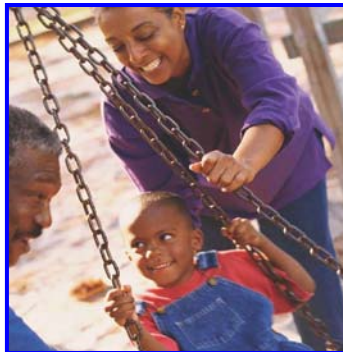




U.S. Consumer Product Safety Commission



2009 Performance and Accountability Report

Saving Lives and Keeping Families Safe

November 2009

www.CPSC.gov



MESSAGE FROM THE CHAIRMAN

The U.S. Consumer Product Safety Commission (CPSC), an independent health and safety regulatory agency, is responsible for protecting the American public from unreasonable risks of injury and death from about 15,000 types of consumer products. The CPSC is at the dawn of a new day - one that brings new opportunities in our efforts to keep American families safe by reducing the risk of injuries and death from consumer products. As the new Chairman of the CPSC, I am focusing on transparency and openness to those we serve, a renewed focus on education and advocacy to all American consumers, and fair but firm enforcement of the product safety laws we oversee.



2009 PERFORMANCE HIGHLIGHTS

CPSC has undergone major changes, including a new administration, a new Chairman, two new Commissioners, and new legislation [the Consumer Product Safety Improvement Act (CPSIA) of 2008, the Virginia Graeme Baker Pool and Spa Safety Act, and the Children's Gasoline Burn Prevention Act]. The Commission is also working hard to address the challenges of the global market place. Both Congress and the new administration have shown that they want a more vigorous and proactive CPSC. To accomplish this goal, CPSC has:

Continued implementation of CPSIA. This Act represents the most substantial change in consumer product safety since the creation of the Agency in 1973. In 2009, we continued to implement the CPSIA through rulemaking, enforcement, and other safety standard activities. We completed 15 rules or other documents required by the CPSIA. The number of completed assignments required by the CPSIA, however, is only a partial accounting of the Commission's actual workload. For example, in some cases, a statutory requirement under the CPSIA triggered additional work and the need for the Commission to issue a proposed rule (before it could issue the CPSIA required final rule), an interpretive rule, a statement of policy, or a guidance document. These other rules and documents constitute an additional 20 items completed in 2009. We have also held numerous public briefings to help stakeholders understand their obligations under the law, created a special Web site devoted to CPSIA, and responded to thousands of inquiries from affected manufacturers, retailers, resellers, and consumers. CPSC's goal in implementing the law is to help keep businesses open and in compliance, while giving parents greater confidence when shopping for products for their children.

Provided industry outreach and guidance on CPSIA requirements. When Congress enacted the CPSIA, the Commission quickly received thousands of questions from individual parties. We reviewed the questions for major themes and posted Frequently Asked Questions (FAQs) and responses on our newly created CPSIA Web site.

Worked with U.S. Customs and Border Protection (CBP) to strengthen the oversight of imported consumer products. CPSC increased the number of staff collocated with CBP at U.S. ports of entry, performed outreach to the importing community on new CPSIA requirements, and updated and submitted to CBP both data and operational Memorandums of Understanding to enhance information sharing. Our cooperation with CBP resulted in collection of 1,600 samples after field screening for CPSC violations, seizure in multiple ports of All Terrain Vehicles that lacked approved safety plans, and initiation of the

Importer Self Assessment Product Safety pilot program with the Office of International Trade. CPSC was also invited by CBP to participate in the Commercial Targeting and Analysis Center where health and safety agencies will partner on information sharing and enforcement.

Worked to address the drywall safety concerns. I have personally visited homes where I met families in Virginia and Florida devastated by this issue. CPSC is working tirelessly with U.S. Environmental Protection Agency, the Centers for Disease Control and Prevention, Agency for Toxic Substance and Disease Registry, the U.S. Department of Housing and Urban Development, and numerous state departments of health to bring answers and solutions to these affected families. CPSC has conducted more than 700 telephone interviews with affected homeowners and 809 in-depth investigations. CPSC field investigators have responded to the imported drywall issue, collected samples, and followed up on hundreds of consumer complaints. In an effort to go to the source of the problems, a special team traveled to China to get a first-hand look at various mines and plants that make drywall. Additionally, we developed an online *Drywall Information Center* (www.DrywallResponse.gov), which provides the latest information on technical developments, news about the investigation, a way for homeowners to report incidents to CPSC and established an e-mail distribution (listserv) to disseminate noteworthy developments directly to interested parties. CPSC and our federal and state partners also conducted several studies of drywall samples, chamber emission studies and air quality studies. The results of the studies have been delivered to Congressional leaders and the CPSC will continue to work with Congress to develop an appropriate plan for affected homeowners.

