lawn and garden equipment, power tools, and recreational equipment. Our past activities made significant contributions to household and recreation safety. For example, we improved lawn mower safety by establishing a standard addressing blade contact. We estimate that the lawn mower standard saves about \$1 billion in societal costs annually. The agency also has been a leader in urging consumers to use safety gear when participating in recreational activities, such as in-line skating and biking.

### **Electrocution and Shock Hazards**



In 2003<sup>6</sup>, there were about 160 deaths from consumer product-related electrocutions. In 2005, there were an estimated 5,100 consumer product-related electric shock injuries treated in U.S. hospital emergency rooms. Total societal costs in the U.S. associated with electrocutions and electric shock are about \$1.1 billion. The annual estimate of electrocutions has declined by 74 percent from 1975 to 2003. CPSC work on hair dryers, power tools, household wiring, garden equipment, and ground fault circuit interrupters has contributed significantly to this decline.

<sup>5</sup>Unintentional ingestions are those not supervised or administered by an adult.

<sup>6</sup>2003 is the latest year for which complete fatality data is available as of February 2007, when the Performance Budget was finalized.

## ANNUAL GOALS AND RESULTS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate.

Annual Goals Summary		2003	2004	2005	2006	2007
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	Goal	4	3	3	3	5
	Actual	2	1	0	1	4
2. Present recommendations to voluntary standards or code organizations	Goal	4	2	1	**	1
	Actual	3	1	1	0	0
3. Complete data analysis and technical review activities	Goal	11	21	21	21	22
	Actual	10	17	21	15	17
4. Support voluntary standards and code revisions	Goal	45	50	51	52	49
	Actual	49	54	54	49	51
<b>Compliance</b>						
5. Corrective action within 60 business days of preliminary determination (unregulated products) <sup>†</sup>	Goal	**	**	**	**	80%
	Actual	87%	74%	83%	89%	89%
6. Corrective action within 35 business days of notice of violation (regulated products) <sup>†</sup>	Goal	**	**	**	**	85%
	Actual	94%	89%	98%	92%	97%
7. Monitor existing voluntary standards	Goal	1	2	2	2	1
	Actual	1	2	2	2	1
8. Conduct port-of-entry surveillance	Goal	1	2	2	1	1
	Actual	1	1	2	1	1
<b>Consumer Information</b>						
9. Consumer Outreach (in millions)*	Goal	**	**	**	**	125.0
	Actual	--	100.8	86.8	283.6	---
10. Issue press releases and recall alerts	Goal	33 <sup>##</sup>	143	142	246	233
	Actual	135	156	268	257	299
11. Conduct public information efforts/ partnerships	Goal	9	13	10	8	7
	Actual	8	10	7	9	9

\*\*No goal established.

<sup>†</sup> Actual numbers for this goal differ from previously published numbers, due to an adjustment in measurement to better capture actions extending over two fiscal years.

--Data not available.

--- Data currently not available. Final data will be reported in the President's Request to Congress usually submitted on the first Monday in February.

<sup>##</sup> Prior to 2004 this goal did not include recall alerts.

### Safety Standards

#### 1. Prepare for Commission consideration 5 candidates for rulemaking or other alternatives for:

##### All Terrain Vehicles (ATVs)



In recent years, there has been a dramatic increase in the number of ATVs in use and the number of ATV-related deaths and injuries. According to the Commission's 2005 ATV annual report, the Commission has reports of more than 7,000 ATV-related deaths since 1982. The Commission is considering what actions, both regulatory and non-regulatory, it could take to reduce ATV-related deaths and injuries.

In 2006, staff conducted a comprehensive review of regulatory and non-regulatory options to address ATV hazards, including possible mandatory performance standards, offer of training requirements, point-of-sale requirements, age guidelines, and others. Staff also

reviewed comments submitted in response to an ANPR. A briefing package was prepared for Commission consideration, and the Commission voted to issue an NPR.

**Goal:** *In 2007, staff will review the comments submitted in response to the NPR and carry out further activities as directed by the Commission.*

**Completed:** In 2007, staff reviewed comments submitted in response to the NPR and identified those comments that require more detailed analysis and evaluation. The staff also carried out the following Commission-directed activities: located an ATV test site; purchased and instrumented youth ATVs; and completed initial tests on these products. Staff also analyzed in-depth investigation reports for youth fatalities for the year 2005; released two Requests for Information, one regarding youth ATV driving behavior and the other regarding mechanical modeling of youth ATVs and biomechanical modeling of youth ATV drivers; evaluated applicability of the NPR to tandem youth ATVs; explored the practical feasibility of requiring pre-purchase training for first-time ATV riders; and created a new section on the ATV Web site, [www.atvsafety.gov](http://www.atvsafety.gov), that contains key and succinct safety information, including death and injury data.

### Bed Rails



CPSC published an ANPR in 2000 and an NPR in 2001 to address bed rail entrapment and strangulation hazards. Subsequently, ASTM revised its voluntary standards and staff began evaluating industry conformance to the standard.

**Goal:** *In 2007, the staff will complete a briefing package with recommendations for Commission consideration with regard to the open rulemaking, and the pending outcome of voluntary standards activities.*

**Completed:** In 2007, staff completed a briefing package with recommendations for Commission consideration. The briefing package will be presented to the Commission in 2008.

### Crib Slats



In 1996, CPSC began a rulemaking activity to address crib slat integrity. In 1999, the voluntary standard for cribs was revised to include performance requirements for crib slats. In 2003 and 2004, staff evaluated industry conformance to the voluntary standard. Conformance monitoring of crib slats was completed in 2005. In 2006, the staff delayed work on a briefing package pending the outcome of further work to better understand the causes for the continuing incidents.

**Goal:** *In 2007, testing and development of information regarding the causes for the continuing incidents will continue. The most recent information indicates that this work will take longer than the staff originally anticipated. Therefore, the briefing package originally scheduled for completion in 2007 will be delayed. The staff will prepare a draft status report at the end of 2007.*

**Completed:** In 2007, Staff prepared a draft status report on this activity. Staff also participated in voluntary standard activities associated with cribs. An ASTM task group reviewing performance requirements for cribs continued to develop information regarding the causes for crib slat disengagement. The task group will present their findings to the ASTM subcommittee in early 2008.

### Infant Cushions



In 2006, the Commission voted to issue an advance notice of proposed rulemaking (ANPR) to initiate rulemaking that could result in an amendment to the current ban on infant cushions and pillows.

**Goal:** In 2007, the staff will respond to public comments on the ANPR. Staff will prepare a briefing package for Commission consideration.

**Will Complete:** Due to higher priority work to address the emerging hazard associated with ingestion of magnetic toys, staff did not complete a briefing package for the Commission in 2007. This work will be completed in 2008.

### Lead in Jewelry



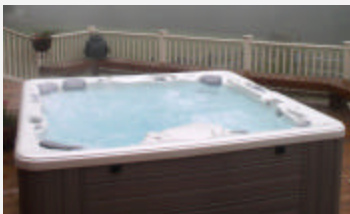
In 2006 the Commission was petitioned requesting a ban on jewelry containing more than 0.06% lead by weight.

**Goal:** In 2007, the staff will complete a briefing package with information on lead in jewelry and recommendations about the petition for Commission consideration. The staff will proceed as directed by the Commission.

**Completed:** In 2007, staff completed a briefing package recommending that the Commission grant the petition regarding lead in children's metal jewelry. The Commission voted to grant the petition and to issue an advance notice of proposed rulemaking (ANPR). In 2008, staff will review public comments on the ANPR and prepare a briefing package with a draft proposed rule for Commission consideration.

## 2. Prepare and present recommendations to voluntary standards or code organizations to strengthen or develop 1 voluntary standard or code, as appropriate, for:

### Hot Tubs and Spas (Hyperthermia)



Hyperthermia, a condition of increased core body temperature, can cause birth defects (neural tube defects) in humans and animals. Hyperthermia may be caused by fever or by external heat, such as through the use of spas or hot tubs. Current voluntary standards for hot tub and spa controls allow temperatures in a range that could result in adverse health effects, particularly for pregnant women. Staff completed an evaluation of a contractor report in 2006 and has received public comment on the report.

**Goal:** In 2007, staff will finalize the contractor report and staff assessment, addressing public comments. Based on this work, staff will also make recommendations for changes to the voluntary standard, as appropriate.

**Will Complete:** In 2007, the contractor report was finalized and staff completed its assessment, addressing public comments. Staff plans to prepare recommendations for changes to the voluntary standard in 2008.

### 3. Complete 22 testing, data collection, hazard analysis, or technical review activities to evaluate the need for, or adequacy of, safety standards.

#### ATV Data Update



**Goal:** Staff will provide an annual ATV death and injury data update report (updated periodically since 1982). The data includes the total number of ATV-related deaths, deaths by state, risk of death by year, annual estimates of ATV-related hospital emergency room-treated injuries, and injuries distributed by year and age grouping. Injury trend data are also provided.

**Completed:** In 2007, staff completed its annual report on ATV-related deaths and injuries. The report was posted on the CPSC Web site at: [www.cpsc.gov/LIBRARY/atv2005.pdf](http://www.cpsc.gov/LIBRARY/atv2005.pdf). The results are also posted on the CPSC's ATV safety Web site: [www.atvsafety.gov](http://www.atvsafety.gov).

#### Bicycle Integrity and Illumination



The Federal Bicycle Regulation was last amended by CPSC in 1981. Since then, the evolution of bicycle technology has led to changes that are not currently covered by this standard. Voluntary standards coverage of new technology developments is limited. Bicycle injury rates remain high. While the majority of bicycle-related deaths occur during daylight hours, CPSC staff determined that a bicyclist is 2 to 4 times as likely to be killed riding at night as compared to daytime.

In 2006, staff reviewed the testing methods and requirements for bicycle structural components in ASTM and ISO standards to evaluate the adequacy of the voluntary standards. Staff also reviewed the current bicycle illumination/lighting-related data, bicycle lighting standards, and the bicycle lighting market.

**Goal:** In 2007, staff will complete selected bicycle structural and illumination evaluations. A report of this work will be completed in 2008.

**Will Complete:** In 2007, staff reviewed the market for bicycle light-emitting diode (LED) rear flashers. A selection of LED rear flashers was purchased for evaluation. Staff met with Federal Highway Administration (FHWA) staff to develop a test method to evaluate the LED rear flashers. Due to higher priority work to address the emerging hazard associated with ingestion of magnetic toys, staff did not complete the evaluations; testing will be conducted in 2008. A draft report of this work will be completed in 2008 and finalized in 2009.

#### Children's Hazards Data Compilation

National and local efforts to address hazards may be enhanced by the use of CPSC data that documents product-related hazards to

children. This information could also be helpful to parents and caregivers.

**Goal:** *In 2007, staff will develop data on injuries and deaths to children across hazard areas. The data may include statistics related to fires, drowning hazards, poisoning from household chemicals, children's products, sports and recreational products, household products (such as window cords), and other hazard areas. The staff will prepare a draft report.*

**Completed:** In 2007, staff completed a draft report on injuries and deaths to children across consumer product and hazard areas. The findings from the epidemiological data will be used to classify pertinent information about common hazards to children. The report may be used to plan future hazard reduction or public information activities.

### Chronic Hazard Guidelines

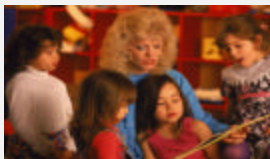


Work was begun in 2004 and continued in 2005 on the systematic review of the CPSC chronic hazard guidelines to develop revisions as appropriate to address scientific advances and new risk assessment methods. Staff work in 2006 was deferred due to higher priority work on lead in children's jewelry.

**Goal:** *In 2007, staff will complete draft guidance addressing cross-cutting contemporary topics that broadly apply to toxicity and risk assessment.*

**Completed:** In 2007, staff prepared a draft guidance document on computational methods used to predict toxicity, such as quantitative structure-activity relationships. Staff will continue to address additional topics to update the chronic hazard guidelines in future years.

### Consumer Opinion Forum



The CPSC Web site provides a venue to solicit important information from consumers who volunteer to provide responses to staff questions about specific consumer behaviors. Such information can be useful for framing questions for scientific surveys, for providing information for future studies, or for providing anecdotal behavioral data regarding foreseeable use of products. Staff will maintain a subject list, ensure confidentiality, and evaluate operational procedures annually.

**Goal:** *In 2007, staff will seek Office of Management and Budget approval for this type of survey and begin implementing the forum's operational procedures if approved. The staff will provide continued support of the forum by means such as developing sets of questions, posting questions as they are cleared for public dissemination, and retrieving and analyzing the results of the postings.*

**Completed:** In 2007, staff received approval from the Office of Management and Budget (OMB) for the Consumer Opinion Forum. The staff prepared a survey application to allow interested consumers to register to participate and to take surveys, and created a Web page on the CPSC Web site dedicated to the Consumer Opinion Forum:

[www.cpsc.gov/cgibin/cof/login.aspx](http://www.cpsc.gov/cgibin/cof/login.aspx). Interested consumers began registering to participate, and registration is ongoing. A survey regarding recall effectiveness was developed by the staff, cleared for public dissemination, approved by OMB, and launched through the Consumer Opinion Forum to all registered participants. The survey closed on August 17, 2007, and CPSC staff is currently reviewing the results.

### **Drowning Prevention Information and Strategies**



During CPSC's 2004 Pool Safety Hearings, a number of local programs/actions were referenced that address drowning hazards.

**Goal:** *In 2007, staff will examine programs from around the country that address drowning hazards, especially those that incorporate evaluation measures that indicate successful outcomes. Staff will identify key elements for successful safety campaigns and develop broad models for national and community drowning prevention programs.*

**Completed:** In 2007, staff attended drowning prevention conferences, reviewed resources provided by state public health organizations and other prevention science articles. The main best practices of informed prevention programs were identified and compiled in a draft report for agency staff to use in evaluating future prevention efforts.

### **Electric Toys**



After a preliminary review of the Electric Toy Regulation, staff identified several changes/updates needed to standards and improvements needed for warning labels. In 2006, staff conducted a technical assessment of related standards and reviewed recommendations from interested parties to simplify the provisions for maximum allowable surface temperatures for electric toys and to address the emerging issue of outdoor electrical toys.

**Goal:** *Staff will complete draft recommendations to change the requirements, as appropriate, in 2007.*

**Completed:** In 2007, staff drafted a memorandum recommending changes to the toy regulation and studied accessible surface temperature issues raised by incidents that resulted in the recall of a children's toy oven.

### **Electrocution Data Update**



**Goal:** *In 2007, the staff will prepare updated national estimates of the number of consumer-product related electrocutions.*

**Completed:** In 2007, staff updated its national estimates of electrocutions associated with consumer products. The report is available on the CPSC Web site at:  
[www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/2003electrocutions.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/2003electrocutions.pdf).

### **Globally Harmonized System (GHS)**

In 2006, staff work comparing selected portions of the current Federal Hazardous Substances Act (FHSA) regulatory requirements to the



corresponding Globally Harmonized System (GHS) classification and labeling requirements was deferred due to higher priority work on lead in children's jewelry.

**Goal:** *In 2007, staff will complete a comparison of selected portions of the FHSA to the GHS to determine what differences exist and what changes might need to be made if GHS is implemented. Staff will prepare a report to the Commission.*

**Will Complete:** In 2007, staff completed a comparison of selected sections of the FHSA and GHS and prepared a report for the Commission. The document is currently being cleared by staff and will be available in early 2008.

### **Interagency Coordination**



The purpose of this activity is to coordinate chemical hazard activities with other agencies, participate in international harmonization activities, and improve the scientific basis of agency risk assessments.

Participation provides a number of advantages to CPSC: toxicity tests worth millions of dollars on chemicals of interest to CPSC are performed at no cost to CPSC; staff can pool limited resources with other federal agencies to obtain exposure data or other information; it encourages the development of similar interpretations of scientific data and harmonized risk assessment methods among federal agencies; and it supports international harmonization of chemical hazard assessment.

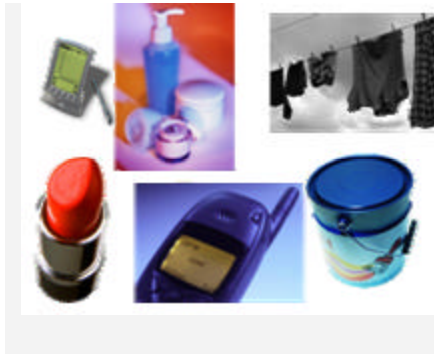
**Goal:** *In 2007, staff anticipates receiving a request from the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) to review a validated test method that is an alternative to animal testing. Staff will prepare a draft status report summarizing the test method under review and staff progress on the evaluation. In 2008, staff will complete a briefing package for Commission consideration, along with staff's recommendation regarding acceptance of the test method.*

**Completed:** No requests were received from ICCVAM in 2007. However, ICCVAM accepted CPSC staff's nomination of the Local Lymph Node Assay (LLNA) for potency determination, and formed an Immunotoxicity working group, to be co-chaired by CPSC staff. As requested by CPSC staff, the National Toxicology Program (NTP) is planning toxicological studies on selected flame retardant chemicals that could be used in home furnishings or other products. Staff anticipates receiving a request in 2008 to review a validated test method for ocular testing.

### **Nanotechnology**

Nanomaterials are the result of emerging technologies. They represent a wide range of compounds that may vary significantly in their structure, physical and chemical properties, and potentially in their behavior in the environment and in the human body from the larger scale materials from which they are made.





**Goal:** In 2007, staff will review scientific and economic information to investigate the use of nanotechnology in consumer products and its potential health implications. The staff will also collaborate with other Federal agencies to determine appropriate methodologies for analyzing nanomaterials. A draft status report with recommendations for future activities will be prepared.

**Completed:** In 2007, staff obtained and reviewed information on nanotechnology in consumer products and met with other Federal agencies to discuss possible collaborations. A draft status report with recommendations for future activities was completed.

### **Nursery Equipment Death and Injury Update**



**Goal:** Staff will prepare its annual report on nursery product-related injuries and deaths to children under the age of 5.

**Completed:** In 2007, staff completed its annual report of nursery product-related injuries and deaths for children younger than 5 years of age.

### **Pediatric Poisoning Fatalities Update**

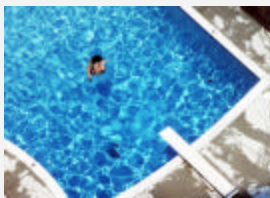


CPSC has continued to track drugs and other hazardous household product-related pediatric poisoning fatalities for children under 5 years old in the U.S. Child fatalities have declined substantially since the Poison Prevention Packaging Act became law, from 216 deaths in 1972 to an estimated annual average of 39 deaths from 2001-2003.

**Goal:** Staff will update the annual report on Pediatric Poisoning Fatalities.

**Completed:** In 2007, staff completed its annual report characterizing the number of pediatric poisoning fatalities. The report is available on the CPSC Web site at: [www.cpsc.gov/LIBRARY/pppa2004.pdf](http://www.cpsc.gov/LIBRARY/pppa2004.pdf).

