



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

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TESTIMONY OF THE HONORABLE HAL STRATTON  
CHAIRMAN  
SUBMITTED TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE  
ON TRANSPORTATION, TREASURY, AND HUD, THE JUDICIARY, DC

April 14, 2005

Thank you, Mr. Chairman, and good afternoon. I am pleased to have the opportunity to come before your subcommittee today to present the appropriation request for the U.S. Consumer Product Safety Commission (CPSC) for Fiscal Year 2006. Most Members, I am sure, are generally familiar with the mission of the CPSC, but because we are new to your subcommittee, I would like to take some time today to give you an overview of our agency and the work that we do to reduce product hazards and to increase product safety for Americans young and old.

I am here with my colleague and friend, Vice-Chairman Thomas Moore, who has served as a Commissioner since 1995 and has a deep and experienced knowledge of the safety issues that come before the Commission. Usually, we would also have a third Commissioner with us here at the table; however, the Commission currently has a vacancy. The White House has nominated Ms. Nancy Nord for that post, and I am pleased to report that the Senate Commerce Committee held Ms. Nord's confirmation hearing earlier this week. When Ms. Nord is confirmed by the Senate, we will regain the quorum that was lost on April 2<sup>nd</sup> and be able to resume voting and formal action on the important business before the Commission.

The Consumer Product Safety Commission is a bipartisan, independent agency 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. Deaths, injuries and property damage from consumer product incidents cost the nation more than \$700 billion annually. Since its inception, the CPSC has delivered critical safety benefits to America's families and has made a significant contribution to the 30% decline in the rate of deaths and injuries related to hazardous consumer products. We are proud of our mission and our achievements, and we appreciate the support that Congress has extended to the Commission and to its goals over the years.

The CPSC performance budget request for Fiscal Year 2006 is \$62,499,000. Compared to some of the other agencies under your subcommittee's jurisdiction, this is not a relatively large

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amount, but I can assure you and the Members of the committee that we respect the fact that these dollars come from hard-working American taxpayers, and we will spend these dollars efficiently and effectively in assuring consumers that the products they are bringing into their homes, and into other aspects of their lives, are as safe as possible. In this regard, I am proud to report that CPSC was one of six federal agencies recently rated exemplary by the IBM Center for the Business of Government.

This year's requested level of funding is an increase of \$350,000 over our Fiscal Year 2005 budget. This is a smaller increase than we have requested in the past; however, I am confident that with strong leadership and good management, we will not only continue to maintain our basic safety mission but also continue to make progress on the priorities that we have established for the upcoming year.

We are a small agency with a big mission. We currently have approximately 460 FTE staff who work in our headquarters and our laboratory site in suburban Maryland, as well as our field staff located across the country. CPSC is a staff intensive organization with about 90% of its funding going to staff salaries and office rent. To accommodate expected staff salary and office rent increases in 2006, we are planning to reduce our staffing numbers during the year through attrition with a goal of 446 FTE staff by the start of 2006. The final FTE staffing figure may end up higher than that since we are seeking to identify other efficiencies throughout the agency. For example CPSC is in full compliance with the Telework Act, and this has led to rent savings at our field locations.

As I noted earlier, I would like to take this opportunity to give a brief overview of the agency for the Members who did not serve on our previous appropriations subcommittee. The CPSC has three core functions: hazard identification and reduction, compliance activities, and consumer information.

The CPSC's Office of Hazard Identification and Reduction (HIR) collects information needed to assess product hazards and develop injury reduction strategies. The staff collects data on consumer related injuries and deaths, as well as hazard exposure information, for those products under our jurisdiction. The basis of our injury information is our National Electronic Injury Surveillance System (NEISS) which provides national estimates for injuries related to consumer products. Along with CPSC's field staff, HIR also investigates specific injury cases to gain additional knowledge and data about injuries or hazards and how the reported product was involved.

Because quality data is central to the execution of CPSC's mission, we are continuing to strengthen our data collection and analysis process. Recent improvements include the development of new statistical systems for fire deaths and injuries and the implementation of our National Burn Center Reporting System which focuses on children's clothing. Staff also conducts several types of studies each year, including special investigations and emerging hazard evaluations. Taken together, these activities lay the groundwork for our standard setting and other hazard reduction activities.

I should mention at this point that the Commission is currently working on two new flammability standards that if promulgated would be the most significant safety regulations that the CPSC has ever issued. Mattresses and bedding materials continue to be one of the main contributors to residential fire deaths. The Commission recently issued a proposed standard addressing open flame mattress flammability and an Advance Notice of Proposed Rulemaking on bedclothes.

Residential fires involving upholstered furniture are another leading cause of fire deaths and injuries. CPSC staff is developing a revised draft flammability standard containing performance requirements to address both cigarette and open flame ignition of upholstered furniture and is preparing a package of regulatory options for the Commission's consideration. These are priority issues for the Commission, and we look forward to regaining our quorum so that we can move forward on these important safety proposals.

When a safety standard or ban is established, it is CPSC's Office of Compliance, working closely with the agency's field staff, that enforces the law. The Compliance office also conducts investigations of product hazards to determine whether corrective action (recall) is necessary. CPSC may initiate an investigation based on information we have received from outside sources such as letters and calls from consumers, newspaper reports, trade complaints, and inquiries from state and local governments. Alternatively, CPSC staff may start an investigation based on statutorily required product hazard reports from manufacturers and retailers. The Office of Compliance has recently announced a new model for reporting by retailers; it has already resulted in many more reports.