Started enforcing the Virginia Graeme Baker Pool and Spa Safety Act. In December 2008, the Virginia Graeme Baker Pool and Spa Safety Act became effective. CPSC participated in Webinars, held meetings, and disseminated information on the Pool and Spa Safety Act to all pool and spa owners, operators, technicians, manufacturers, state and local health officials, and other organizations concerned with children's safety and drowning. CPSC inspected over 1,200 public pools and spas in 38 states for compliance with drain cover requirements of the Act. We also entered into a partnership with the Centers for Disease Control to provide states in 2010 with enforcement grants and funded a major information campaign to begin in 2010.

Launched a new social media campaign including CPSC's OnSafety blog, YouTube channel, CPSC photos on Flickr, streaming recall news on our widget, and OnSafety page on Twitter. In 2009, CPSC launched a comprehensive social networking initiative that will increase transparency, empower consumers, encourage their involvement in surveillance, and speed consumer and industry responses to safety alerts. It will make life-saving information more accessible to millions of consumers through CPSC's OnSafety blog, twitter, Facebook, and other social media networks. We modeled this initiative after the White House's use of social media and the platforms provide low cost, highly effective, and creative ways to reach millions of families who have never heard of CPSC before. CPSC also initiated the development of SaferProducts.gov (working name), our consumer product safety enhancement effort mandated by the CPSIA. SaferProducts.gov, scheduled for release in 2011, is a searchable and easy to use database that will allow CPSC to revolutionize the way it interacts with the public. Consumers will be able to report and track incidents, receive alerts based on specific areas of interest, and conduct research across a vast data repository of information sources. The goal of this initiative is to save lives and prevent injuries through increasing a consumer's access to vital safety information.

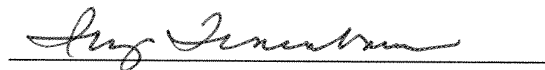
Established CPSC's first overseas presence. CPSC will establish its first overseas presence at the U.S. Embassy in Beijing and hired a product safety specialist who will likely begin work in December 2009. This enables CPSC to promote compliance with U.S. product safety requirements among Asian (especially Chinese) exporters and to coordinate with product safety regulators in the region.

Hosted the third Biennial Summit with China. CPSC and its Chinese counterpart agency, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), held its third Biennial Consumer Product Safety Summit in Wuxi, Shanghai and Beijing, China in October 2009. Both agencies agreed in a Joint Statement signed in Beijing that a “systematic improvement of practices in the supply and distribution chain will be the most effective means of enhancing product safety.” The focus of CPSC and AQSIQ’s cooperative activities over the next two years will be to ensure that suppliers and importers establish a comprehensive and systemic approach to preventing and detecting safety hazards in consumer products, from product design, through manufacturing, to the ultimate use of the product by the consumer.

Continued our Neighborhood Safety Network grassroots program. The Neighborhood Safety Network (NSN) has 5,600 members who are community leaders and who pass on vital safety information to their constituents. These members include tribal leaders, fire chiefs, health care workers, and child safety advocates. We plan to expand this program and target our materials to specific hard-to-reach populations that the NSN aims to serve. CPSC believes that every American deserves to have access to product safety information that could keep them and their children secure in their homes.

CONCLUSION

CPSC is operating in an open, transparent, and collaborative way and in a manner worthy of the American people. We protect American families from unknown or unforeseen dangers in the consumer products they use. All of us at the U.S. Consumer Product safety Commission will steadfastly continue our work to ensure that safe consumer products are available for all Americans.



Inez Tenenbaum
Chairman

November 16, 2009

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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 and the more recent Consumer Product Safety Improvement Act of 2008 (CPSIA), CPSC also administers six other laws: the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act, the Refrigerator Safety Act, the Pool and Spa Safety Act, and the Children's Gasoline Burn Prevention Act.

OUR MISSION

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

Did You Know?

There are thousands of types of consumer products under CPSC jurisdiction. We rely on sound science and data collection to alert us to product hazards. We collect death, injury and incident information from many sources including the nation's hospital emergency rooms and from death certificates provided by all 50 states. We assess risk and help protect consumers by concentrating on effectively increasing the safety of consumer products.