### **Pool Drowning Data Update**



**Goal:** In 2007, the staff will update its annual report on pool drowning incidents involving children age 5 and under.

**Exceeded:** In 2007, staff completed its report of emergency department-treated injuries and fatalities for children younger than 5 years of age associated with pool submersions. The report is available on the CPSC Web site at:

[www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/poolsub2007.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/poolsub2007.pdf). Staff also completed a report of submersion deaths and injuries for non-pool products. The report is available at: [www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/nonpoolsub2007.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/nonpoolsub2007.pdf).

### **Pool Safety Handbook**

In 2006, the staff combined and updated the *Safety Barrier Guidelines for Home Pools* and *Guidelines for Entrapment Hazards: Making Pools and Spas Safer*. Staff intends the publication to become a single reference guide on pool safety issues.



**Goal:** In 2007, the staff will complete a draft, invite comment from the pool and spa safety community, and finalize the handbook.

**Will Complete:** Before finalizing the draft handbook for comment, staff became aware of some international and pediatric studies on the effectiveness of isolation fencing in addressing child drowning. Staff is reviewing those studies for applicability to the recommendations included in the handbook. In addition, staff attended a recent meeting on entrapment avoidance, the results of which needed to be considered prior to completing the draft handbook. The draft handbook will be completed in early 2008 and shared with the pool and spa safety community for comment.

### Public Playground Safety Handbook



In 2006, the staff completed draft revisions to the *Handbook for Public Playground Safety*.

**Goal:** In 2007, the staff will invite comment from the ASTM playground subcommittee members to update the revised handbook.

**Completed:** In 2007, staff completed draft revisions to the *Handbook for Public Playground Safety*, addressing comments from ASTM playground subcommittee members. These revisions include references for playground equipment for children less than two years of age and recommendations for shading. The revised draft *Handbook* was again sent to subcommittee members for review and comment. Staff plans to complete the updated *Handbook* in 2008.

### Self-Testing GFCIs



Since their introduction in the early 1970s, ground-fault circuit interrupters (GFCIs) have contributed significantly to the reduction of electrocution and severe electric shock incidents. GFCIs, however, can fail so that an outlet can still provide power even though it no longer provides its safety function. Present designs of GFCIs require the user to manually test the devices to determine if they are still providing protection. Unless detected during such a manual test, present designs of GFCIs do not provide a warning that they have failed. In 2005, CPSC staff initiated discussions with industry regarding possible future improvements to GFCIs, such as self-testing. In 2006, staff worked with industry to initiate a study to define the characteristics of self-testing GFCIs and drafted a report.

**Goal:** In 2007, staff will finalize the human factors report and continue to work with industry to investigate technically viable and economical solutions to development of self-testing GFCIs based on the 2006 study.

**Not Met:** In 2007, CPSC staff met with an industry task force that was considering the staff proposal to enhance GFCI performance by incorporating self-test requirements. The task force adopted a resolution to develop goals for implementation of self-test requirements, which superseded the staff's human factors report.

### Senior Safety



From 1997 to 2002, there was an increase in injuries to seniors. The rate of injury for persons 65 and older is higher than for adults ages 20 to 64. In addition, the rate of injuries to persons 75 and older is approximately twice that of persons 65 to 74. In 2005, staff completed a hazard screening report for persons 65 and older. In 2006, work on this activity was delayed due to higher priority work on generators.

**Goal:** *In 2007, the staff will complete an evaluation of epidemiological and incident report data and draft a report of the results. The staff plans to identify common hazard patterns and determine likely age-related causes of injuries.*

**Completed:** In 2007, staff reviewed CPSC in-depth investigation reports of incidents involving older adults and select consumer product categories, identified common hazard and behavioral patterns, and determined potential age-related causes of these patterns and incidents. The staff then completed a draft report summarizing the results of its analysis and findings. The staff plans to finalize the report in 2008.

### Special Packaging Study



The Poison Prevention Packaging Act defines "special packaging" as packaging that is difficult for children under 5 years of age to open within a reasonable time but not difficult for adults to use properly. Staff would like to measure and quantify the ease of operating different packaging types. These data could then be applied to calculate relative ease.

**Goal:** *In 2007, the staff will conduct a pilot study to determine the feasibility of quantifying potential differences in the time to open child-resistant vs. non-child-resistant packaging. The results of this work will be documented. If needed, the staff may then plan a study to conduct testing on a larger scale.*

**Completed:** In 2007, staff completed a pilot study to assess the feasibility of quantifying potential differences in the time to open child-resistant (CR) and non-child-resistant packaging. Using one type of CR package and a similar non-CR package, staff developed a methodology that could be used in a larger study, if needed. A report of the results of the study was drafted.

### Strong Sensitizer Definition



Previous staff work in response to the latex petition identified the need to update the regulatory definition of "strong sensitizer" because of recent scientific advances and the United Nations GHS mandate. Work will continue on the review of sensitizers in consumer products, with revision as appropriate to CPSC's definition. In 2006, staff prepared a package with draft recommendations and supporting rationale for possible changes to the definition of strong sensitizer.

**Goal:** *In 2007, staff's report on draft proposed revisions of the FHSA "strong sensitizer" definition will be sent to other Federal agencies for peer review. Based upon comments received, staff will draft a report, along with recommendations, for Commission consideration.*

**Will Complete:** In 2007, the staff's report on draft proposed revisions of the FHSA "strong sensitizer" definition was peer reviewed by other Federal agencies. The report was revised to address comments. External peer review by independent scientists is underway and will be completed in 2008. Based upon any additional comments, staff will draft a report with recommendations for Commission consideration.

#### Table Saws



Although staff has worked with industry to improve the protection from blade contact with table saws, there remains the concern that blade guards are inadequate and/or of poor design and can place the consumer at risk for severe injury. Industry is developing improved blade guard designs for table saws.

**Goal:** *The staff anticipates that new blade guard designs will be available for consumers in 2007. Staff will develop a plan to evaluate these guards to see if they are adequate to reduce blade contact injuries.*

**Completed:** In 2007, staff purchased samples of a table saw that incorporated a new blade guard design. Staff developed a test plan to evaluate the new guards, including assembly, usability, effectiveness, and comparison to old guard designs. Testing will be conducted in 2008.

#### Toy Data Annual Update

**Goal:** *Staff will prepare its annual update on toy-related deaths and injuries.*

**Completed:** In 2007, staff completed its annual update of toy-related fatalities and emergency department-treated injuries.

## 4. Support the development/revision of voluntary standards and codes.

#### Voluntary Standards

**Goal:** *Staff will support the development or revision of 49 voluntary standards for ground fault circuit interrupters, bath seats, infant tubs, portable pools, pools and spas, suction release devices, swimming pool alarms, baby bouncers, baby gates, baby swings, baby walkers, bassinets/cribles, bed rails, toddler beds, blind cords, booster seats, bunk beds, diaper changing tables, cribs, commercial cribs, high chairs, infant bedding and accessories, infant carriers, frame infant carriers, soft infant carriers, playground equipment for children under 2, home playground equipment, public playground equipment, soft playground equipment, playground surfacing, play yards, strollers, toys, children's folding chairs, furniture, child resistant packaging, gasoline containers, ATVs, portable amusement rides, bicycles, garage door and gate operators, recreational helmets, hot tubs/spas, ladders, ride-on mowers, paintball guns, table saws, motorized scooters, and hunting tree stands.*

**Exceeded:** The staff supported the development or revision of 51 voluntary standards. The products are:

- All-Terrain Vehicles
- Amusement Rides,
- Hot Tubs & Spas
- Infant Bedding &

<ul style="list-style-type: none"> <li>• Portable</li> <li>• Baby Bouncers</li> <li>• Baby Gates</li> <li>• Baby Swings</li> <li>• Baby Walkers</li> <li>• Bassinets and Cradles</li> <li>• Bath Seats</li> <li>• Bed Rails</li> <li>• Bicycles</li> <li>• Blind Cords</li> <li>• Booster Seats</li> <li>• Bunk Beds</li> <li>• Changing Tables</li> <li>• Child Resistant Packaging</li> <li>• Cribs                             <ul style="list-style-type: none"> <li>○ Commercial</li> <li>○ Full-Size</li> <li>○ Non-Full-Size &amp; Play Yards</li> </ul> </li> <li>• Folding Chairs, Children's</li> <li>• Fuel Tanks</li> <li>• Furniture</li> <li>• Garage Door &amp; Gate Operators</li> <li>• Gasoline Containers</li> <li>• Helmets, Recreational</li> <li>• High Chairs</li> </ul>	<ul style="list-style-type: none"> <li>• Accessories</li> <li>• Infant Carriers                             <ul style="list-style-type: none"> <li>○ Frame</li> <li>○ Hand-Held</li> <li>○ Soft</li> </ul> </li> <li>• Infant Tubs</li> <li>• Ladders</li> <li>• Lead in Children's PVC Products</li> <li>• Mowers</li> <li>• Paintball Markers</li> <li>• Playground Equipment                             <ul style="list-style-type: none"> <li>○ Children &lt; 2 Yrs Old</li> <li>○ Home</li> <li>○ Public</li> <li>○ Soft</li> </ul> </li> <li>• Playground Surfacing</li> <li>• Swimming Pools/Spas                             <ul style="list-style-type: none"> <li>○ Alarms</li> <li>○ Pools &amp; Spas</li> <li>○ Portable Pools</li> <li>○ Suction Release</li> </ul> </li> <li>• Ranges</li> <li>• Scooters, Motorized</li> <li>• Strollers</li> <li>• Table Saws</li> <li>• Toddler Beds</li> <li>• Toys</li> <li>• Tree stands</li> </ul>
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**Compliance**

**5. Corrective action within 60 business days of preliminary determination (unregulated products).**

**Corrective Action Timeliness (Unregulated Products)**



Each investigation involving a hazard will culminate in a preliminary determination that a product is or is not defective. If the product is determined to be defective, the Compliance Officer will begin negotiating with the responsible company to obtain a voluntary corrective action. For defects that pose a risk of serious injury, the Compliance Officer will seek a consumer-level recall, which usually involves a free repair or replacement of the product or a refund of the purchase price. For less serious hazards, the corrective action may involve stopping sale of the product and correction of future production.

**Goal:** Corrective action will be negotiated and commenced within 60 business days on 80% of the cases after a firm has been notified of staff's preliminary determination.

**Exceeded:** Staff negotiated a corrective action resulting in consumer-level recalls for products that pose a risk of serious injury or a corrective action for less serious hazards, 89% in 60 or less business days.

## 6. Corrective action within 35 business days of notice of violation (regulated products).

### Corrective Action Timeliness (Regulated Products)



Compliance staff regularly conducts surveillance activity to check compliance of products with CPSC mandatory standards. Samples collected by investigators in the Field are sent to the CPSC Laboratory for analysis. Additional technical analysis is often conducted by CPSC technical experts. When it is determined that a product violates CPSC standards, a Compliance Officer sends a letter of advice (LOA) to the manufacturer, importer or retailer. For violations posing a serious risk of injury, the letter will seek a consumer-level recall (unless the sample was collected at a port of entry and no products have been distributed within the United States). For less serious violations, the letter may seek a lesser corrective action, such as stopping sale of the violative products and correction of future production.

**Goal:** *Corrective action will be negotiated and obtained within 35 business days on 85% of the regulated products cases after the firm has been issued a LOA.*

**Exceeded:** Staff successfully negotiated and obtained corrective actions on 97% of the cases where a product violated a CPSC standard within 35 business days after a LOA has been issued. Corrective actions include consumer level recalls and, for less serious violations, stopping sale of violative products and correcting future production.

## 7. Monitor existing voluntary standards.

### Voluntary Standards

**Goal:** *Staff will monitor compliance with 1 existing voluntary standard likely to reduce children's and other hazards.*

**Completed:** Staff monitored one existing voluntary standard likely to reduce children's and other hazards in 2007.

## 8. Conduct port-of-entry surveillance.

### Import Surveillance



In 2006, with U.S. Customs and Border Protection, we detained about 83 shipments consisting of over 367,000 toys and other children's products, mainly for violations of the small parts regulation. The Office of Compliance and Field Operations will continue to conduct activities and create strategies aimed at ensuring greater import compliance with recognized safety standards

**Goal:** *Staff will conduct port-of-entry surveillance for 1 product area for which safety standards are in effect.*

**Completed:** In 2007, with U.S. Customs and Border Protection, we detained about 33 shipments consisting of over 60,000 toys, mainly for violations of the small parts regulation. Examples of toys detained include toy fishing pole with string, Christmas hand puppet, drum set, plush bear, and musical toys. The Office of Compliance and Field Operations will continue to conduct activities and create strategies

aimed at ensuring greater import compliance with recognized safety standards.

## Consumer Information

### - Alert the public to children's and other hazards through:

#### 9. Consumer Outreach (in millions).

##### Consumer Outreach

In 2006, about 283.6 million consumers were reached with safety information related to children and other hazards through TV appearances, VNRs and Web publications. About a third (34%) of the total TV appearance audience in 2006 was due to appearances related to ATV safety and about half the total VNR audience (93.9 million out of 109.0 million) was due to TV coverage of two recalls - furniture tipover and a toy tool bench.

**Goal:** Staff will reach 125.0 million consumers with safety messages related to children's and other hazards through TV appearances and interviews on national television networks, VNR to national and local television networks, and e-publications through CPSC's Web site.

**Data Currently Not Available:** Final data will be reported in the President's Request to Congress normally submitted on the first Monday in February.

#### 10. Press releases and recall alerts.

##### Press Releases and Recalls

In 2006, we issued 257 press releases and recall alerts on hazardous products.

**Goal:** Staff will issue 233 press releases and recall alerts to inform the public about hazardous products related to children's and other hazards.

**Exceeded:** CPSC distributed 299 news releases and recall alerts related to program activities addressing child, chemical, drowning prevention, recreational, and other safety hazards in and around the home. Press releases included recalls of toys and jewelry for violation of lead safety standard and a list of top holiday safety tips.

#### 11. Conduct 7 public information efforts to warn the public about other hazards.

##### All Terrain Vehicles (ATVs)



**Goal:** We will continue information and education activities begun in 2006 focusing on preventing injuries and deaths to both children and adults from ATVs. We will continue to focus on states with the highest proportion of injuries and deaths, using grassroots communication tools, such as local media tours and distribution of editorials for print media. In addition, a multi-faceted Web page dedicated to ATV safety will continue to be promoted using such tools as public service announcements and media interviews with information for state officials, parents, children, and the press.

**Exceeded:** In 2007, CPSC continued its public information efforts to educate consumers on preventing injuries and deaths from ATVs to both children and adults. CPSC implemented a special “Rapid Response” program this year, in which the Office of Public Affairs worked in a steadfast manner to contact local media the moment news came to the agency’s attention about an ATV-related death. Public Affairs staff worked with newspaper, radio and television reporters and producers to secure either a news story about ATVs or the airing of our TV and radio public service announcements (PSAs). CPSC also developed five “one-pagers” for the media that address the key factors leading to fatal or serious injuries of ATV riders – young and old. CPSC staff secured airings of the radio and TV PSAs on more than 130 different TV and radio stations, in cities ranging from Huntington, WV to Bakersfield, CA to Cheyenne, WY to Madison, WI.

Moreover, the new data, content and participant information gathered through the “Rapid Response” program were added to our multi-faceted Web page, [www.ATVSafety.gov](http://www.ATVSafety.gov). The Web site, which is dedicated to ATV safety, drew national media attention by tracking deaths during the Memorial Day and Labor Day Weekends.

**Back to School Safety**



**Goal:** CPSC is planning many coordinated activities to increase public awareness of child safety issues during the upcoming school year. Our campaign will continue to promote CPSC’s Back to School Safety Checklist and offer tips on making schools and playgrounds safer by issuing a press release and by holding a press availability event.

**Completed:** Prior to the start of the school year, CPSC issued a news release providing parents with the ‘ABCs’ to safety for young children who ride their bike to school, go on the playground or athletic field, and use art materials in the classroom. CPSC also promoted the “Back to School Safety Checklist” in the news release.

**Child Care Safety Campaign**



**Goal:** CPSC staff will conduct a major grassroots outreach campaign, with the support of multiple non-profit partners, to educate parents and child care facilities on the possible dangers of certain durable goods found in many daycare centers. CPSC staff will distribute a new Neighborhood Safety Network poster, and an updated child care safety checklist to the National Safety Council, Safe Kids Worldwide, Kids in Danger, the New Parents Network, and Neighborhood Safety Network members.

**Completed:** CPSC conducted a comprehensive grassroots information campaign that involved the following materials: a “Child Care Safety Checklist,” a new NSN poster, and the quarterly publication of Safety News. In January, the new checklist and poster were sent to all NSN members – those members who are day care providers or are parents of children in day care facilities were encouraged to sign-up other members for the network. The poster was co-branded with the New Parents Network, a burgeoning non-profit safety organization, which worked with a major pharmacy to have

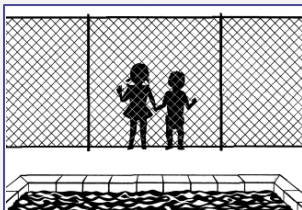


the poster placed in stores nationwide. The poster and checklist were also sent to Safe Kids Worldwide and Kids In Danger, which helped disseminate the materials to their members nationwide and to the Childcare Reference & Referral System.

In addition, the materials were translated into Spanish and were distributed to members of the Hispanic community through a growing grassroots contact list maintained by CPSC's lead spokeswoman for Spanish-speaking media and consumers.

Finally, Safety News continued to expand its membership with day care centers, including nearly all centers in the state of Arkansas.

### Child Drowning Prevention



**Goal:** We will expand our public information efforts, such as partnerships with child safety organizations, to continue our work in reducing child drownings. CPSC will continue to issue its annual news release and VNR before Memorial Day to inform consumers about drowning hazards to children associated with pools and standing water, such as may be found in buckets and bathtubs. Also as a part of this effort, we will issue a poster for our Neighborhood Safety Network partners about preventing in-home drowning.

**Exceeded:** CPSC conducted two information campaigns in an effort to help reduce child drownings. In September, CPSC issued a news release and NSN message related to the in-home drowning dangers, with special attention given to children younger than 2. The NSN message also promoted our In-Home Drowning Prevention poster.

Moreover, in advance of Memorial Day Weekend, CPSC issued a pool safety press release, held a media availability in the backyard of a home, recorded a Podcast, and distributed a VNR which was seen by nearly 17 million viewers.

CPSC exceeded our longstanding goal this year by producing a TV and radio public service announcement (PSA) called, "Quickly and Quietly." These pool safety PSAs aired 890 times on radio stations reaching more than 100 million listeners and 114 times on TV stations in 30 different states with an estimated audience of 35 million viewers.

### Electrical Safety



**Goal:** In recognition of National Electrical Safety Month in May, CPSC will use at least one communication tool such as a news release and/or a safety poster for use by Neighborhood Safety Network members to keep consumers vigilant of electrocution and electric shock hazards. CPSC will also promote any work completed by staff related to self-testing GFCIs.