CPSC staff conducts programs to monitor compliance with safety standards by conducting field inspections of manufacturing facilities and distribution centers and making purchases at retail establishments or via catalogs or the internet. Additionally, staff conducts surveillance and sampling of imported products at ports of entry. In 2004, CPSC staff conducted 278 seizures and detained over 6.7 million units of imported products for possible safety hazards.

Our governing statutes permit the Commission to assess civil penalties and to seek public notice and corrective action for defective products that create a substantial risk of injury to consumers. Before losing our quorum earlier this month, we announced the largest civil penalty ever issued by the CPSC, \$4 million, against a company that failed to report to the agency some 12 million products that posed a danger to young children. Due to aggressive enforcement of our safety laws, 2005 is likely to be the highest penalty year in the history of the Commission. I should note that all of these amounts are returned to the U.S. Treasury and none are retained by the CPSC.

Also in 2004, the CPSC announced 356 recalls that involved a record 218 million product units. The largest of these recalls involved toy jewelry that contained accessible lead, a serious health threat to children. Other recalls involved a range of products including bunk beds that posed a strangulation hazard, floor fans that posed a fire hazard, and strollers that posed a head injury hazard.

One key element of any recall is targeted public notices to inform owners of a recalled product of the hazard and the remedies available. That effort is led by our Office of Information and Public Affairs using a wide range of resources to publicize the recall.

CPSC continues to be pro-active in improving recall effectiveness. Last year, we launched the Neighborhood Safety Network (NSN), a grassroots effort to communicate important safety messages to vulnerable and hard-to-reach populations. In partnership with other government agencies and private sector organizations, NSN is reaching populations categorized by age, region, culture or economic status. The goal of NSN is to get safety information to larger audiences quickly and efficiently. I am especially proud that CPSC has been very successful in improving outreach to the nation's Hispanic community. In the last two years, visits to the CPSC website's Spanish home page have jumped 155 percent. Phone calls from Spanish-speaking consumers to CPSC's Hotline tripled in fiscal year 2004 from the previous year.

Another initiative that I am proud of is Recalls.gov. Over one million visitors have logged on to Recalls.gov, which provides consumers with one single source to get information on all the recalls conducted by the federal government. The site also allows consumers to report a problem with a consumer product, motor vehicle, food or environmental product.

CPSC led the way in bringing together the EPA, FDA, NHTSA, the Coast Guard and Department of Agriculture to create Recalls.gov in the Fall of 2003. In November 2004, we added a new "Recent Recalls" feature, which provides your constituents and consumer reporters with a link to breaking news about product recalls. To build on the success of Recalls.gov and further expand the reach of the Web site, CPSC is creating a feature that allows parents and consumers to sign-up for e-mail notifications when recalls occur of products about which they are concerned.

Another important outreach effort is our annual Recall Roundup Campaign which focused last year on resale outlets such as thrift stores. CPSC joined forces with the National Association of Resale and Thrift Shops, the National Safe Kids Campaign, and the Danny Foundation to stop resale, consignment and thrift shop stores from selling previously recalled or banned products. Additionally, safety seminars were conducted across the country to educate store employees about how to check their stores for hazardous products. The CPSC also continues to work with companies like eBay to ensure that dangerous products are not sold on public auction websites.

On another front, recognizing that the market is global and that the vast number of our consumer products are imported from overseas, I established a new office, the Office of International Programs and Intergovernmental Affairs, to focus on these challenges. Through this initiative, CPSC has established working relationships with our counterparts in other countries through the execution of formal memoranda of understanding, or MOUs, with China, the European Commission, Costa Rica and Taiwan. The agency expects to formalize MOUs with other countries including India, Canada, Mexico, Peru and Chile in the near future.

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As the first CPSC Chairman to visit China, my goal is to get beyond the American ports of entry and get to the actual sites around the world where these products are produced and make certain that our safety message and safety standards are understood and respected globally. For example, last June I had the opportunity to return to China to address the International Organization for Standardization on toy safety. China is now the number one toy producing country in the world, and the United States is the number one toy consuming country in the world. It is critical that we work to make certain that these products are safe for American families before they are ever put on a ship bound for an American port.

As Chairman of the CPSC, I am committed to openness and transparency in government. Prior to my tenure, it was not the practice to have oral testimony by citizens or stakeholders at most agency regulation briefings. We changed that policy because I believe it is critical that we hear from the families and the businesses that are impacted by our decisions.

Further, last October, we launched two pilot programs to invite public comments on product safety voluntary standards positions and research reports. At present, CPSC staff is involved in the development of over sixty consumer product voluntary standards. This pilot program is inviting public comment on a number of staff's voluntary standards activities including those on smoke alarms, pool safety, portable generators, bunk beds and child resistant gasoline containers.

Before closing, I would be remiss to come before the committee and not commend to you the outstanding professional staff at the CPSC. Since starting as Chairman two and a half years ago, I have had the opportunity to work with the most competent and talented civil servants who possess the kind of scientific and technical knowledge that the private sector would reward handsomely. Instead, they have chosen a career of public service where they dedicate themselves to improving product safety for American families.

Mr. Chairman, I appreciate your support of our work, and I want to again assure the committee Members today that we at the CPSC are committed to our mission to reduce product hazards and to assure the safety of consumer products in American homes. I look forward to working with the Members towards these goals and welcome any questions that you may have. Thank you.



Mr.  
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