How We Do It

CPSC uses the following strategies:

- ★ Develops or revises mandatory safety standards, seeking input from all interested parties. In 2009, we worked on rules related to the CPSIA for products such as children's toys (lead content), cribs, infant bath seats, and infant walkers.
- ★ Participates in the development and revision of voluntary safety standards by working cooperatively with stakeholders. In 2009, we worked on voluntary standards for products such as toys with magnets, arc-fault circuit interrupters, smoke alarms, recreational helmets, vented gas appliances, and window guards.
- ★ Facilitates the recall of products that violate mandatory safety standards or are defective. In 2009, we obtained the recall of products such as toys with lead paint and small parts, children's sleepwear, and fireworks.
- ★ Protects consumers from unsafe imported products by port surveillance and by working with the governments of exporting countries to educate them on U.S. safety standards.
- ★ Provides the public with easy access to information about product hazards with our new social media site, *On Safety*, featuring You Tube videos, Twitter updates, and photos on Flickr.

APPROACHES TO PRODUCT SAFETY

HOW WE REDUCE HAZARDS

CPSC uses a number of strategies to reduce the risks associated with hazardous consumer products. These strategies include: (1) developing mandatory safety standards; (2) participating in the voluntary standards process; (3) conducting activities to ensure the safety of imported products; (4) conducting compliance activities to enforce existing regulations that can result in recalls or corrective actions; and (5) alerting the public to safety hazards and informing them about safe practices. The Commission bases its actions on information developed from its extensive data collection systems, which staff use to assess the causes and scope of product-related injuries.

Consumer Product Safety Improvement Act

CPSC has worked diligently on implementing the CPSIA. Implementation of the CPSIA, along with two other recently enacted product safety laws – the Virginia Graeme Baker Pool and Spa Safety Act and the Children's Gasoline Burn Prevention Act, has significantly increased the workload of the Commission. CPSC has been issuing rules at an unprecedented pace.

CPSC has completed 37 rules and related rulemaking activities or official Commission actions¹ such as limiting lead in children's products, requiring warning labeling for toy and game advertisements, developing laboratory accreditation and third party testing requirements, and issuing guidance documents for lead-containing paint and certain childcare and children's products containing phthalates. The Commission staff is actively engaged in more than 60 other CPSIA-related activities for Commission consideration.

Import Safety

The U.S. imports many consumer products, especially toys and other children's items, mostly from China. Most of CPSC's recent product recalls have been imported products. CPSC is addressing the potential risk associated with imported products through an Import Safety Initiative, which is based on three key principles: (1) assuring product safety is built into the manufacturing and distribution processes from the start; (2) increasing enforcement at the border to stop unsafe goods from entering the country; and (3) enhancing surveillance of the marketplace to remove unsafe products from store shelves.

CPSC's Office of International Programs and Intergovernmental Affairs conducts activities and creates strategies aimed at ensuring greater import compliance with U.S. product safety requirements. A key emphasis of this program is encouraging foreign manufacturers to establish product safety systems as an integral part of manufacturing. The 2009 appropriation allowed CPSC to develop an international staff presence in China, which will allow

¹ Identified by *Federal Register* documents relevant to the Consumer Product Safety Improvement Act of 2008, as issued by the Consumer Product Safety Commission during the period of September 22, 2008 to September 3, 2009.

CPSC more coordination of safety efforts with Chinese manufacturers and the Chinese government.

In 2008, CPSC implemented an Import Safety Initiative, including the establishment of a new Import Surveillance Division, which marks the first permanent, full-time presence of CPSC investigators at key ports of entry throughout the U.S. Five additional staff members were added in 2009. The port investigators work with compliance officers, research analysts, attorneys, and support staff. Furthermore, staff increases in other offices (in 2008 and 2009) support other import safety efforts.

Safety Standards

CPSC 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 public comment, receive and evaluate comments, or 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. The standards organizations consider our comments, however, throughout the process. The CPSIA resulted in delaying some of our previously planned work on voluntary safety standards to focus on higher priority CPSIA activities.

The process of mandatory rulemaking is another option for developing safety standards. If a voluntary standard exists, then by law, the Commission may issue a mandatory standard only when the Commission finds 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. During the rulemaking 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 under development are requirements for portable generators, upholstered furniture, cribs, and baby walkers. We may initiate rulemaking based on petitions from outside parties or based on staff recommendations.