**Completed:** CPSC issued a news release during National Electrical Safety Month warning consumers about the potential shock or electrocution hazards associated with counterfeit electrical products, such as circuit breakers, power strips, extension cords, batteries and holiday lights. The release emphasized the efforts of CPSC and the Department of Homeland Security to address this issue and recommended that consumers look for the certification mark of a

reputable, independent testing laboratory. The news release was shared with the Electrical Safety Foundation International, as they are the leading organization that recognizes National Electrical Safety Month.

Public Affairs staff did not promote the work related to self-testing GFCIs because the technical review activity planned in this area was not completed.

### Poison Prevention



**Goal:** Throughout the year and during National Poison Prevention Week, we will promote the benefits of child-resistant packaging to prevent children's poisonings, using activities such as radio interviews, local press publications, and partnering with other injury prevention organizations, as appropriate.

**Completed:** To promote National Poison Prevention week in March, CPSC created a single site on [www.CPSC.gov](http://www.CPSC.gov) for consumers, media and poison prevention advocates to download a news release (in English and Spanish) recognizing Poison Prevention Week; the 2007 White House proclamation; the 2007 Poison Prevention Week Poster; and a new NSN poster. The news release was also disseminated nationally by CPSC. The Poison Prevention Council disseminated the poster to their members and CPSC shared it with all NSN members. Finally, the White House promoted the proclamation, which CPSC played a key role in drafting. Finally, CPSC conducted local media interviews to provide a national perspective to the information provided by local poison prevention centers.

### Smart Holiday Shopping / Toy Safety



**Goal:** During the fall holiday season, we will continue efforts to educate parents and caregivers on the appropriate products for appropriate ages using such communication tools as a press conference, a news release, interviews, and a Neighborhood Safety Network poster. We will also continue at this time of year to encourage consumers to be aware of the various Web sites that may assist them in the future to identify products of concern. As part of our drive to remove recalled products from the public domain, we will continue to build upon the success of our Web site, [www.cpsc.gov](http://www.cpsc.gov), and the [www.recalls.gov](http://www.recalls.gov) Web site for notifying consumers about recalled products by repeatedly mentioning them in our press release and in interviews for this campaign. We will use at least one communication tool such as a news release, video, Podcast, Neighborhood Safety Network alert, or national news event to warn about the hazards associated with a wide range of children's products, such as toys or infant products.

**Completed:** CPSC teamed up with the American Association of Retired Persons (AARP), a new partner to this campaign this year, to deliver a special safety shopping message to grandparents. This campaign was implemented via a news release, joint press conference with AARP, a Podcast message and a NSN message. While AARP focused on grandparents keeping young children safe, CPSC emphasized a top 5 list of product categories that all consumers should heed when shopping for children. The list includes: magnets,

small parts, ride-on toys, projectile toys, and chargers and adapters. The emphasis on magnets was especially important, as just one week later a major recall was announced of a popular magnetic toy that seriously injured children who swallowed multiple magnets that fell out of the toy.

The Acting Chairman and staff conducted numerous national and local interviews for TV, radio and print during the news conference and in the days leading up to the holidays. Nearly 9 million viewers were reached via television for this campaign.

Note: CPSC's press release recommended that consumers visit [www.cpsc.gov](http://www.cpsc.gov) or [www.recalls.gov](http://www.recalls.gov) during the holiday shopping season to learn more about recalls and buying the age appropriate toy for children.

### ***Hidden Hazards***

**Completed (Unplanned Activity):** As a culmination of safety campaigns conducted throughout 2006 and 2007, CPSC issued a news release, recorded a Podcast, produced a new poster for NSN members, and conducted national and local interviews on the Top 5 Hidden Hazards in the Home. The hazards included magnets; recalled products; TV, furniture and stove tip-overs; window cord dangers and window falls; and pool and spa drain entrapments. The campaign was featured on a national morning show segment and reached more than 25 million viewers through various interviews.

### ***Helmet Safety***

**Completed (Unplanned Activity):** CPSC conducted a special campaign in conjunction with the Raffaelli family of San Mateo, CA who lost their son in 2007 after he fell off his skateboard. Tragically, he was not wearing a helmet. The father, mother and uncle were gracious in providing their time for a photo shoot, which CPSC used to produce a powerful NSN poster. NSN members replied to CPSC that it was one of the most effective posters they have received.

The family distributed hundreds of copies of the poster throughout San Mateo and South San Francisco. In addition, the father recorded a moving radio public service announcement in a professional studio, which was distributed nationwide and aired on 120 radio stations and reached about 145 million listeners.

## INTERNATIONAL PROGRAMS AND INTERGOVERNMENTAL AFFAIRS



Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	--	--	8	6	4.9
Amount	--	--	\$850	\$988	\$978

### THE PROGRAM<sup>7</sup>

Over one-third of all consumer products under CPSC jurisdiction are imports, but over two-thirds of CPSC recalls involve imported products. In an effort to ensure greater import compliance with American safety standards, CPSC established the Office of International Programs and Intergovernmental Affairs (IPIA). This Office coordinates efforts with other countries regarding safety standards development and use, and inspection and enforcement activities. A major emphasis of this program includes efforts to help foreign manufacturers establish product safety systems as an integral part of manufacturing. CPSC provides information on how to implement a comprehensive approach to manufacturing safe products that will comply with U.S. standards.

A major accomplishment of the program was the signing of an Action Plan on Consumer Product Safety with the General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) of the People's Republic of China in August 2005. The Plan ([www.cpsc.gov/businfo/intl/planaction.pdf](http://www.cpsc.gov/businfo/intl/planaction.pdf)) outlines specific cooperative actions to be taken by AQSIQ and CPSC to improve the safety of consumer products manufactured in China for sale in the United States. Planned activities include a biennial Consumer Product Safety Summit, annual meetings of Working Groups in four priority product areas (cigarette lighters, electrical products, fireworks, and toys), and technical cooperation, training, and assistance.

<sup>7</sup>Resources for this effort are included in the major program, Reducing Product Hazards to Children and Families, which this activity supports.

## ANNUAL GOALS AND RESULTS

Annual Goals Summary		2003	2004	2005	2006	2007
<b>China Program</b>						
1. Working groups	Goal	**	**	**	2	4
	Actual	--	--	--	2	4
2. China program plan update	Goal	**	**	**	1	1
	Actual	--	--	--	1	1
<b>Memoranda of Understanding (MOUs)</b>						
3. Agreements with foreign countries	Goal	**	**	**	3	3
	Actual	--	2	4	5	1
4. Annual MOU review	Goal	**	**	**	5	3
	Actual	--	--	--	5	3
<b>Communication</b>						
5. International activities Web page	Goal	**	**	**	**	1
	Actual	--	--	--	--	1

\*\*No goal established for that year.

--Data not available.

### China Program

#### 1. Working Group Meetings

The 2005 Plan of Action between CPSC and China's AQSIQ established Working Groups in four priority product categories – electrical/electronic products, toys, fireworks and cigarette lighters. The Working Groups aim to establish a mechanism for long-term dialogue; increase understanding of each country's relevant technical regulations and standards; share frequent failure scenarios; and investigate strategies to improve safety and regulatory compliance. Working group activities may include such things as industry-specific seminars, retail/vendor training seminars, foreign delegation briefings, and roundtables with stakeholders. The quality of this training may be measured in the future through metrics such as satisfaction surveys.

**Goal:** In 2007, staff plans to hold Working Group Meetings in all four priority product areas.

**Completed:** CPSC and China's AQSIQ held four working group meetings in the areas of electrical/electronic products, toys, fireworks and cigarette lighters in September 2007 as part of the Second U.S.-Sino Safety Summit. At that time, Work Plans were agreed upon, as was a monthly contact session to track progress. AQSIQ also agreed to create and implement a plan to prevent the use of lead paint on toys made for export to the United States.

#### 2. China Program Plan Update

In May 2005, staff published the "International Consumer Product Safety Program Plan – China" detailing activities to improve the safety of consumer products imported from China. The plan is modified annually.

**Goal:** In 2007, staff plans to update the China Program Plan.

**Completed:** CPSC staff updated the “International Consumer Product Safety 2007 China Program Plan” in May 2007.

## Memoranda of Understanding (MOUs)

### 3. Agreements with Foreign Countries



CPSC has MOUs with a number of foreign governments. These agreements, signed with CPSC’s counterpart agencies in other countries or regions, establish closer working relationships between the signatories, provide for a greater and more significant exchange of information regarding consumer product safety, and may include plans for informational seminars and training programs. By the end of 2006, CPSC had signed MOUs with eleven countries.

**Goal:** In 2007, staff anticipates signing MOUs with three additional countries.

**Will Complete:** In 2007, CPSC signed an MOU with Japan. The lack of a commission quorum for six months hampered our ability to finalize additional MOUs. We are negotiating MOUs with Brazil, Colombia, Egypt and Vietnam which are expected to be signed in FY 2008.

### 4. Annual MOU Review



Once MOUs are in place, annual review is required in some cases to keep the documents and agreements current.

**Goal:** In 2007, staff will review three MOUs.

**Completed:** In 2007, CPSC staff reviewed our MOUs with China, Israel and Peru.

## Communication

### 5. International Activities Web Page

CPSC is creating a specific section of its Web site to provide detail of the agency’s international programs, access to the formalized cooperative agreements with international counterparts and the electronic copies of the *CPSC Handbook for Manufacturing Safer Consumer Products* (available in both English and Mandarin). The International Activities section of the Web site is especially useful to international manufacturers seeking the relevant regulations, standards and testing expectations for products bound for the U.S. market.

**Goal:** In 2007, staff plans to update the International Activities section of [www.cpsc.gov](http://www.cpsc.gov).

**Completed:** The International Activities section of [www.cpsc.gov](http://www.cpsc.gov) has been updated in fiscal year 2007 and is available at: [www.cpsc.gov/businfo/intl/index.html](http://www.cpsc.gov/businfo/intl/index.html)

## IDENTIFYING PRODUCT HAZARDS: DATA COLLECTION

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	85	67	85	80	71
Amount	\$10,299	\$9,353	\$10,600	\$11,361	\$10,840

### THE PROGRAM

This program provides the information needed to assess product hazards and develop injury reduction strategies; it is the agency's early warning system. CPSC collects data on consumer product-related injuries and deaths, as well as economic and hazard exposure information, for those products under our jurisdiction. We also investigate specific injury cases to gain additional knowledge about injuries or hazards and how the reported product was involved. These activities reflect the agency's commitment to making decisions based on appropriate data analyses. The work provides underlying support to all CPSC's Results Act activities.



### ANNUAL GOALS AND RESULTS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate.

Annual Goals Summary		2003	2004	2005	2006	2007
1. Evaluate, train and audit each hospital in the NEISS sample	<b>Goal</b>	100%	100%	100%	95%	95%
	<b>Actual</b>	100%	98%	99%	100%	99%
2. Capture the product-related cases	<b>Goal</b>	90%	90%	90%	90%	90%
	<b>Actual</b>	94%	93%	92%	91%	90.5%
3. Complete headquarters telephone investigations in less than 45 business days	<b>Goal</b>	85%	85%	90%	90%	95%
	<b>Actual</b>	100%	100%	99%	100%	99%
4. Complete fire investigations as on-site or other in less than 45 business days	<b>Goal</b>	**	**	**	**	95%
	<b>Actual</b>	94%	91%	97%	95%	98%
5. Complete non-fire investigations as on-site or other in less than 45 business days	<b>Goal</b>	**	**	**	**	93%
	<b>Actual</b>	94%	90%	97%	95%	96%
6. Increase the number of Compliance inspections by field staff to 400	<b>Goal</b>	**	**	**	**	400
	<b>Actual</b>	585	417	274	320	493
7. Sustain the number of incident reports collected from medical examiners and coroners	<b>Goal</b>	3,600	3,600	3,600	4,160	3,900
	<b>Actual</b>	3,774	4,514	4,428	4,842	4,724
8. Sustain the number of incident reports collected from news clips	<b>Goal</b>	6,000	7,000	7,000	8,100	7,300
	<b>Actual</b>	8,131	7,870	8,766	8,669	8,612

\*\*No goal established.

### 1. Monitoring Hospitals



Evaluation visits provide CPSC staff an opportunity to review hospital records and assure that hospital coders are capturing and reporting data on the highest possible percentage of reportable cases.

**Goal:** *Staff will conduct at least one evaluation visit at 95 percent of the hospitals in the NEISS sample.*

**Exceeded:** We visited 99 percent of the hospitals in the NEISS sample at least once to evaluate, train, and audit.

### 2. Capturing Product-Related Cases



A high reporting percentage is necessary to assure the integrity of the estimates. Remedial action would be implemented in any hospital that is missing significant numbers of reportable cases.

**Goal:** *The results of the audits in each hospital should indicate that NEISS hospitals are reporting over 90 percent of the product-related cases.*

**Completed:** Based on the evaluation visits conducted in 2007, we captured about 90.5 percent of all product-related cases in each hospital.

### 3. Telephone Investigations (Headquarters)



The headquarters telephone investigations provide valuable information on specific NEISS cases of interest to CPSC analysts. Analysts must receive these data as quickly as possible to support hazard reduction activities.

**Goal:** *Staff will complete at least 90 percent of investigations in fewer than 45 business days.*

**Exceeded:** For investigations conducted in 2007, 99 percent were completed within 45 days.

### 4. On-site and Other Fire Investigations (Field) – Timeliness

These investigations provide valuable information on cases of interest to CPSC compliance officers and analysts. Analysts must receive these data as quickly as possible to support hazard reduction activities.

**Goal:** *Field staff will complete at least 95 percent of on-site and other fire investigations (not including telephone investigations) in fewer than 45 business days.*

**Completed:** In 2007, we completed 98 percent of on-site and other fire investigations (not including telephone investigations) in less than 45 business days.

### 5. On-site and Other Non-Fire Investigations (Field) – Timeliness

**Goal:** *Field staff will complete at least 93 percent of on-site and other non-fire investigations (not including telephone investigations) in fewer than 45 business days.*

**Completed:** In 2007, we completed 96 percent of on-site and other



non-fire investigations (not including telephone investigations) in less than 45 business days.

## 6. Compliance Inspections

**Goal:** *Field staff will increase the number of Compliance inspections to 400 inspections.*

**Exceeded:** In 2007, the Field staff completed 493 establishment inspections, not including ATV inspections. We also conducted 88 unannounced ATV inspections.

## 7. Medical Examiner and Coroner Reports



Reports from medical examiners and coroners provide critical information on product-related deaths. The data are especially valuable because unlike death certificates, they are generally received soon after the incident and provide some detail on how the incident occurred.

**Goal:** *Staff will obtain 3,900 medical examiner/coroner reports.*

**Exceeded:** In 2007, staff obtained 4,724 reports.

## 8. News Clips



CPSC relies on clips from newspapers in all 50 states to identify incidents. These clips provide many reports of product-related deaths, serious injuries, and hazardous fires. The reports fill gaps in reporting from other data systems and provide a very important source of incidents to investigate in support of hazard identification and analysis activities.

**Goal:** *Staff will obtain 7,300 incident reports from news clips.*

**Exceeded:** In 2007, staff obtained 8,612 reports.

## IDENTIFYING PRODUCT HAZARDS: EMERGING HAZARDS/DATA UTILITY



**STRATEGIC GOAL:** Improve the utility of CPSC's data through 2009 by developing and implementing a more systematic method to identify new strategic goal areas, hazard reduction projects, and remedial actions.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	--	18	13	9	11
Amount	--	\$1,782	\$1,961	\$1,326	\$1,620

### THE PROGRAM

Improvements in the overall utility of CPSC data are necessary for the agency to focus its resources effectively. To improve the utility of the data, staff will more systematically review and analyze death and injury data and identify areas where we must obtain more information in order to develop effective strategies to reduce deaths and injuries.

Each year, CPSC collects incident data involving consumer products. Incidents are screened on a daily basis and routinely summarized. Selected incident information is expanded by conducting follow-up investigations of individual incidents, either by telephone or through on-site visits. The follow-up investigations provide an opportunity to examine the interaction between the product involved in the incident, the environment in which the incident occurred, and the injured person.

While these methods have worked effectively in the past, increasingly limited FTE resources require that we target agency efforts more systematically and prioritize our efforts through the strategic planning process. Staff completed development of a new data review system that will help identify promising strategic goal areas and hazard reduction projects to incorporate into our Strategic Plan, as well as provide insight into potential remedial actions. Hazard screening reports completed under this new system will be updated in future years, as appropriate.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2003	2004	2005	2006	2007
1. Complete analysis of product areas and other emerging hazard reviews	<b>Goal</b>	2	4	4	4	1
	<b>Actual</b>	2	5	6	4	1
2. Conduct special studies	<b>Goal</b>	**	1	2	2	**
	<b>Actual</b>	0	1	2	2	0
3. Conduct special economic studies	<b>Goal</b>	**	10	8	8	8
	<b>Actual</b>	9	10	8	11	9
4. Respond to petitions	<b>Goal</b>	**	3	3	3	3*
	<b>Actual</b>	4	5	3	4	2

\*\*No goal established.

\*This goal is an estimate based on prior years' experience. The actual number of petition responses will be based on the number of petitions the Commission receives and other safety-related issues that arise during the year.

### 1. Product Area/Emerging Hazard Analysis

As appropriate, injury and death data, poison control center data, market/exposure data, toxicity data, medical/physiological/engineering analysis, literature searches, and laboratory assessments will be used to identify and evaluate new and existing hazards.

**Goal:** *Staff will conduct 1 review of injury, incident, death, market, and cost data in a product-related hazard area or conduct an emerging hazard review.*

**Completed:** In 2007, staff conducted a review of available data and literature to address the emerging hazard associated with toys with magnets and magnetic components.

### 2. Special Studies

No special studies were planned for 2007, primarily due to loss of staff.

### 3. Special Economic Studies

Staff conducts economic studies to provide injury cost estimates; estimates of product life and numbers in use; and general and small business impacts, such as costs of production, environmental impact, labeling, and recalls. Staff will maintain econometric models through periodic review to assure that methodological approaches and models are current and adequate for CPSC use.

**Goal:** *In 2007, staff will complete 8 special economic studies.*

**Exceeded:** In 2007, staff completed 9 economic studies, including 4 on imports of consumer goods and special studies on baby walker cost-benefit analysis, pediatric poisonings, jury verdicts and quality-adjusted life years, revised medical costs for the Injury Cost Model, and fire injuries that bypass the emergency room.

### 4. Petitions

In 2006, staff prepared 4 briefing packages in response to petitions on all-terrain vehicles, candles, table saws, and infant cushions.

**Goal:** *Staff will prepare 3 briefing packages in response to petitions.*

**Completed:** In 2007, the Commission received 2 petitions for which staff prepared briefing packages. The petitions were on mini-sparklers and lead in children's metal jewelry.

In July 2006, the Commission had voted to defer a petition to issue a mandatory safety standard for candles and candle accessories, such as candle holders. The Commission directed the staff to provide updates on the progress of voluntary standard activities.

In June 2007 staff completed a memorandum to the Commission providing the status of voluntary activities associated with the fire safety of candles / candle products and candle accessories. The memorandum, *Status Report on Candle Standards Development Activities*, is available at:  
[www.cpsc.gov/LIBRARY/FOIA/FOIA07/brief/candle.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA07/brief/candle.pdf).



## QUALITY AND MANAGEMENT GOALS: DATA QUALITY



**STRATEGIC GOAL: Improve the quality of CPSC's data through 2009 by improving the accuracy, consistency, security, and completeness of CPSC's data.**

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	--	0.5	1.7	0.5	0
Amount	--	\$60	\$212	\$64	\$0

Note: These resources shown are also included in the program resources for the agency's two major programs: Reducing Hazards to Children and Families and Identifying Product Hazards.

### THE PROGRAM

Improvements in the overall quality of CPSC data are necessary if the agency is to achieve its mission in the future, both in the near term and in the long run. The quality of in-house databases that track agency activity needs to be upgraded and better maintained. Failure to improve these basic operations could present significant risks to future agency functioning.

Data Quality refers to fitness-of-use, including accuracy and reliability, of the data held within our computer systems. Further evaluation of our data systems would, for example, determine whether the data was entered accurately, is internally consistent and complete, and is secure. While most of CPSC's data systems already meet these criteria, a few do not. To improve data quality in these areas, staff will need to determine what problems exist and find data quality tools, policies, and processes to improve these systems.

In 2007, work on this important goal will be deferred due to staff vacancies and because of database initiatives undertaken by the Office of Information and Technology Services.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2003	2004	2005	2006	2007
1. Implement improvement activities	Goal	**	**	**	2	0
	Actual	--	--	--	1	0
2. Conduct data quality planning activities	Goal	**	1	1	1	0
	Actual	0	1	1	1	0
3. Assess data quality	Goal	**	2	3	3	0
	Actual	0	1	3	3	0

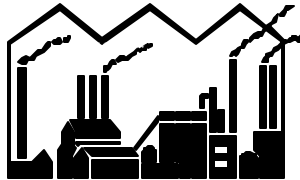
\*\*No goal established.

--Data not available.

1. **Improvement activities.**
2. **Planning activities.**
3. **Assessing data quality.**

In 2007, work in all three areas was postponed due to staff vacancies and the need for existing staff to focus on the integration initiative of CPSC's databases. The postponement of activities toward these goals will minimize the resources used.

## QUALITY AND MANAGEMENT GOALS: INDUSTRY SERVICES



**STRATEGIC GOAL: Maintain success with the timeliness and usefulness of the Fast-Track Product Recall and the Small Business Ombudsman programs for industry through 2010.**

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	15	15	15	15	15
Amount	\$1,410	\$1,485	\$1,530	\$1,580	\$1,627

Note: These *estimated* resources are also included in the resources for the agency's two major programs, Reducing Hazards to Children, and Identifying Product Hazards.

### ANNUAL GOALS AND RESULTS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate.

Annual Goals Summary		2003	2004	2005	2006	2007
1. Initiate a Fast-Track recall within 20 business days	<b>Goal</b>	90%	95%	95%	90%	90%
	<b>Actual</b>	95%	96%	94%	98%	95%
2. Respond to requests within 3 business days	<b>Goal</b>	80%	80%	80%	80%	85%
	<b>Actual</b>	88%	82%	94%	69%*	70%
3. Develop guidance documents	<b>Goal</b>	5	5	5	5	5
	<b>Actual</b>	7	8	8	8	5

\*In 2006, there were technical problems with the database that resulted in incorrect calculations.

#### 1. Fast Track Timeliness



**Goal:** Staff will complete a technical review and initiate a recall within 20 days 90 percent of the time for the Fast-Track Program.

**Exceeded:** In 2007, Fast Track recalls were initiated within 20 business days 95% of the time.

#### 2. Ombudsman Timeliness

**Goal:** Staff will respond to requests from small businesses through the CPSC Small Business Ombudsman within 3 business days 85 percent of the time

**Not Met:** In 2007, staff responded to only 70% of small business ombudsman requests within 3 business days. A review of the program's record revealed that there were a number of pending cases with which we could not determine whether responses were completed and thus could not be included in the calculation.

#### 3. Guidance Documents

Staff develops brief guides or other guidance documents for CPSC regulations so that industry can quickly and easily understand how to



comply.

**Goal:** *Five additional guidance documents will be developed to explain regulations, other policies or procedures, or to assist industry in complying with CPSC regulations.*

**Completed:** In 2007, we developed or updated 5 guidance documents so that industry can quickly and easily understand how to comply with regulations or obtain useful product specific information. These were in the areas of the new mattress standard, amusement rides, and lighters.

## QUALITY AND MANAGEMENT GOALS: CUSTOMER SATISFACTION WITH CPSC SERVICES



**STRATEGIC GOAL:** Sustain the high level of customer satisfaction with the CPSC Web site, hotline, Clearinghouse, and State Partnership Program through the year 2010.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	15	17	17	17	14
Amount	\$1,980	\$2,346	\$2,416	\$2,488	\$2,563

Note: These *estimated* resources are also included in the resources for the agency's two major programs, Reducing Hazards to Children and Identifying Product Hazards.

### THE PROGRAM

In addition to our work reducing hazards associated with consumer products, we provide additional services to the public in the form of information services, including the agency's Internet Web site, hotline, the National Injury Information Clearinghouse, and the State Partners Program. These resources are used both to provide safety information to, and receive information from, the public. Customer satisfaction with these services is vital if CPSC is to fulfill its mission.

Our Web site ([www.cpsc.gov](http://www.cpsc.gov)) provides Internet access to CPSC resources and allows the public to view information about recalled products, report unsafe product incidents, request information, and download safety information. The hotline is a toll-free service that allows consumers to report product complaints or product-related injuries, learn about recalls and safety hazards, and obtain safety publications. The National Injury Information Clearinghouse provides data to the public in response to over 1,500 requests each year. It also alerts manufacturers to potential hazards associated with their products, providing them with consumer complaints, reported incidents and accident investigations involving their products. Our State Partners Program, using limited CPSC funds and CPSC-developed safety information, brings product safety services to consumers through cooperative programs with state and local governments. The program extends our reach throughout the nation.





**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2003	2004	2005	2006	2007
<b>CPSC Web Site</b>						
1. CPSC Web site visits (in millions)	<b>Goal</b>	8.0	10.0	11.0	18.0	25.0
	<b>Actual</b>	9.2	11.9	13.7	20.3	32.3
<b>Hotline Services (1-800-638-2772)</b>						
2. Respond to voicemail messages the next business day	<b>Goal</b>	85%	85%	85%	85%	85%
	<b>Actual</b>	92%	96%	86%	89%	99%
3. Process incident reports within 8 working hours	<b>Goal</b>	85%	90%	95%	95%	100%
	<b>Actual</b>	100%	100%	100%	100%	100%
<b>National Injury Information Clearinghouse</b>						
4. Mail incident information for verification to consumers within 2 business days	<b>Goal</b>	95%	95%	95%	95%	95%
	<b>Actual</b>	98%	99%	95%	100%	98%
5. Provide manufacturers with verified incidents and investigations within 48 business days	<b>Goal</b>	90%	90%	90%	90%	90%
	<b>Actual</b>	95%	95%	95%	96%	---
6. Provide responses to requests within 7 business days	<b>Goal</b>	95%*	95%*	95%*	95%*	95%
	<b>Actual</b>	97%	97%	99%	98%	82%
<b>State Partners Program</b>						
7. Conduct product safety activities within 90 calendar days or less	<b>Goal</b>	**	**	**	**	88%
	<b>Actual</b>	79%	81%	87%	95%	---
8. Host state caucus training sessions	<b>Goal</b>	**	**	**	**	1
	<b>Actual</b>	0	0	0	0	1

\*Starting in 2006, this goal was changed from 5 to 7 business days due to reduction in staff.

--- Data currently not available. Final data will be reported in the President's Request to Congress usually submitted on the first Monday in February.

\*\*No goal established.

**1. Web Site Visits**



CPSC's Web site ([www.cpsc.gov](http://www.cpsc.gov)) was established to widen and speed public access to important safety information. The site started out simply, allowing for the retrieval of basic information such as press releases (usually announcing product recalls) and the agency's public meeting calendar. Over time, new features have been added, such as allowing the public to make online reports of product hazards and providing the ability to search and download data from our National Electronic Information Surveillance System (NEISS).

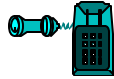
The number of users of the Web site has grown rapidly from about 200,000 visits in 1997 to about 20.3 million visits in 2006. Based on a customer feedback survey and a review of our Web site, we plan to implement changes that will improve the ability to access safety information.

**Goal:** In 2007, we anticipate that we will have 25 million visits to CPSC's Web site.

**Exceeded:** In 2007, we had 32.3 million visits to CPSC's Web site ([www.cpsc.gov](http://www.cpsc.gov)). This number has rapidly grown from about 200,000 in 1997. Our site is continuously upgraded; in 2007, new features were added such as several new RSS (Really Simple Syndication) feeds, the Consumer Opinion Forum, and the Mattress Flammability page.

## 2. Voicemail

CPSC's Toll-Free  
Hotline Number:  
1-800-638-CPSC



The hotline maintains high levels of customer satisfaction through administering a performance-based contract for hotline operators who deal directly with the public. Under this type of contract, we evaluate the performance and renew the contract only if the performance level meets or exceeds the standards set forth in the contract. This includes maintaining the hotline automated message system, maintaining the system for responding to e-mail messages, and preparing reports on consumer usage of these systems. In 2006, we received about 2,800 messages from the public through voicemail.

**Goal:** *In 2007, hotline staff will respond to voicemail messages the next business day 85 percent of the time.*

**Completed:** In 2007, we received 3547 voicemail messages. We responded to those messages the next business day 99 percent of the time.

## 3. Incident Reports

Consumers may make a complaint of an unsafe product or product-related injury through the hotline. In 2006, hotline staff processed over 4,000 complaints about consumer products, and 100 percent were completed within 8 working hours. We use these complaints to look for emerging hazards and to support studies of specific product hazards.

**Goal:** *Hotline staff will process product incident reports within 8 working hours 100 percent of the time.*

**Completed:** In 2007, we processed 3765 complaints about consumer products. We responded to those complaints within 8 working hours 100 percent of the time.

## 4. Consumer Confirmation

The Clearinghouse contacts consumers to request verification of information contained in reports of unsafe products submitted to us through our consumer hotline, the Internet, or by mail. Requests for verification are mailed to consumers within 48 hours after the report arrives in the Clearinghouse. In 2006, we sent nearly 11,000 reports to consumers for verification and 100 percent were completed within two business days.

**Goal:** *Staff will mail incident report verification information to consumers within 2 business days 95 percent of the time.*

**Completed:** In 2007, we mailed 12,000 requests for verification. These were mailed within 48 hours 98% percent of the time.

## 5. Manufacturer Mailing

The incidents from consumers and investigation reports from CPSC's field staff are sent to manufacturers whose products are named in these reports. Consumer verification information and manufacturer responses are also made available to staff electronically for review. In 2006, we mailed about 9,000 reports to manufacturers and 96 percent

were completed within 48 business days. The number of business days is calculated from the date the incident or investigation is received in the Clearinghouse and includes 20 business days of waiting for a response verifying the information from the complainant.

**Goal:** *Staff will provide reported incidents and completed investigation results to manufacturers of identified products within 48 business days of receiving the reports in the Clearinghouse 90 percent of the time.*

**Data Currently Not Available:** Final data will be reported in the President's Request to Congress normally submitted on the first Monday in February.

## 6. Information Requests

The Clearinghouse provides the public with technical information relating to the prevention of death and injury associated with consumer products. Requests for injury data are assigned to technical information specialists who search agency databases and publications to tailor responses to each customer's needs. Most of the 2,400 requests received on average each year are completed within five business days. In 2006, staff provided responses 98 percent of the time within 5 business days.

**Goal:** *In 2007, staff will provide responses to requests for information within 7 business days 95 percent of the time.*

**Not Met:** Due to a lack of personnel resources, we responded to consumers' requests for information within 7 business days only 82% percent of the time.

## 7. Product Safety Activities



CPSC's State Partners program works in cooperation with a group of state and local officials to deliver CPSC services to consumers, including recall checks, inspections, and in-depth injury investigations to support CPSC priorities.

**Goal:** *In 2007, CPSC's State Partners will conduct 88% of product safety activities including recall checks, inspection, and in-depth investigations within 90 days or less.*

**Data Currently Not Available:** Final data will be reported in the President's Request to Congress normally submitted on the first Monday in February.

## 8. State Caucus Training

State and local officials work with CPSC on cooperative activities that complement those performed by CPSC field staff and are done at little or no cost to CPSC. Staff will host training for these officials.

**Goal:** *The staff will host 1 annual training session for state and local officials.*

**Completed:** In 2007, CPSC staff hosted a State Local Training Caucus to provide States with the most current information about

consumer product safety. Participants received training on new CPSC regulations and emerging hazards, and exchanged information that will help each state to work cooperatively with CPSC to promote product safety within their jurisdiction.

**QUALITY AND MANAGEMENT GOALS:  
PRESIDENT'S MANAGEMENT AGENDA**



Total Resources for This Goal (dollars in thousands)					
Fiscal year	2003	2004	2005	2006	2007
FTEs	5	5	5	5	5
Amount	\$457	\$481	\$495	\$510	\$525

Note: These *estimated* resources are also included in the resources for the agency's two major programs, Reducing Hazards to Children and Identifying Product Hazards.

**INTRODUCTION**

The President envisions a government that has a citizen-based focus, is results-oriented, and is market-based. To improve the functioning of the Federal Government and to achieve efficiencies in its operations, the President has highlighted five government-wide management initiatives.

They are:

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget and Performance Integration



The Commission has taken a number of steps to support the management initiatives in the areas as delineated in the President's Management Agenda, which allow us to achieve our goals while managing public resources with prudence.

## STRATEGIC MANAGEMENT OF HUMAN CAPITAL

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2003	2004	2005	2006	2007
1. Modify the appraisal system	<b>Goal</b>	**	1	1	1	0
	<b>Actual</b>	--	1	1	0	0
2. Identify skill gaps	<b>Goal</b>	**	1	1	1	1
	<b>Actual</b>	--	0	0	0	1
3. Maintain the recruitment process time	<b>Goal</b>	62	62	62	62	62
	<b>Actual</b>	51	60	61	61	49
4. Conduct training for managers in human resource management	<b>Goal</b>	2	2	1	2	2
	<b>Actual</b>	2	3	2	4	6
5. Conduct focus groups of new employees	<b>Goal</b>	2	2	2	1	1
	<b>Actual</b>	2	2	2	1	2
6. Target recruitment efforts to organizations serving under-represented populations	<b>Goal</b>	10	10	12	12	8
	<b>Actual</b>	12	12	14	14	11
7. Conduct training sessions in EEO/AEP responsibilities	<b>Goal</b>	3	3	3	3	3
	<b>Actual</b>	8	10	10	4	6
8. Promote representation of Hispanics and individuals with disabilities	<b>Goal</b>	5	5	5	5	5
	<b>Actual</b>	7	12	13	10	6
9. Identify and promote low/no-cost training	<b>Goal</b>	1	1	1	1	1
	<b>Actual</b>	1	1	1	1	1

\*\*No goal established.

--Data not available.

#### 1. Appraisal System

Staff revised CPSC's Senior Executive Service (SES) Performance Management System performance elements and standards in 2004 to include measures of success in meeting agency goals in our annual performance plans. In 2005, we revised the elements and standards for the remainder of the employees. In 2006, we monitored the use of the SES performance elements and standards. We deferred implementation of a new system for GS employees to 2008 because significant staff resources and training money are not currently available for this activity.

#### 2. Skills Analyses

In 2004, we developed competencies for some of our mission critical positions. In 2006, core competencies were developed for managers and supervisors as well as several mission critical positions. A contract was not awarded for this effort in 2006 due to higher priority work.

**Goal:** *In 2007, we will identify skill gaps and develop training plans for new supervisors. Work for other occupational series will be deferred due to reduced staff.*

**Completed:** In 2007, a new management training directive was developed that included a skill gap assessment, mandatory training requirements and a training plan for all supervisors, managers and executives. Additionally, skill gap analysis was completed for occupations in Human Resources and Information Technology.

### 3. Recruitment Time

Staff maintained the recruitment process time, calculated as the difference in the number of days between the recruitment request and the candidate selection date, at an average of 61 days for 2006. This number is well below the 2002 government average of 102 days.

**Goal:** Staff will maintain the recruitment process time.

**Exceeded:** In 2007, staff implemented an automated applicant intake system to improve efficiency in the staffing process. The average recruitment processing time for 2007 was 49 days.

### 4. Human Resources Training

**Goal:** Staff will conduct training for managers in human resource management. This would include topics such as recruitment, performance management, incentive programs, and other human resource procedures.

**Exceeded:** Two training courses on Human Resources Management were given on-site for managers and supervisors. Training sessions were also given on Time and Attendance, EEO, Reasonable Accommodation, and Communicating with Employees.

### 5. Focus Groups

**Goal:** Staff will conduct 1 focus group of new employees to learn from their experience and determine how to improve our recruitment process.

**Exceeded:** An on-line survey and two follow-up focus groups were held for new employees to solicit feedback on the recruitment and entry-on-duty process. Several suggestions have been implemented.

### 6. Target Recruitment

**Goal:** Staff will target 8 recruitment efforts to organizations serving under-represented populations. Contacts will be made to organizations serving under-represented populations such as Hispanic-serving institutions, Hispanic Association of Colleges and Universities, Hispanic Outreach Leadership Alliance, League of United Latin American Citizens, and the President's Committee for People with Disabilities.

**Exceeded:** CPSC participated in the following three job fairs that targeted, women, minorities, individuals with disabilities, and disabled veterans: the Hiring Heroes Career Fair at Walter Reed Army Medical Center, the annual HACU/USDA job fair, and the District of Columbia job fair. Staff participated in the Walter Reed Project Warfighter by presenting a briefing to a group of transitioning soldiers with disabilities. CPSC targeted recruitment for several positions. Specifically, vacancy announcements for two Product Safety Investigator positions and one Compliance Officer were sent to Hispanic Servicing Institutions and targeted a number of schools in the State of Florida where the minority population is high. Additionally, two Economist announcements were sent to the American Economics Association and to six different schools targeting minorities. Outreach efforts were made to ASTM

International and to the President's Commission on Asian Pacific Islanders for personnel with a background in International Affairs. Also in 2007, CPSC staff made contact and listed the agency as a potential recruiter with National Image, a Hispanic organization.

## 7. EEO/AEP Training

**Goal:** Staff will conduct 3 training sessions for CPSC employees about their EEO/AEP responsibilities. Training will continue to emphasize the shared responsibility for developing and implementing a successful CPSC Affirmative Employment Plan.

**Exceeded:** Managers and supervisors were provided an opportunity to participate in updating the MD715 report to EEOC. In December, we completed training in the NO FEAR Act with almost 100% of the workforce trained. In March, Diversity Training and EEO reprisal training were conducted for managers and supervisors. The EEO Director conducted a workshop in Dealing with Different and Sometimes Difficult People for our Western Region employees as well as providing an EEO refresher on EEO responsibilities.

## 8. Promote Representation

**Goal:** Staff will promote representation of Hispanics and individuals with disabilities with at least 5 initiatives. Examples of these new initiatives are mentoring programs, summer volunteer program, employee training programs, and disability and diversity awareness programs.

**Exceeded:** In 2007, CPSC staff promoted representation of Hispanics, minorities and individuals with disabilities through 6 initiatives. CPSC continues to promote representation through its partnerships with Bethesda-Chevy Chase (BCC) High School with the tutoring and mentoring programs. Our tutoring of students resulted in a grade "A" in math for one female student. In mentoring, CPSC staff works with at risk students transitioning from Junior to Senior High School, helping them set realistic goals for the future. The Compliance Office provided internships to three students from BCC this fiscal year, including a Hispanic male. The Compliance Office also hired two Hispanic males on limited term appointments. CPSC had a number of organizations representing various disability issues present at its Combined Federal Campaign charity fair designed to increase awareness and understanding. We continue our work with managers and supervisors in understanding the reasonable accommodation process through individualized training.

## 9. Low/No-Cost Training

**Goal:** Staff will identify and promote no or low-cost training opportunities, such as periodic Small Agency Council training sessions.

**Completed:** In 2007, Skillsoft was available for all employees from their desk for unlimited use 24-hours a day. Skillsoft is a comprehensive on-line training provider with a library of over 5,000 courses. Also, courses were made available through the Small Agency Council (SAC) training fund. Five on-site courses were funded for all employees in: Project Management, Effective Briefing Techniques, E-mail Etiquette, Decision Making & Problem Solving



and Mid-career Retirement Planning. Six on-site sessions were provided through our Employee Assistance Program.

## COMPETITIVE SOURCING

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2003	2004	2005	2006	2007
10. Review and revise the annual FAIR Act Inventory as appropriate	<b>Goal</b> <b>Actual</b>	1 1	1 1	1 1	1 1	1 1
11. Complete performance work statements and cost statements for 20 % of the activities in the FAIR Act Inventory annually	<b>Goal</b> <b>Actual</b>	** 0%	20% 0%	20% 0%	20% 0%	0% 0%
12. Complete competitions for activities in the FAIR Act Inventory	<b>Goal</b> <b>Actual</b>	** 0%	** 0%	20% 0%	20% 0%	0% 0%

\*\*No goal established.

--Data not available.

#### 10. FAIR Act Inventories

We have published an inventory as required by the *Federal Activities Inventory Reform Act (FAIR)* each year since 1999. We reviewed all positions in the agency. We find that the majority of CPSC employees are engaged in the governmental public safety function of investigating product hazards and developing product standards.

We currently contract for most of our commercial services. For example, CPSC contracts for mail and driver services, laborer services, and copy and library services. We also contract for our consumer hotline operation, data screening for NEISS, and much of our computer programming and help desk operations. A total of 43 FTEs are represented by these contractual services. In addition, we contract for specialized commercial reviews, such as bankruptcy experts, during the course of our investigations. We also contract out for operations of various major administrative systems such as payroll, finance, human resources, and procurement. We estimate that these contracts represent at least another 7 FTEs for an equivalent of 50 FTEs already contracted out.

In our 2006 inventory, we determined that an additional 14 employees over and above the 50 that are already contracted out may be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised).

**Goal:** Staff will review and revise the FAIR Act inventory, as appropriate.

**Completed:** We completed and submitted the 2007 FAIR Act inventory to the Office of Management and Budget (OMB) as required by June 30, 2007. In our 2007 inventory, we determined that an additional 12 employees over and above the 50 that are already contracted out may be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised). These activities include, but not exclusive of mail and driver services, laborer services, guard services, certain data analysis and data collection functions, field recall checks, telephone hotline operation, and computer help desk activities.

**11. Performance Statements**

In 2006, all activities on the inventory were affected by the agency reorganization in response to resource reductions. Due to staffing reduction in 2006 and 2007, we will be continuing assessment through 2007 and expect to complete performance work statements in 2008.

**12. Competition**

In 2006, all activities on the inventory were affected by the agency reorganization in response to resource reductions. Due to staffing reduction in 2006 and 2007, we will be continuing assessments through 2007 and expect to complete competitions for at least 20% of the activities in our FAIR Act inventory in 2008.

**IMPROVED FINANCIAL PERFORMANCE**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2003	2004	2005	2006	2007
13. Monitor financial management systems that meet Federal requirements and standards (Letter of Assurance)	<b>Goal</b>	**	1	1	1	1
	<b>Actual</b>	1	1	1	1	1
14. Recommendation for financial management system replacement	<b>Goal</b>	**	**	**	**	1
	<b>Actual</b>	--	--	--	--	1
15. Maintain the number of business days after month-end to produce monthly financial reports	<b>Goal</b>	**	3	3	3	3
	<b>Actual</b>	3	3	3	3	3

\*\*No goal established.  
--Data not available.

**13. Financial Management Systems**

In 2001, CPSC implemented a new core accounting system, the Federal Financial System (FFS), contracted from the Department of Interior's National Business Center (NBC), a major provider of Federal accounting services meeting all Federal accounting system requirements and standards. FFS is fully compliant with requirements for accuracy and timeliness.

**Goal:** *In 2007, staff will continue to monitor the system to ensure continued compliance with all applicable Federal regulations and standards. This will be documented in the staff annual letter of assurance.*

**Completed:** In 2007, staff monitored the system by performing various system and program reviews to ensure compliance with Federal regulations and standards. System reviews to support compliance are documented in the annual letter of assurance.

**14. Financial Management System Replacement**

**Goal:** *Staff will evaluate new financial systems and recommend a system to replace the Federal Financial System which is being dropped by the National Business Center. This work will be completed in 2008.*

**Completed:** A task group is in place and has evaluated options for a

new accounting system. A list of available Shared Service Providers (SSP) and applicable systems has been compiled. Cost estimates were provided by the SSP. This task will continue into 2008.

**15. Information Timeliness**

We provide electronic access to monthly financial reports throughout the agency by the 3rd business day after the close of the month.

**Goal:** *In 2007, we plan to maintain the number of business days after month-end to produce monthly financial reports.*

**Completed:** In 2007 monthly financial reports were made available to staff by the 3<sup>d</sup> business day after the close of the month. All report recipients received an email notification on the electronic accessibility of their reports immediately after month-end close.

**EXPANDED ELECTRONIC GOVERNMENT**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2003	2004	2005	2006	2007
16. Develop Internet applications allowing direct government-to-citizen access	<b>Goal</b>	**	1	1	1	1
	<b>Actual</b>	--	1	1	1	1
17. Implement Web-based application to improve government-to-business communication	<b>Goal</b>	**	1	1	1	1
	<b>Actual</b>	--	1	1	0	0
18. Develop and implement technology to improve access and transfer of information government-to-government	<b>Goal</b>	**	1	1	1	1
	<b>Actual</b>	--	1	1	1	1
19. Improve internal efficiency and effectiveness	<b>Goal</b>	**	2	1	1	1
	<b>Actual</b>	5	2	3	6	0

\*\*No goal established.  
--Data not available.

**16. Government-To-Citizen**

Government-to-citizen initiatives seek to provide one-stop, on-line access by citizens to benefits and services. They also bring modern management tools to improve the quality and efficiency of service. Citizens can currently request technical, scientific, legal, program, and policy data from CPSC through the Freedom of Information Act (FOIA). In 2005, we launched the On-Line FOIA request form for use by the public. In addition, we improved the public access to FOIA information on the Web site by implementing a new, easier-to-use FOIA information retrieval system. In 2006, the on-line FOIA request was fully implemented for use by the public.

**Goal:** *In 2007, we will be implementing an additional feature that will allow the public to track the status of their request through the internet.*

**Completed:** This feature is now available through our on-line FOIA web page on [www.cpsc.gov](http://www.cpsc.gov).

## 17. Government-To-Business

Government-to-business initiatives will reduce the burden on business by adopting processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses, and enable digital communications with businesses. Currently businesses have difficulty finding applicable regulations and Federal Register notices on the Web site because of the large number of regulations and notices available. In 2004, we introduced a regulation retrieval system to allow visitors to retrieve regulatory information by specific products. In 2005, we developed and launched a new Voluntary Standards link on the [www.cpsc.gov](http://www.cpsc.gov) home page, making it easier for businesses to research and view Voluntary Standards activities involving consumer products. Under the CPSC Flammable Fabrics Act, some manufacturers elect to submit verification of their compliance with the regulation by mailing a paper form with the necessary information to CPSC. In 2006, we completed the first phase of the on-line filing system which includes enabling industry to search the system and view the status of guarantees.

**Goal:** *In 2007, we plan on full implementation of this feature.*

**Not Met:** Due to continuing delays in an overall federal standard in PKI usage, we have had to delay full implementation of this feature. We will perform an assessment to determine if this activity will continue in the future.

## 18. Government-To-Government

Government to government initiatives will enable sharing and integration of federal, state, and local data. Recently completed CPSC initiatives include the [www.recalls.gov](http://www.recalls.gov) Web site, a one-stop site that provides the most up-to-date information on recalls developed in partnership with the Food and Drug Administration, the U.S. Coast Guard, the National Highway Traffic Safety Administration, the U. S. Department of Agriculture, and the Environmental Protection Agency. In 2005, we added a new section to [www.recalls.gov](http://www.recalls.gov), which allows the public to view all participating agencies' most recent recalls on one page rather than tabbing to the agencies individually, making recall information more readily accessible. In addition, we began working with the agencies to include an email subscription list to further enhance participating agencies' ability to disseminate important safety information.

**Goal:** *In 2007, we will conduct a stakeholder agency summit to elicit further improvement ideas. Staff will prepare a summary report.*

**Completed:** CPSC hosted a stakeholder agency summit in June comprising of participating federal partners of the [www.recalls.gov](http://www.recalls.gov) Web site. The meeting was productive and explored ways to improve the functionality of the site, to improve the design of the homepage and sub-pages, and to share operational responsibilities. Staff drafted a summary report of the meeting. The report will be finalized with recommended action items and will be presented to the Commission in FY 2008.

**19. Internal Efficiency and Effectiveness (IEE)**

This initiative brings commercial best practices to key government operations, particularly information security, supply chain management, human capital management, financial management, and document workflow. The increase in computer viruses, hacker attempts, and potential physical threats put both internal and external CPSC interactions at risk and reduce government-to-employee efficiency and effectiveness. A successful E-Gov strategy must deploy effective security controls into government processes and systems. In 2004, we began implementation of our Business Continuity Plan (BCP), a requirement under the Federal Information Security Management Act (FISMA), which includes risk assessments on any new applications developed prior to their implementation. We have developed and launched several new internal applications.

**Goal:** *In 2007, we will complete risk assessments on at least one of the new applications.*

**Not Met:** Risk Assessments were not performed due to reprioritization of goals and other more critical issues. We will perform an assessment to determine if this activity will continue in the future.

**BUDGET AND PERFORMANCE INTEGRATION**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2003	2004	2005	2006	2007
20. Perform program evaluations	<b>Goal</b>	8	7	8	6	4
	<b>Actual</b>	8	5	6	6	4

**20. Program Evaluations**

To integrate performance review with budget decisions, we have taken a number of steps, including: (1) changing internal databases to capture performance by strategic goal; (2) developing a system for resource allocation by strategic goal for direct and indirect costs; (3) adding resource allocations (FTE, costs) for each strategic goal to the performance plan; and (4) combining the performance plan and budget request. In addition, we have realigned our budget programs to match our strategic goals. Finally, the Office of Financial Management, Planning and Evaluation works under the direction of the Chief Financial Officer and the Office of the Executive Director to provide a comprehensive and cohesive integration of budget and performance. We believe that our annual budget and performance plans make the agency performance-oriented by showing progress achieved on our hazard reduction goals and our quality and management goals. For continued improvement, however, we must evaluate our programs.

**Goal:** *In 2007, we will continue to set goals for performing specific evaluations as indicated in the Program Evaluations section of this plan.*

**Completed:** In 2007, staff conducted 4 planned program evaluations.



## PROGRAM EVALUATIONS

This section provides a summary of the evaluations we identified in our 2007 Performance Plan, as required in the Office of Management and Budget's Circular No. A-11.

Injury and death reduction strategic goals will have two types of evaluations: yearly tracking of injuries and deaths at the hazard level and evaluations of injury and death reductions associated with specific products at appropriate time intervals. The timing for evaluating injury and death reductions depends, in part, on how long consumers keep specific products. Evaluations at the product level will be conducted when consumers are expected to have replaced a substantial proportion of older products with safer products. Staff derives estimates of the extent to which safer products have replaced older products using CPSC's Product Population Model.

Customer service/customer satisfaction goals will also have two types of evaluations: tracking of customer service standards and activities, and assessments of consumers and industry. Tracking will be evaluated annually, while assessments are planned to be implemented on a cycle of every three years.

### A. Reducing Fire-Related Deaths

#### *Tracking of fire-related deaths*

In 2007, the CPSC staff updated its report on fire-related (non-arson) deaths, injuries, and dollar losses from 2002 through 2004. The report presented estimates of annual and three-year averages for fire-related data. Following are some of the findings from the report.

For each year from 2002 through 2004, the relative ranking of the greatest contributors to fire loss has remained unchanged. Cooking equipment continued to account for the largest percentage of residential structure fires. An estimated annual average of 130,800 cooking equipment-related fires during 2002-2004 accounted for 34.7% of total residential fires for the same period. The corresponding death estimates averaged around 7.8% of total deaths annually. The injury estimates remained steady at an annual average of 3,590 injuries which is 27.4% of the estimated annual average of the total number of injuries for the same time period.

Heating and cooling equipment fires constituted the second largest share of total residential fires. The estimated annual average of 57,200 fires for the same period was 15.2% of the estimate of total residential fires during the same period. The death estimates averaged around 10.6% of total deaths annually. The corresponding injury estimates for the three year remained relatively stable with an estimated annual average of 1,030 injuries. This accounts for 7.8% of the annual average estimate of total injuries during 2002-2004.

In the category of item first ignited, upholstered furniture ignition was involved in the greatest number of deaths. From 2002 through 2004, an estimated annual average of 540 deaths was associated with these fires. This constitutes 20.7% of the estimated annual average of total deaths associated with residential structure fires for the same period. On average, during 2002-2004, mattress or bedding ignitions accounted for 14.3% of the total deaths annually.

The heat source, smoking materials, was the largest contributor to

deaths and resulted in an annual average of 630 deaths from 2002-2004. This accounts for 23.9% of the estimated annual average of total residential fire deaths. The estimated annual average number of deaths from candle fires constituted around 6.2% of total deaths during 2002-2004. Death estimates from lighter fires represented around 2.6% of total deaths annually, while matches were responsible for 1.3% of total deaths annually over the three year period.

#### *Tracking of fireworks-related deaths*

In 2007, CPSC staff completed an analysis of data on fireworks-related injuries and deaths during 2006. More detailed analyses of injuries including the type of injury and the firework involved, and the characteristics of the victim were based on a special study conducted between June 16 and July 16, 2006. About 70 percent of the annual fireworks-related injuries for 2006 occurred during that period. Following are some findings from the report as well as results from the special study.

CPSC staff has reports of 11 deaths associated with fireworks during 2006. Four people were killed in incidents involving manufacturing or storing of illegal fireworks. Two were killed when they were struck by aerial fireworks that had just been launched. A third person was killed when an aerial firework exploded on a section of concrete causing a piece of concrete to strike the victim. Three people were killed in fires started by fireworks and one person was killed in a gas tank explosion where fireworks represented the ignition source.

Fireworks were involved in an estimated 9,200 injuries treated in U.S. hospital emergency departments during calendar year 2006. This is 1,600 fewer injuries than in 2005, which was estimated at 10,800 injuries.

The special study estimated 6,400 fireworks-related injuries during the one month period between June 16, 2006 and July 16, 2006. Children under 15 accounted for 36 percent of the estimated injuries during this one month period.

Among different types of fireworks, the special study showed that firecrackers were associated with the greatest number of estimated injuries at 1,300. There were 1,000 injuries associated with sparklers and 800 associated with rockets.

Of the fireworks-related injuries during the same one month period, more than half of the injuries were burns. Burns were the most common injury to all parts of the body except the eyes and head areas, where contusions, lacerations, and foreign bodies in the eye occurred more frequently. The parts of the body most often injured were hands (estimated 2,300 injuries), eyes (1,500 injuries) and head, face and ear (1,400 injuries).

CPSC staff's enforcement activities on imported fireworks remained at a high level during 2006. Agency's Office of Compliance and Field Operations worked with U.S. Customs to sample imported fireworks and to seize illegal shipments. Staff provided legal, field, and technical support in cases involving the distribution of illegal explosive devices and the illegal diversion of professional fireworks to consumers.



## B. Reducing CO Poisoning Deaths

### *Tracking of CO deaths associated with all consumer products*

In 2007, CPSC staff completed its report on unintentional non-fire deaths attributed to carbon monoxide (CO) poisoning that were associated with the use of consumer products from 2003 through 2004. From 2002-2004, there was an estimated yearly average of 166 unintentional non-fire CO poisoning deaths associated with consumer products; estimates in 2003 and 2004 were 154 and 162, respectively. It should be noted that data collection was not complete at the time of the analysis and, therefore estimates for these years may change in future reports. Following are some data listed in the report.

Of the total 316 product associated non-fire CO fatalities across 2003 and 2004, 47% of the estimated deaths were associated with the use of heating systems. An estimated 35% of the 2003 and 2004 CO poisoning deaths were associated with engine-driven tools; this translates into 112 CO fatalities, 3% were associated with gas water heaters, 2% were associated with gas ranges and ovens, and 3% were associated with gas grills, camp stoves and lanterns. Additionally, 4% were associated with multiple products. Of the estimated 150 heating system-related fatalities in 2003 and 2004, gas heating of some type accounted for 81%. The remaining 19% comprised incidents involved wood, coal, kerosene or oil heating or a heating system where the fuel type was not specified.

Of the estimated 112 CO fatalities in 2003 and 2004 that were associated with engine driven tools, 91 involved generators (81%) and the remaining 21 were associated with the classification Other Engine-Driven Tools. Additionally, generator usage was associated with half of the estimated 12 multiple appliance CO poisoning fatalities. The estimated numbers of fatalities associated with engine-driven tools increased dramatically from 1999 to 2004. The estimated annual deaths from generators tripled from 1999-2001 to 2002-2004 and doubled for other engine-driven tools.

In 2003 and 2004, adults between 25 and 44 years of age represented 29% of the CO poisoning deaths and adults over 45 years of age represented 55% of the CO poisoning deaths. Nine percent of the CO fatalities were children under 15 years old. Seventy-three percent of CO deaths occurred in the home, while deaths in tents, campers and other temporary shelters accounted for an estimated 14 percent of deaths. Deaths in these temporary types of shelters were mostly associated with gas or LP gas heaters. In 2003 and 2004, a large percentage (81%) of the fatal CO incidents involved a single fatality. These single-fatality incidents comprised 64% of all non-fire CO poisoning deaths associated with consumer products. Although it was not uncommon for non-fatal injuries to accompany fatalities in the fatal CO incidents, they were not quantified for analysis in this report.

## C. Assessments by Industry

### *Fast Track*

In 2007, staff conducted a survey on its Fast Track (FT) program to assess companies' view of the usefulness of the FT program. To

measure FT program respondents' opinions, staff mailed out customer satisfaction surveys to assess whether at least 90% of respondents consider the program useful. The results of the survey conducted showed that 92% of respondents supported the continuation of the FT program. This indicates that the program was beneficial and useful to the companies who used it in 2007. This level of satisfaction is not statistically different from those in 2001 and 2004, at 93% and 96%, respectively.

## PROGRAM ASSESSMENT RATING TOOL (PART) SUMMARY

**Program Title:** Consumer Product Safety Commission

**Program Type:** Regulatory-based Program

**Assessment Year:** 2006

**Assessment Rating:** Effective

**Assessment Status:** Final

**Findings:**

- The program has a clear and unique Federal role as the only Federal agency with the authority to identify and address risks posed by over 15,000 types of consumer products.
- Long-term goals and annual performance measures are concrete, measurable, and directly support the agency's mission.
- CPSC recently improved its management practices by developing a better way to systematically review its current regulations.

Improvement Plan	Status	Comments
Establishing broader, more comprehensive long-term goals consistent with CPSC's overall mission.	Action taken, but not completed	Actions currently underway. Lack of a CPSC quorum between January and August 2007 delayed completion to 2008.
Ensuring budget requests are explicitly tied to the accomplishment of annual and long-term performance goals, and that resource needs are presented clearly in the budget.	Action taken, but not completed	Future justification materials should reflect clear links between funding requests and performance accomplishments. Agency is researching alternatives including the potential purchase of a financial management system with performance reporting capabilities.

Program Funding Level (in millions of dollars)		
2006 Actual	2007 Plan	2008 Request
62	63	63



## BALANCE SHEET

### FOR THE YEAR ENDED SEPTEMBER 30, 2007

<b>Entity Assets:</b>	<b>2007</b>	<b>2006</b>
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 13,485,061	\$ 10,645,432
Advances To Others (Note 3)	688	360
Accounts Receivable (Note 4)	5,085	2,382
Equipment (Note 5)	2,358,557	2,638,709
Total Entity Assets	<u>15,849,391</u>	<u>13,286,883</u>
<b>Non-Entity Assets:</b>		
Intragovernmental Assets:		
Fund Balance with Treasury	1,953,522	3,470,569
Accounts Receivable	695,015	551,457
Total Non-Entity Assets	<u>2,648,537</u>	<u>4,022,026</u>
<b>Total Assets</b>	<u>\$ 18,497,928</u>	<u>\$ 17,308,909</u>
<b>Liabilities:</b>		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accrued Benefits	\$ 1,764,211	\$ 1,718,187
Accounts Payable	250,467	267,436
Total Liabilities Covered by Budgetary Resources	<u>2,014,678</u>	<u>1,985,623</u>
Liabilities Not Covered by Budgetary Resources		
Intragovernmental Liabilities:		
Actuarial Federal Employees' Compensation Act Liabilities	395,468	430,344
Accrued Annual Leave	3,332,347	3,117,029
Imputed Financing Sources	3,267,210	3,627,493
Unemployment Insurance	(105)	15,639
Other Liabilities (Note 6)	2,648,537	4,022,026
Total Liabilities not Covered by Budgetary Resources	<u>9,643,457</u>	<u>11,212,531</u>
<b>Total Liabilities</b>	<u>\$ 11,658,135</u>	<u>\$ 13,198,154</u>
<b>Net Position:</b>		
Balances		
Unexpended Appropriations	11,470,383	8,659,809
Cumulative Results of Operations	(4,630,590)	(4,549,054)
Total Net Position	<u>6,839,793</u>	<u>4,110,755</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 18,497,928</u>	<u>\$ 17,308,909</u>

## STATEMENT OF NET COST FOR THE YEAR ENDED SEPTEMBER 30, 2007

<b>Gross Costs:</b>	<b>2007</b>	<b>2006</b>
Intragovernmental/Public Gross Costs		
Benefits Expenses	\$ 5,609,605	\$ 5,517,430
Operating Expenses	57,412,090	58,204,746
Unfunded Annual Leave	3,332,347	3,117,029
Imputed costs	3,267,210	3,627,493
Unemployment Insurance	(105)	15,639
Federal Employees Compensation Fund	395,468	430,344
Total Gross Costs	<u>70,016,615</u>	<u>70,912,681</u>
Less: Earned Revenue		
Intragovernmental Earned Revenue	(3,344,242)	(3,268,366)
Donated Revenue	(35,214)	(25,966)
Earned revenues from the Public	(63,788)	(71,060)
Total Revenues	<u>(3,443,244)</u>	<u>(3,365,392)</u>
<b>Total Net Cost of Operations (Note 7)</b>	<b><u>\$ 66,573,371</u></b>	<b><u>\$ 67,547,289</u></b>

## STATEMENT OF CHANGES IN NET POSITION

### FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<b>2007</b>	<b>2006</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balances	<u>\$ (4,549,054)</u>	<u>\$ (4,664,726)</u>
<b>Budgetary Financing sources:</b>		
Reimbursement Received	(3,344,242)	(3,300,415)
Accounts Receivable	5,085	2,382
Advance	688	360
Donated Revenue	(35,214)	(25,967)
Appropriations Used	62,677,754	63,635,288
Decrease prior year unfunded cost	3,560,271	3,723,820
<b>Other Financing Sources(Non-Exchange):</b>		
Imputed Financing	<u>3,627,493</u>	<u>3,627,493</u>
Total Financing Sources	66,491,835	67,662,961
Net Cost of Operations	<u>(66,573,371)</u>	<u>(67,547,289)</u>
Net Change	(81,536)	115,672
<b>Cumulative Results of Operations</b>	<b>\$ (4,630,590)</b>	<b>\$ (4,549,054)</b>
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 8,659,809	\$ 7,092,643
<b>Budgetary Financing Sources:</b>		
Appropriations Received	62,727,790	63,000,000
Reimbursement Received	3,344,242	3,300,415
Rescission	-	(630,000)
Donated Revenue	35,214	25,966
Appropriations Used	(62,677,754)	(63,635,288)
Cancellation of expired year	(618,918)	(493,927)
Total Budgetary Financing Sources	<u>2,810,574</u>	<u>1,567,166</u>
<b>Total Unexpended Appropriations</b>	<b>\$ 11,470,383</b>	<b>\$ 8,659,809</b>
<b>Net Position</b>	<b><u>\$ 6,839,793</u></b>	<b><u>\$ 4,110,755</u></b>

## STATEMENT OF BUDGETARY RESOURCES

### FOR THE YEAR ENDED SEPTEMBER 30, 2007

<b>Budgetary Resources:</b>	<b>2007</b>	<b>2006</b>
Budget authority:		
Unobligated balances-brought forward, October 1	\$ 1,041,832	\$ 1,028,349
Recoveries of prior year unpaid obligations	755,024	505,713
Appropriation	62,727,790	63,000,000
Spending authority from offsetting collections	3,443,244	3,365,392
Cancellation of expired year	(618,918)	(493,927)
Permanently not available	-	(630,000)
<b>Total Budgetary Resources</b>	<b>\$ 67,348,972</b>	<b>\$ 66,775,527</b>
<b>Status of Budgetary Resources:</b>		
Direct	63,014,239	62,433,279
Reimbursable	3,344,242	3,300,415
Unobligated balances currently available	149,302	145,664
Unobligated balances not available	841,189	896,169
<b>Total Status of Budgetary Resources</b>	<b>\$ 67,348,972</b>	<b>\$ 66,775,527</b>
<b>Change in Obligated Balances:</b>		
Unpaid obligated balance, brought forward, October 1	9,603,599	9,061,569
Obligations incurred	66,358,481	65,733,694
Gross outlays	(62,712,486)	(64,685,951)
Recoveries of prior year unpaid obligations, actual	(755,024)	(505,713)
<b>Total, unpaid obligated balance, net - end of period</b>	<b>\$ 12,494,570</b>	<b>\$ 9,603,599</b>
<b>Net Outlays</b>		
Gross outlays	62,712,486	64,685,951
Less: Offsetting collections	(3,443,244)	(3,365,392)
Less: Distributed offsetting receipts	(20,318)	(8,221)
<b>Total Net Outlays</b>	<b>\$ 59,248,924</b>	<b>\$ 61,312,338</b>



## STATEMENT OF CUSTODIAL ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2007

<b>Gross Revenue Activity</b>	<b>2007</b>	<b>2006</b>
Sources of Cash Collections:		
Civil Penalties and Fines	\$ 1,933,204	\$ 3,462,348
FOIA and Misc collections	20,318	8,221
Fees Collected-DOJ	3,346	3,544
<b>Total Custodial Revenue</b>	<b>1,956,868</b>	<b>3,474,113</b>
<b>Disposition of Revenue Collected:</b>		
Amounts to be Transferred to:		
Treasury General Fund	1,953,522	3,470,569
Retained by Justice Department-Fees	3,346	3,544
<b>Net Custodial Activity</b>	<b>\$ -</b>	<b>\$ -</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies

#### Reporting Entity

The U.S. Consumer Product Safety Commission (CPSC) is an independent Federal regulatory agency whose mission is to save lives and keep families safe by reducing the risk of injuries and deaths associated with consumer products. The CPSC was created in 1972 by Congress under the Consumer Product Safety Act and began operating in 1973. The agency is headed by three commissioners nominated by the President and confirmed by the Senate for staggered seven-year terms. The President designates one of the commissioners as Chairman. The Consumer Product Safety Act authorizes CPSC to:

- Develop voluntary standards with industry
- Issue and enforce mandatory standards
- Obtain recall of products or arranging for their repair
- Conduct research on potential product hazards
- Inform and educate consumers through the media, state and local governments, private organizations, and by responding to consumer inquiries

#### Fund Accounting Structure

The CPSC's financial activities are accounted for by federal account symbol. They include the accounts for appropriated funds and other fund groups described below for which the CPSC maintains financial records.

General Funds: These funds consist of salaries and expense appropriation accounts used to fund agency operations and capital expenditures.

Miscellaneous Receipt Accounts: The CPSC collects civil penalties, Freedom of Information Act fees and other miscellaneous receipts which by law are not retained by CPSC. The U.S. Department of Treasury automatically transfers all cash balances in these receipt accounts to the general fund of the Treasury at the end of each fiscal year.

Gifts and Donations Receipt Account: U.S.C. Title 15, Chapter 47, section 2076, paragraph (b) (6), authorizes CPSC "to accept gifts and voluntary and uncompensated services." CPSC occasionally receives donations from non-government sources in support of the agency's mission. Funds received from excess property sales are also maintained in this account.

## **Basis of Accounting and Presentation**

The financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities of the CPSC, in accordance with accounting principles generally accepted in the United States of America and the form and content requirements of OMB Circular A-136-Revised June 2007. Effective for fiscal year 2007 the Statement of Financing (SOF) will be presented as a note per OMB's authority under Statement of Federal Financial Accounting Standards 7 and will no longer be considered a Basis Statement. The Statement of Financing will now be a display in the notes and referred to as "Reconciliation of Net Cost of Operations to Budget". The statements have been prepared from the books and records of the CPSC and include the accounts of all funds under the control of the CPSC.

Accounting principles generally accepted in the United States of America encompass both accrual and budgetary transactions. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. The accompanying financial statements are prepared on the accrual basis of accounting.

## **Budget Authority**

Congress annually passes appropriations that provide the CPSC with authority to obligate funds for necessary expenses to carry out mandated program activities. The funds appropriated are subject to OMB apportionment of funds in addition to congressional restrictions on the expenditure of funds. Also, the CPSC places internal restrictions to ensure the efficient and proper use of all funds.

## **Fund Balances with the U.S. Treasury**

Fund balances with Treasury consist of appropriated funds and general fund receipt accounts. Appropriated funds are available to pay current liabilities and authorized purchase commitments. General fund receipt accounts are used to record collections made by the CPSC on behalf of the Department of Treasury's General fund. The CPSC's fund balances with Treasury are carried forward until such time as goods or services are received and payment is made, or until the funds are returned to the U.S. Treasury.

## **Advances and Prepayments**

Payments in advance of the receipt of goods and services are recorded as advances and recognized as expense when the related goods and services are received. Advances are principally advances to CPSC employees for official government business.

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## **Accounts Receivable**

Entity accounts receivables include amounts due from current and former employees. Non-entity accounts receivable are for civil monetary penalties imposed as a result of the CPSC's enforcement activities, and for fees imposed for information requested from the public for Freedom of Information Act requests. CPSC does not retain these non entity receipts.

## **Property and Equipment**

Property and equipment consists of equipment and software. All items with an acquisition value greater than \$5,000 and a useful life over two years are capitalized using the straight-line method of depreciation. Service lives range from five to twelve years.

Internal use software acquired for a value greater than \$5,000 is capitalized using the straight-line method with a service life of five years. Purchased commercial software which does not meet the capitalization criteria is expensed.

## **Accounts Payable and Accrued Liabilities**

Liabilities Covered by Budgetary Resources represent liabilities funded by available budgetary resources, which include appropriated funds and reimbursable authority. Accounts payable and Accrued Benefits represent the amount of monies or other resources that are likely to be paid as the result of a transaction or event that has already occurred.

Liabilities Not Covered by Budgetary Resources exist when funding has not yet been made available through Congressional appropriations or reimbursable authority. The CPSC recognizes such liabilities for employee annual leave earned but not taken, and amounts billed by the Department of Labor for Federal Employee's Compensation Act (disability) payments. In addition, liabilities not covered by budgetary resources include liabilities resulting from the agency's custodial activity. See Note 6.

## **Accrued Leave**

A liability for annual leave is accrued as leave is earned and paid when leave is taken. At year-end, the balance in the accrued annual leave account is adjusted to reflect the liability at current pay rates and leave balances. Accrued annual leave is reflected as a liability that is not covered by current budgetary resources. Sick leave and other leave are expensed as taken.

## **Retirement Plans and Other Benefits**

Federal Employee benefits consist of the actuarial portions of future benefits earned by Federal employees, but not yet due and payable. These costs include pensions, other retirement benefits, and other post-employment benefits. These benefits are administered by the Office of Personnel

Management (OPM) not CPSC. Since CPSC does not administer the benefit plans, the CPSC does not recognize any liability on the Balance Sheet for pensions, and other retirement benefits. CPSC does, however, recognize the imputed costs related to these benefits on the Balance Sheet, the Statement of Net Cost, and the Statement of Financing.

CPSC employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Employees hired after December 31, 1983, are covered by FERS and Social Security, while employees hired prior to January 1, 1984, elected to either join FERS or remain in the CSRS. Under CSRS, CPSC makes matching contributions equal to 7 percent of the employee's gross earnings to the CSRS Retirement and Disability Fund. Employees participating in FERS are covered under the Federal Insurance Contributions Act (FICA) for which the CPSC contributes a matching amount to the Social Security Administration. CPSC contributions are recognized as current operating expenses.

The Thrift Savings Plan (TSP) is a defined contribution retirement savings and investment plan for employees covered by either CSRS or FERS. CSRS participating employees may contribute up to \$15,500 for 2007 but do not receive a matching contribution from the CPSC. FERS participating employees may contribute up to \$15,500 for 2007. For FERS employees, the CPSC's automatic contribution is 1 percent of the employee's gross pay to the TSP. The CPSC matches dollar for dollar on the first 3 percent of basic pay for each pay period. Each dollar of the next 2 percent of basic pay is matched 50 cents on the dollar. CPSC contributions are recognized as current operating expenses.

### **Federal Employees' Compensation Act (FECA)**

The CPSC records an estimated liability for future worker' compensation claims based on data provided from the Department of Labor (DOL).

### **Employee Health Benefits and Life Insurance**

CPSC employees are eligible to participate in the contributory Federal Employees Health Benefit Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGGLIP). The CPSC matches the employee contributions to each program to pay for current benefits.

### **Net Position**

The CPSC's net position is composed of the following:

1. Unexpended appropriations include the amount of unobligated balances and undelivered orders. Unobligated balances are the amount of appropriations or other authority remaining after deducting the appropriation used and unpaid obligations.
2. Cumulative results of operations represent the net results of operations since inception, the cumulative amount of prior period adjustments, and the remaining book value of capitalized assets.

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## Revenues and Other Financing Sources

Exchange and Nonexchange revenue: Exchange revenue is the amount of money earned for goods and services provided to other agencies and the public. For example, reimbursable agreements are considered exchange revenue. Nonexchange revenue is assessed against manufacturers, retailers or distributors who violate the Consumer Product Safety Act, Federal Hazardous Substance Act, and the Flammable Fabrics Act. For example, collections of fines are nonexchange revenue. Other Financing sources are funding such as appropriations, where resources are received and nothing of value is given in return. Following are revenue and financing sources for CPSC with an indication of whether the revenue is exchange, nonexchange revenue, or a financing source:

Freedom of Information Act Collections (Exchange) – The CPSC charges a fee for the processing of Freedom of Information requests. The CPSC accounts for this exchange revenue as a custodial activity. FOIA fees are deposited in the U.S. Treasury and are not available for the CPSC to use.

Civil Penalty Collections (Non-Exchange) – The CPSC has authority to levy fines and penalties. The CPSC accounts for this exchange revenue as a custodial activity. Civil Penalty collections are deposited in the U.S. Treasury and are not available for the CPSC to use.

Reimbursable Work Agreements (Exchange) - The CPSC recognizes reimbursable work agreement revenue when earned, i.e. goods have been delivered or services rendered. CPSC has reimbursable agreements which generated collections from trading partners totaling \$3.3 million in 2007. The CPSC's reimbursable agreements are with the following trading partners: the Center for Disease Control, National Institute for Occupational Safety and Health, Health and Human Services, Department of Transportation, and the Health Resources and Services Administration. The majority of these agreements are for CPSC to utilize its hospital reporting system to collect injury data.

Annual Appropriations (Financing Source) – The CPSC receives financing sources through direct appropriation from the general fund of the Treasury to support its operations. The annual appropriation available for 2007 was \$62,727,790.

## Transactions with Related Parties

The CPSC has relationships and financial transactions with several government agencies. The more prominent of these relationships is the Center for Disease Control, the General Services Administration, Health and Human Services, and the Department of Interior among others. The CPSC recognizes reimbursable work agreement revenue when earned, i.e. goods have been delivered or services rendered.

## Note 2 – Fund Balance with Treasury

### Fiscal Year 2007

	Entity	Non-Entity	Total
General Funds	\$13,485,061		\$13,485,061
Miscellaneous Receipts		\$20,318	\$20,318
Fines and Penalties		\$1,933,204	\$1,933,204
<b>Total</b>	\$13,485,061	\$1,953,522	\$15,438,583

### Status of Fund Balance with Treasury:

	Not Available	Obligated	Unobligated Available	Total
Entity	\$841,189	\$12,494,570	\$149,302	\$13,485,061
Non-Entity:				
Miscellaneous Receipts	\$20,318			\$20,318
Fines and Penalties	\$1,933,204			\$1,933,204
<b>Total</b>	\$2,794,711	\$12,494,570	\$149,302	\$15,438,583

The obligated balance includes accounts payable and undelivered orders, which have reduced unexpended appropriations but have not yet decreased the cash balance on hand.

Other Information: Miscellaneous Receipts and Fines and Penalty balances amounting to \$20,318 and \$1,933,204, respectively, are not available to CPSC activities and are classified as non-entity assets. A corresponding liability is also recorded on the balance sheet.

## Note 3 – Other Assets

This amount represents an outstanding travel advance.

## Note 4 – Accounts Receivable

The CPSC's entity receivable of \$5,085 is due from CPSC employees. This receivable is owed the Agency due to an unsettled debt upon the employee's departure. CPSC's non-entity receivables are composed of Civil Fines and Penalties and Freedom of Information Act activity. CPSC maintains these accounts in a custodial capacity.

## Note 5 – Property, Plant & Equipment (PP&E)

### Fiscal Year 2007

Classes of PP&E	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life in Years
Equipment	\$8,220,211	( \$6,052,135)	\$2,168,076	5-12
ADP Software	\$950,946	( \$760,465)	\$190,481	5
<b>Total</b>	<b>\$9,171,157</b>	<b>(\$6,812,600)</b>	<b>\$2,358,557</b>	

## Note 6 – Other Liabilities

Other liabilities are composed of receivables and collections for Civil Penalties and Fines, and Freedom of Information Act (FOIA) fees. These balances reflect Treasury's balance on the Government wide Accounting & Reporting, Report of Unavailable Receipt Transactions, as of 9-30-07. CPSC maintains these accounts in a custodial capacity.

## Note 7 – Analysis of Material Differences

	Budgetary Resources	Obligations Incurred	Net Outlays
<b>Combined Statement of Budgetary Resources</b>	\$67,348,972	\$66,358,481	\$59,248,924
<b>Difference</b>	\$0	\$0	\$20,318
<b>SF 133, Report on Budget Execution and Budgetary Resources</b>	\$67,348,972	\$66,358,481	\$59,269,242

CPSC does not have any material differences between the Statement of Budgetary Resources and SF 133 as of 9/30/2007. The \$20,318 represents the distributed offsetting receipts reported on the Combined Statement of Budgetary Resources but is not required to be reported on the SF 133.

Also, CPSC Balance Sheet, Statement of Net Cost, and Statement of Budgetary Resources do not have significant variances between the comparative periods FY 2006 and FY 2007.



**Note 8 – Reconciliation of Net Cost of Operations to Budget**

<b>Resources Used to Finance Activities</b>	<b>2007</b>	<b>2006</b>
Budgetary Resources Obligated		
Obligations incurred	\$ 66,358,481	\$ 65,733,694
Less: Collections	(3,443,244)	(3,365,392)
Less: Adjustment-downward	(755,024)	(505,713)
Obligations net of offsetting collections and recoveries	62,160,213	61,862,589
Less: Offsetting receipts	(20,318)	(8,221)
Net Obligations	62,139,895	61,854,368
Other Resources		
Obligations-Beginning of the Period	9,603,600	9,061,570
Imputed Financing Sources	3,267,210	3,627,493
Total Resources Used to Finance Activities	75,010,705	74,543,431
<b>Resources Used to finance items not Part of the Net Cost of Operations</b>		
Changes in Undelivered Orders	(10,479,891)	(7,617,977)
Other/Accrual/Accounts Payable prior year	(1,985,623)	(2,997,275)
Offsetting receipts	20,318	8,221
Resources that finance the acquisition of assets	(119,326)	(542,084)
Total resources used to finance items not part of the net cost of operations	(12,564,522)	(11,149,115)
<b>Total Resources Used to Finance the Net Cost of Operations</b>	<b>\$ 62,446,183</b>	<b>\$ 63,394,316</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>		
Components Requiring Resources in Future Periods:		
Actuarial Federal Employees' Compensation Act Liabilities	395,468	430,344
Unfunded Annual Leave	3,332,347	3,117,029
Unemployment Insurance	(105)	15,639
Total components of Net Cost of Operations that will Require Resources in the Future Period	3,727,710	3,563,012
Components not Requiring or Generating Resources:		
Depreciation	399,478	589,961
<b>Total Components of Net Cost of operations that will not Require or Generate Resources in the Current Period</b>	<b>4,127,188</b>	<b>4,152,973</b>
<b>Net Cost of Operations</b>	<b>\$ 66,573,371</b>	<b>\$ 67,547,289</b>

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## REQUIRED SUPPLEMENTARY INFORMATION

### **Deferred Maintenance**

CPSC does not have any items for which maintenance has been deferred.

### **Intragovernmental Amounts**

See Note 2 on financial statements.

### **Statement of Budgetary Resources**

The statement is prepared on a total Commission basis.

### **Statement of Custodial Activity**

The Commission collects civil penalties and fines, Freedom of Information Act and miscellaneous collections, and Department of Justice fees.

### **Segment Information**

CPSC does not have a franchise fund or other intragovernmental support revolving fund.

## INSPECTOR GENERAL'S AUDIT REPORT OF 2007 FINANCIAL STATEMENTS

### Consumer Product Safety Commission Audit of Financial Statements For Fiscal Year 2007

**Summary:** In our financial statements audit of the Consumer Product Safety Commission (CPSC) for fiscal year 2007, we found:

- the principle financial statements and related notes are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles;
- CPSC had effective internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations;
- the Federal Financial System (FFS), used by the Commission was compliant with financial system requirements set forth in the Federal Financial Management Improvement Act (FFMIA) of 1996; and
- no reportable noncompliance with the laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions and our conclusions on Management's Discussion and Analysis and other supplementary information and (2) the scope of our audit.

**Opinion on Financial Statements:** The financial statements, including the accompanying notes, presents fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, CPSC's assets, liabilities, and net position; net costs; changes in net position; budgetary resources; reconciliation of net costs to budgetary obligations; and custodial activity as of September 30, 2007 and for the year then ended.

**Opinion on Internal Control:** The Consumer Product Safety Commission maintained, in all material respects, effective internal control over financial reporting (including safeguarding assets and prevention of fraud) and compliance as of September 30, 2007. CPSC's internal controls provided reasonable assurance that misstatements, losses, or noncompliance, material in relation to the financial statements, would be prevented or detected on a timely basis. Our opinion is based on criteria established under 31 U.S.C. 3512 (c), (d), the "Federal Managers' Financial Integrity Act;" the Office of Management and Budget (OMB) Circular A-123, "Management Accountability and Control;" revised OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements;" attestation standards established by the American Institute of Certified Public Accountants (AICPA), the Government Accountability Office (GAO), "Government Auditing Standards" (The Yellow Book); and the "GAO/President's Council on Integrity and Efficiency (PCIE) Financial Audit Manual".

**Compliance with Laws and Regulations:** Our tests for compliance with selected provisions of laws and regulations disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards or OMB audit guidance. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

**Consistency of Other Information:** Management's Discussion and Analysis, required supplementary information, and other accompanying information contain a wide range of data, some of which are not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with CPSC officials. Based on this limited work, we found no material inconsistencies with the financial statements or nonconformance with OMB guidance. Nothing came to our attention that would indicate (1) instances of fraud and illegal acts, (2) violation of contract provisions, or (3) abuse or mismanagement in accordance with Generally Accepted Government Auditing Standard 5.12 as amended.

**Objectives, Scope, and Methodology:** Management is responsible for: (1) preparing the financial statements in conformity with generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met; (3) ensuring that CPSC's financial management systems substantially comply with FFMIA requirements; and (4) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether (1) the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and (2) management maintained effective internal control, the objectives of which are the following:

- Financial Reporting: Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
- Compliance with laws and regulations: Transactions are executed in accordance with laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements and any other laws, regulations, and government-wide policies identified by OMB audit guidance.

We are also responsible for (1) testing whether the CPSC's financial management systems substantially comply with the three FFMIA requirements, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Accountability report.

In order to fulfill these responsibilities, we (1) examined, on a test basis, evidence supporting the

amounts and disclosures in the financial statements, (2) assessed the accounting principles used and significant estimates made by management, (3) evaluated the overall presentation of the financial statements, (4) obtained an understanding of internal control related to financial reporting (including safeguarding assets and detection of potential fraud), compliance with laws and regulations (including execution of transactions in accordance with budget authority), and performance measures reported in Management's Discussion and Analysis, (5) tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control, (6) considered the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act, (7) tested whether CPSC's financial management systems substantially complied with the three FFMIA requirements, and (8) tested compliance with selected provisions of the following laws and regulations: the Prompt Payment Act., the Debt Collection Improvement Act of 1996, the Anti-Deficiency Act, the Improper Payments Information Act of 2002, and Various Pay and Allowance Acts.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate.

We did not test compliance with all laws and regulations applicable to the CPSC. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2007. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Our audit work was conducted in accordance with U.S. generally accepted Government auditing standards as issued by the Government Accountability Office and OMB audit guidance as stated in OMB Bulletin No. 01-02.

**Agency Comments and Our Evaluation:** In commenting on a draft of this report (see appendix 1), the CPSC's management concurred with the facts and conclusions cited in our report.

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**MANAGEMENT'S RESPONSE**

**UNITED STATES  
CONSUMER PRODUCT SAFETY COMMISSION  
WASHINGTON, DC 20207**

**Memorandum**

Date: November 8, 2007

**TO :** Christopher Dentel  
Inspector General

**THROUGH :** Edward E. Quist *eeq*  
Director  
Office of Financial Management, Planning and Evaluation

**FROM :** Deborah Peebles Hodge *Dph*  
Director  
Division of Financial Services

**SUBJECT :** Audit of FY 2007 Financial Statements

The audit report prepared by the Office of the Inspector General regarding CPSC's Financial Statements for Fiscal Year 2007 has been reviewed by the Division of Financial Services (FMFS). The finance division concurs with the findings and opinions expressed in the report.

## MANAGEMENT REPRESENTATION



**UNITED STATES  
CONSUMER PRODUCT SAFETY COMMISSION  
WASHINGTON, DC 20207**

### Memorandum

Date: November 1, 2007

**TO :** Christopher W. Dentel  
Inspector General  
Office of the Inspector General

**THROUGH :** Patricia M. Semple *PS*  
Executive Director

**FROM :** Edward E. Quist, Director, Office of Financial Management, Planning and  
Evaluation (EXFM) *EEQ*  
Deborah P. Hodge, Director, Division of Financial Services (FMFS) *Dph*

**SUBJECT :** Fiscal Year 2007 Financial Statements – Management Representation

This letter is in connection with your audit of the U.S. Consumer Product Safety Commission's (CPSC) balance sheet as of September 30, 2007 and the related statements of net costs, changes in net position, budgetary resources, financing, and custodial activity, for the year then ended for the purposes of (1) expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, (2) expressing an opinion on CPSC's internal control as of September 30, 2007 (3) reporting whether the CPSC financial management systems substantially comply with federal financial management systems requirements, applicable federal accounting standards (generally accepted accounting principles), and the *U.S. Government Standard General Ledger* at the transaction level as of September 30, 2007, and (4) testing for compliance with applicable laws and regulations.

Certain representations in this letter are described as being limited to matters that are material. For purposes of this letter, matters are considered material if they involve, regardless of size, an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during the audit pertaining to the 2007 financial statements:

1. We are responsible for the fair presentation of the financial statements and stewardship information in conformity with generally accepted accounting principles.
2. The financial statements are fairly presented in conformity with generally accepted accounting principles.

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

3. We have made available to you all:
  - a. Financial records and related data;
  - b. Where applicable, minutes of meetings of the Commission or summaries of actions of recent meetings for which minutes have not been prepared; and
  - c. Communications from the Office of Management and Budget (OMB) concerning noncompliance with or deficiencies in financial reporting practices (There were none).
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or disclosed in the notes to the financial statements.
5. We believe that there are no uncorrected misstatements, both individually and in the aggregate, to the financial statements.
  6. The CPSC has satisfactory title to all owned assets, including plant, and equipment; such assets have no liens or encumbrances; and no assets have been pledged.
  7. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
8. Liabilities under which the Commission is contingently liable have been properly reported or disclosed.
9. Accounts receivable or payable, including civil penalty and freedom of information act (FOIA) assessments, have been properly recorded and disclosed.
10. All intragovernmental transactions and balances have been appropriately recorded, reported, and disclosed. We have reconciled intragovernmental transactions and balances with the appropriate trading partners for the four fiduciary transactions identified in Treasury's *Intra-governmental Fiduciary Transactions Accounting Guide*, and other intragovernmental asset, liability, and revenue amounts as required by OMB Bulletin 97-01, as amended.
11. There are no:
  - a. Possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency;
  - b. Material liabilities or gain or loss contingencies that are required to be accrued or disclosed that have not been accrued or disclosed; or
  - c. Unasserted claims or assessments that are probable of assertion and must be disclosed that have not been disclosed.



12. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
13. No material events or transactions have occurred subsequent to September 30, 2006 that have not been properly recorded in the financial statements information or disclosed in the notes.
14. We believe that there has been no material fraud (intentional misstatements or omissions of amounts or disclosures in financial statements and misappropriation of assets that could have a material effect on the financial statements) or any fraud involving management or employees involved in the preparation of financial statements.
15. We are responsible for establishing and maintaining internal control.
16. Pursuant to the Federal Managers Financial Integrity Act, we have assessed the effectiveness of CPSC's internal control in achieving the following objectives:
  - a. Reliability of financial reporting – transactions are properly recorded, processed, and summarized to permit the preparation of financial statements and stewardship information in accordance with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use or disposition;
  - b. Compliance with applicable laws and regulations – transactions are executed in accordance with (i) laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements and (ii) any other laws, regulations, and governmentwide policies identified by OMB in its audit guidance; and
  - c. Reliability of performance reporting – transactions and other data that support reported performance measures are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management.
17. Those controls in place on September 30, 2007, provided reasonable assurance that the foregoing objectives are met.
18. We have disclosed to you that there are no significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives and identified those we believe to be material weaknesses.
19. There have been no changes to internal control subsequent to September 30, 2006 or other factors that might significantly affect it.
20. We are responsible for implementing and maintaining financial management systems that comply substantially with federal financial management systems requirements, federal accounting standards (generally accepted accounting principles), and the *U.S. Government Standard General Ledger* at the transaction level.

21. We have assessed the financial management systems to determine whether they comply substantially with these federal financial management systems requirements. Our assessment was based on guidance issued by OMB.
22. The financial management systems complied substantially with federal financial management systems requirements, federal accounting standards, and the *U.S. Government Standard General Ledger* at the transaction level as of September 30, 2007.
23. We are responsible for CPSC's compliance with applicable laws and regulations.
24. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
25. We have disclosed to you that we believe there are no known instances of noncompliance with laws and regulations.
26. The information presented on the Agency's Statement of Budgetary Resources agrees with the information submitted on the Agency's year-end Report on Budget Execution and Budgetary Resources (SF 133). This information will be used as input for the fiscal year 2007 actual column of the Program and Financing Schedule reported in the fiscal year 2009 Budget of the U.S Government. Such information is supported by the related financial records and related data.

## LEGAL REPRESENTATION



U.S. CONSUMER PRODUCT SAFETY COMMISSION  
WASHINGTON, DC 20207

Lowell F. Martin  
General Counsel

Tel: 301-504-7628  
Fax: 301-504-0403  
E-Mail: [lmartin@cpsc.gov](mailto:lmartin@cpsc.gov)

September 18, 2007

Lori Howard  
Auditor  
Consumer Product Safety Commission  
Bethesda, Md. 20814

Subject: Legal Response in Connection with the Fiscal Year 2007  
Financial Statement of the Consumer Product Safety Commission

Dear Ms. Howard:

As Acting General Counsel of the Consumer Product Safety Commission (CPSC), I am writing in response to the letter request from Christopher W. Dentel, Inspector General dated August 28, 2007 in connection with the audit of CPSC's financial statements as of and for the fiscal year ending September 30, 2007.

I call your attention to the fact that as Acting General Counsel for CPSC, I have general supervision of CPSC's legal affairs, which include but are not limited to responsibility for the conduct of all Federal court litigation to which the Commission is a party. I also have authority on administrative litigation matters. In such capacity, I have reviewed litigation and claims threatened or asserted involving CPSC and have consulted with outside legal counsel about them when I deemed appropriate.

Subject to the foregoing and to the last paragraph of this letter, I advise you that since October 1, 2006 neither I, nor any of the lawyers over whom I exercise general legal supervision, have given substantive attention to, or represented CPSC in connection with any loss contingencies coming within scope of clause (a) of Paragraph 5 of the Statement of Policy referred to in the last paragraph of this letter, except as follows:

### ***Pending or Threatened Litigation (excluding unasserted claims)***

There are five pending litigation actions. See the attached Department of Justice forms.

Page 2

With respect to matters that have been specifically identified as contemplated by clauses (b) or (c) of paragraph 5 of the ABA Statement of Policy, I advise you, subject to the last paragraph of this letter as follows:

### ***Unasserted Claims and Assessments***

There are two unasserted claims. See the attached Department of Justice form.

The information set forth herein is as of the date of this letter, the date on which we commenced our internal review procedures for purposes of preparing this response, except as otherwise noted. I disclaim any undertaking to advise you of changes that, thereafter, may be brought to my attention or the attention of our lawyers over whom I exercise general legal supervision.

This response is limited by, and in accordance with the ABA *Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information* (December 1975); without limiting the generality of the foregoing, the limitations set forth in such statement on the scope and use of this response (Paragraphs 2 and 7) are specifically incorporated herein by reference, and any description herein of any "loss contingencies" is qualified in its entirety by Paragraph 5 of the statement and the accompanying commentary (which is an integral part of the statement). Consistent with the last sentence of Paragraph 6 of the ABA Statement of Policy, this will confirm as correct CPSC's understanding that whenever, in the course of performing legal service for CPSC with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, I have formed a professional conclusion that the entity must disclose or consider concerning such possible claim or assessment, I, as a matter of professional responsibility to CPSC, will so advise CPSC and will consult with CPSC concerning the question of such disclosure and the applicable requirements of Statement of Federal Financial Accounting Standards (SFFAS) Number 5, *Accounting for Liabilities of the Federal Government*, as amended by SFFAS Number 12, and Interpretation Number 2 of SFFAS Numbers 4 and 5.

Sincerely,



Lowell F. Martin  
Acting General Counsel

cc: Christopher W. Dentel  
Inspector General

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**PENDING OR THREATENED LITIGATION****AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Case name.** (Include case citation, case number, and other names by which the case or group of cases is commonly known.)

(Redacted) v. CPSC, EEO No. 531-2006-00165X; EEO App. No. 0120073190

**2. Nature of matter.** (Include a description of the case or cases and amount claimed, if specified.)

Employee claims that reassignment to accommodate disability reflected discrimination and reprisal for participation in EEO process. Seeks reinstatement in prior position and unspecified compensatory damages (Agency has fewer than 500 employees; damages capped at \$200,000)

**3. Progress of the case.**

**Agency prevailed at hearing stage; matter is now on appeal.**

**4. The government's response or planned response.** (For example, to contest the case vigorously or to seek an out-of-court settlement.)

(Redacted)

**5. An evaluation of the likelihood of unfavorable outcome.** (Choose one.) (Redacted)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

\_\_\_\_\_ REASONABLY POSSIBLE – the chance of an unfavorable outcome is less than probable but more than remote.

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

**6. An estimate of the amount or range of potential loss** (if one can be made, for losses considered to be probable or reasonably possible).

(Redacted)

**7. The name and phone number of the government attorney handling the case** (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

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**PENDING OR THREATENED LITIGATION****AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Case name.** (Include case citation, case number, and other names by which the case or group of cases is commonly known.)

(Redacted) v. CPSC, EEO No. 531-2007-00239X

**2. Nature of matter.** (Include a description of the case or cases and amount claimed, if specified.)

Employee claims that non-selection for position with greater promotion potential reflected discrimination based on sex, age, and disability, and reprisal for participation in EEO process; employee also asserts claim under the Equal Pay Act. Seeks grade increase, back pay and unspecified compensatory damages (Agency has fewer than 500 employees; damages capped at \$200,000)

**3. Progress of the case.**

Matter is in discovery; (Redacted)

**4. The government's response or planned response.** (For example, to contest the case vigorously or to seek an out-of-court settlement.)

(Redacted)

**5. An evaluation of the likelihood of unfavorable outcome.** (Choose one.) (Redacted)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

\_\_\_\_\_ REASONABLY POSSIBLE – the chance of an unfavorable outcome is less than probable but more than remote.

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

**6. An estimate of the amount or range of potential loss** (if one can be made, for losses considered to be probable or reasonably possible).

(Redacted)

**7. The name and phone number of the government attorney handling the case** (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

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**PENDING OR THREATENED LITIGATION****AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Case name.** (Include case citation, case number, and other names by which the case or group of cases is commonly known.)

(Redacted) v. CPSC, MSPB No. AT-3443—07-0580

**2. Nature of matter.** (Include a description of the case or cases and amount claimed, if specified.)

30% disabled 10-point preference eligible veteran claims CPSC violated the Uniformed Services Employment and Reemployment Rights Act when it did not select him to fill a position vacancy in 2006. Seeks appointment to the position and back pay.

**3. Progress of the case.**

Matter is in discovery; (Redacted)

**4. The government's response or planned response.** (For example, to contest the case vigorously or to seek an out-of-court settlement.)

(Redacted)

**5. An evaluation of the likelihood of unfavorable outcome.** (Choose one.)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

\_\_\_\_\_ REASONABLY POSSIBLE – the chance of an unfavorable outcome is less than probable but more than remote.

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

**6. An estimate of the amount or range of potential loss** (if one can be made, for losses considered to be probable or reasonably possible).

(Redacted)

**7. The name and phone number of the government attorney handling the case** (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

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**PENDING OR THREATENED LITIGATION****AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Case name.** (Include case citation, case number, and other names by which the case or group of cases is commonly known.)

(Redacted) v. CPSC, MSPB No. AT-3443-07-0398

**2. Nature of matter.** (Include a description of the case or cases and amount claimed, if specified.)

30% disabled 10-point preference eligible veteran claims CPSC violated the Veterans Employment Opportunities Act when it did not select him to fill a position vacancy in 2006. Seeks appointment to the position and back pay.

**3. Progress of the case.**

MSPB Administrative Judge dismissed for lack of jurisdiction on April 30, 2007; Appellant sought review by Merit Systems Protection Board; matter is fully briefed and awaiting decision.

**4. The government's response or planned response.** (For example, to contest the case vigorously or to seek an out-of-court settlement.)

(Redacted)

**5. An evaluation of the likelihood of unfavorable outcome.** (Choose one.) (Redacted)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

\_\_\_\_\_ REASONABLY POSSIBLE – the chance of an unfavorable outcome is less than probable but more than remote.

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

**6. An estimate of the amount or range of potential loss** (if one can be made, for losses considered to be probable or reasonably possible).

(Redacted)

**7. The name and phone number of the government attorney handling the case** (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627



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**PENDING OR THREATENED LITIGATION****AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Case name.** (Include case citation, case number, and other names by which the case or group of cases is commonly known.)

(Redacted) v. CPSC, MSPB No. AT-05-3443-0147 and 0179

**2. Nature of matter.** (Include a description of the case or cases and amount claimed, if specified.)

30% disabled 10-point preference eligible veteran claims CPSC violated the Veterans Employment Opportunities Act and Uniformed Services Employment and Reemployment Rights Act when it did not select him to fill a position vacancy in 2004. Seeks appointment to the position and back pay.

**3. Progress of the case.**

On remand from the Federal Circuit for development of the factual record. (Redacted)

**4. The government's response or planned response.** (For example, to contest the case vigorously or to seek an out-of-court settlement.)

(Redacted)

**5. An evaluation of the likelihood of unfavorable outcome.** (Choose one.) (Redacted)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

\_\_\_\_\_ REASONABLY POSSIBLE – the chance of an unfavorable outcome is less than probable but more than remote.

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

**6. An estimate of the amount or range of potential loss** (if one can be made, for losses considered to be probable or reasonably possible).

(Redacted)

**7. The name and phone number of the government attorney handling the case** (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

## UNASSERTED CLAIMS AND ASSESSMENTS

**AGENCY/COMPONENT: United States Consumer Product Safety Commission**

**AGENCY'S MATERIALITY LEVEL FOR REPORTING: \$100.00**

**1. Name of Matter.** *(Include name by which the matter is commonly known.)*  
(Redacted) v. CPSC

**2. Nature of the Matter.** *(Include a description of the matter.)*

Employee alleges ongoing harassment resulting in lost career advancement opportunities caused by discrimination based on race and gender, as well as reprisal for prior EEO activity

**3. The Government's Planned Response** *(if the claim is asserted).*

(Redacted)

**4. An Evaluation of the likelihood of Unfavorable Outcome.** *(Choose one.)* (Redacted)

\_\_\_\_\_ PROBABLE (An unfavorable outcome is likely to occur.)

\_\_\_\_\_ REASONABLY POSSIBLE (The chance of an unfavorable outcome is less than probable but more than remote.)

**5. An Estimate of the Amount or Range of Potential Loss.** *(For probable and reasonably possible complete one.)* (Redacted)

Estimated amount of potential loss: \$ \_\_\_\_\_

Estimated range of potential loss: \$ \_\_\_\_\_

Estimated amount or range of potential loss is unknown: \_\_\_\_\_

**6. The Name and Phone Number of the Agency and DOJ Attorneys Handling the Case** *(Also include any outside legal counsel/other lawyers representing or advising the government in the matter).*

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

**7. The Sequence Number** *(Based on the total number of Unasserted Claims and Assessments your agency/component is submitting. e.g. Number 1 of 2).*  
(#) (total)

## UNASSERTED CLAIMS AND ASSESSMENTS

**AGENCY/COMPONENT: United States Consumer Product Safety Commission**

AGENCY'S MATERIALITY LEVEL FOR REPORTING: **\$100.00**

- 1. Name of Matter.** *(Include name by which the matter is commonly known.)*  
(Redacted) v. CPSC

- 2. Nature of the Matter.** *(Include a description of the matter.)*

Employee alleges ongoing harassment resulting in constructive discharge during her probationary period caused by discrimination based on national origin.

- 3. The Government's Planned Response** *(if the claim is asserted).*

(Redacted)

- 4. An Evaluation of the likelihood of Unfavorable Outcome.** *(Choose one.)* (Redacted)

\_\_\_\_\_ PROBABLE (An unfavorable outcome is likely to occur.)

\_\_\_\_\_ REASONABLY POSSIBLE (The chance of an unfavorable outcome is less than probable but more than remote.)

- 5. An Estimate of the Amount or Range of Potential Loss.** *(For probable and reasonably possible complete one.)* (Redacted)

Estimated amount of potential loss: \$ \_\_\_\_\_

Estimated range of potential loss: \$ \_\_\_\_\_

Estimated amount or range of potential loss is unknown: \_\_\_\_\_

- 6. The Name and Phone Number of the Agency and DOJ Attorneys Handling the Case** *(Also include any outside legal counsel/other lawyers representing or advising the government in the matter).*

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7627

- 7. The Sequence Number** *(Based on the total number of Unasserted Claims and Assessments your agency/component is submitting. e.g. Number 2 of 2).*

(#) (total)

## INSPECTOR GENERAL'S SUMMARY OF MANAGEMENT CHALLENGES

The Reports Consolidation Act requires that the Office of the Inspector General identify the most serious management and performance challenges facing the agency and the agency's progress towards meeting these challenges. The Inspector General concludes that the most serious management and performance challenges to the Commission are in the following areas:

- Management of Human Capital
- Dealing with Imported Products
- Contracting
- Information Technology and Protection of Personally Identifiable Information

**Management of Human Capital:** The challenges facing the CPSC's management of human capital include: dealing with the prospect of increased funding after three successive years of staff reductions and funding levels that resulted in overall reductions in resources available; coping with the increasing number of federal employees who will become eligible to retire over the next several years; utilizing the right mix of training and recruiting to ensure that the agency workforce has the optimum skills to perform its duties and is sufficiently diverse to represent the citizens it serves; and ensuring that its employees are held accountable for living up to the public trust placed in them by the citizens of the United States.

The CPSC has recently conducted several retirement incentive programs, a major reorganization, and reduced the square footage of office space it leased. These actions were designed to reduce staff and related administrative and payroll expenses while reshaping the workforce to deal with the reduced resources available. The agency anticipated facing both short and long term organizational and personnel challenges created by these past actions and by the expected future staff reductions brought on by the anticipated further appropriated funding reductions. Instead, the agency now finds itself facing both a possible increase in funding and a new emphasis on dealing with imported consumer goods.

To deal with the leadership aspects of the challenges detailed above, the CPSC has recently developed and is in the process of implementing a new training program to better equip supervisors to deal with the challenges facing the agency in the current fiscal/legal environment. This training includes both a first ever mandatory supervisory training program for new supervisors and a system for rating and evaluating all supervisors to ensure that proficiency in necessary areas is both initially met and maintained.

**Dealing with Imported Products:** In recent years, approximately two-thirds of all product recalls were of imported products and the majority of those products were manufactured in China. The Commission has reported that a 2007 study showed that the value of U.S. imports from all countries of consumer products under CPSC jurisdiction was \$614 billion in 2006. Of this amount, the value of U.S. imports of consumer products manufactured in China was \$246 billion comprising approximately 40% of all consumer products imported into the United States. From 1997 through 2004, the share of all U.S. imports of consumer products from China increased by almost 300%.

The CPSC has identified this challenge and acknowledged that dealing with these imports has strained the agency's resources and challenged it to find new ways to work to ensure the safety of imported products. The agency is in the process of implementing a plan of action to deal with the issue of imports, with a special emphasis being placed on Chinese imports due to the fact that a large majority of the imported products recalled in the past several years were manufactured in China.

The first part of the agency's plan for dealing with imports involves increased surveillance and enforcement activities. CPSC's Compliance staff work in conjunction with U.S. Customs and Border Protection to make both routine and targeted surveillance and sampling of products at U.S. ports of entry. The CPSC recently began participating in the Automated Commercial Environment (ACE). This new processing system should facilitate the efficient collection and analysis of records of incoming consumer products to identify likely shipments for inspection.

The plan also involves making a major emphasis on working with foreign manufacturers to establish product safety systems as an integral part of their manufacturing process. The final portion of the plan involves continuing to build a formal relationship with the CPSC's counterpart in China, the General Administration of Quality Supervision, Inspection and Quarantine, and generally expanding upon and establishing additional dialogues and initiatives with the Chinese government. At the present time, it is impossible to say if this approach will ultimately prove to be effective. After the plan has had adequate time to demonstrate its effectiveness, and as resources allow, my office will audit both individual components of this plan and the overall effectiveness of the plan.

**Contracting:** In the Federal Government, an increasingly great percentage of the work once performed by Government employees is now performed by contractors. The use of contractors offers opportunities for both cost savings and hiring flexibility. It also offers challenges, particularly when many of the contractor personnel in question work alongside Government personnel inside Federal Offices and are in many cases difficult to distinguish by sight from Government employees.

At their most fundamental level, these challenges require the CPSC to ensure that it obtains the needed work on time, at the quality level called for by the contract, and in return for only that level of compensation that is proper under the terms of the contract. A lack of Government oversight and inadequate contract management could result in the wasting of Government resources and the violation of laws and regulations. Conversely, an inappropriately intrusive level of Government involvement in the contractor's operations could result in increased costs and potentially in the conversion, by operation of law, of the contractor employees into Government employees.

Areas where recent improvements have been made include: a reduction of the number of contractors working "onsite" at the CPSC HQ building, an increased emphasis on implementing performance based contracting principles, early registration into the "Acquisition Career Management Information System" (ACMIS) and the prompt establishment of

certification standards for contracting specialists in accordance with OMB Policy Letter 05-01, and development of an Acquisition Planning document which should provide for better planning and coordination with project officers.

Challenges facing this agency in this area include: promoting greater competition; continuing to implement “Performance Based Contracting” standards and models (in order to maximize cost savings and minimize overhead and administrative costs); developing and/or employing new contract clauses pertaining to contractor ethics, cooperation with Government audits and investigations, and protection of privileged information; doing a better job of identifying and where appropriate utilizing common commercial practices; and determining what standards of conduct apply to contractor employees and how those standards may lawfully be maintained.

**Information Technology and Protection of Personally Identifiable Information:** Increased use of the Internet, coupled with dramatic expansion in computer interconnectivity, has changed the ways that the government, the nation, and much of the world communicates and conducts business. Without adequate safeguards, computer-supported CPSC operations could be at enormous risk of individuals and groups with malicious intent intruding into systems. This access could allow intruders to launch attacks against other computer networks and systems, disrupt operations, commit fraud, or obtain sensitive information.

The Federal Information Security Management Act (FISMA) was put in place to ensure agencies meet consistent standards for security requirements for information and information systems. The National Institute of Standards and Technology (NIST) defines these standards and the Office of Management and Budget (OMB) oversees their implementation. In the past year, new and substantially more robust security requirements have been mandated by NIST.

Independently of the FISMA process, OMB has recently expanded its efforts to ensure agencies protect personally identifiable information – including names, Social Security numbers, and addresses. OMB has requested that Inspectors General ensure compliance with these standards as well as those promulgated under the FISMA regulatory framework.

An evaluation of the CPSC’s Information System Security Program was recently performed to meet the requirements of FISMA, and to determine whether timely and appropriate corrective actions had been taken to correct the material weaknesses identified during prior reviews. The evaluation found that, as in past years, improvements had been made and that security had improved. However, like many other agencies caught between limited budgets and the new security system requirements promulgated by NIST and OMB, the CPSC currently finds itself in a position where it is impossible for it to accomplish all of the new security requirements by their implementation target dates. In this environment, the CPSC is forced to make choices regarding which new requirements to meet in the current fiscal year and which to defer until funding is available. In order to use its limited funds as efficiently as possible, it is important that the choices made provide the agency the greatest possible return on its IT investment. For example, for the relatively low cost of \$12,000 the agency has made security awareness training available to all of its employees, including contractors, (93% to date have received training) and special

training for those with significant IT security responsibilities.

Although substantial improvements have been made, much work remains to be done. There is no agency wide security configuration policy. Agency IT contingency plans have not been tested. The organization has not developed policies and corresponding procedures to cover all NIST SP 800-53 control families, and associated 800-53a controls.

The CPSC recognizes that, as funding allows, more must be done to develop fully, and ensure the continuity of, its information systems security program. Continuing to meet newly issued heightened information security requirements and stay in front of the ever changing threats in this area will be an ongoing challenge to the CPSC for the foreseeable future.

The challenge facing the CPSC regarding protection of personally identifiable information and other sensitive data is even more pronounced. Although the majority of the challenges facing the agency regarding information system security may be addressed through technical improvements, the issues regarding personally identifiable information are more complex and will require the adoption of new policies and methodologies in the management of the agency. This area in particular has been subject to numerous new statutory and regulatory requirements (recent guidance has called for implementation plans to eliminate unnecessary use of Social Security Numbers and review and reduce the agency's holdings of personally identifiable information.) Although much progress has been made in this area, most of the agencies efforts are still being implemented.





## ACRONYMS

AARP	American Association of Retire Persons
AFCI	Arc-Fault Circuit Interrupter
ANPR	Advance Notice of Proposed Rulemaking
ASTM	ASTM International, formerly American Society for Testing and Materials
AQSIQ	Administration for Quality Supervision, Inspection, and Quarantine
ATV	All-terrain vehicle
BCP	Business Continuity Plan
CDC	Centers for Disease Control and Prevention
CO	Carbon Monoxide
CPSC	Consumer Product Safety Commission
FAIR	Federal Activities Inventory Reform
FISMA	Federal Information Security Management Act
FFS	Federal Financial System
FHSA	Federal Hazardous Substances Act
FOIA	Freedom of Information Act
FTE	Full-time equivalent
GFCI	Ground Fault Circuit Interrupter
ICCVAM	Interagency Coordination Committee on the Validation of Alternative Methods
ICD	International Classification of Diseases
IEEE	Institute of Electrical and Electronic Engineering
NEC	National Electric Code
NEISS	National Electronic Injury Surveillance System
NFIRS	National Fire Incident Reporting System
NIST	National Institute of Standards and Technology
NSN	Neighborhood Safety Network
NPR	Notice of Proposed Rulemaking
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PPPA	Poison Prevention Packaging Act
SNL	Sandia National Laboratories
UL	Underwriters Laboratories, Inc.
USFA	United States Fire Administration
VNR	Video News Release
2007	Years mentioned refer to fiscal years except for deaths, injuries and associated property loss which are on a calendar year basis.







U.S. CONSUMER PRODUCT SAFETY COMMISSION  
BETHESDA, MARYLAND 20814