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 consumer reports to our hotline and Web site. In addition, firms are required to report potential product hazards or violations of standards to the Commission. In 2005, staff developed a *Retailer Reporting Model* that enables companies to report potential hazards or violations more

efficiently. Seven companies, including several of the nation's largest retailers, now follow the model.

When a recall is necessary, Compliance staff negotiates with the responsible firm. In 2009, CPSC staff completed 465 cooperative recalls (100 percent voluntary) involving 229.6 million consumer product units that either violated mandatory standards or presented a substantial risk of injury to the public.

When companies fail to report as required, CPSC can seek civil penalties. In 2009, CPSC negotiated out-of-court settlements in which 38 companies voluntarily agreed to pay \$9.8 million in civil penalties to the U.S. Treasury. This total is expected to increase in the future because the CPSIA allows CPSC to impose significantly higher penalties.

Fast Track is a program that helps companies that report and correct a problem quickly to remove unsafe products from the marketplace within 20 business days. The program streamlines the process of recalls by eliminating many procedural steps of the process, including the preliminary determination of a hazard. Because defective products present a risk of injury or death, removing hazardous products from the marketplace faster can prevent injuries and save lives. Recalls conducted under the Fast Track program do not require lengthy hazard analyses and the recall process begins within 20 days of a firm's report to CPSC over 95 percent of the time.

CPSC's Small Business Ombudsman helps small firms comply with product safety regulations and guidelines. Staff has updated the small business Web page on our Web site, including posting new *Guide to the Consumer Product Safety Improvement Act for Small Businesses, Resellers, Crafters, and Charities*.

Consumer Information

CPSC alerts the public through a variety of methods including: recall alerts; print and video news releases; public service announcements; publications; national and local television appearances; our hotline; our listservs; Internet sites (www.cpsc.gov, www.recalls.gov, www.atvsafety.gov, www.poolsafety.gov); though our CPSC information centers (*Resale/Thrift Stores*, *Drywall*, *Cribs*, *Generators*); our CPSIA Web page (www.cpsc.gov/about/cpsia/cpsia.html); our blog (www.cpsc.gov/onsafety), recall widget, and social media sites (*YouTube*, *Twitter*, *Flickr*); and other outreach activities such as the *Neighborhood Safety Network (NSN)*. The NSN is a grassroots outreach program that provides timely lifesaving information to more than 5,600 organizations and individuals who, in turn, share our safety posters and news alerts with underserved consumers who might otherwise be unlikely to hear or receive the information from CPSC.

To make the *Neighborhood Safety Network* program even more effective and useful for grassroots safety organizations, CPSC

developed an on-line toolkit which allows communities to promote safety by downloading a variety of free publications, posters, checklists, and tools to create their own program on fire safety, drowning prevention, all-terrain vehicle (ATV) safety, and other consumer safety issues. The toolkit also has a “Design a Safety Program” link to assist officials in disseminating this lifesaving information in their communities. CPSC will continue to update this site with new programs and will continue to promote the initiative among the members of NSN.

CPSC warns the public about product-related hazards. Our “Drive to One Million” campaign started in 2007. This effort uses several Commission tools to make the public aware that despite our best efforts there are still many recalled products in the hands of the public. The 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 and social media platforms. Consumers can receive notice of recall information by signing up at www.cpsc.gov/cpsclist.aspx or registering to receive CPSC’s Twitter updates.

CPSC continually strives to improve our Web site, consumer hotline, National Injury Information Clearinghouse, and publications distribution capability to better serve the public. CPSC’s Web site has grown rapidly from 13.7 million visits 3 years ago to about 40 million visits in 2008 and 2009; users accessed publications from our Web site 10.4 million times in 2009. This increase is due, in part, to the successful introduction of new technology, which has replaced faxing and e-mailing to disseminate product safety information to the public, and provided instantaneous release of information. CPSC now posts 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.

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

In December 2008, the Virginia Graeme Baker Pool and Spa Safety Act became effective. In 2009, staff:

- participated in six Webinars, conference calls or other electronic activities with pool and spa community stakeholders;
- spoke before groups of state and local health officials;
- prepared and disseminated posters and brochures to grass roots groups and other organizations concerned with children’s safety and drowning;
- responded to e-mail and telephone messages for information from pool and spa owners, operators,

technicians and service representatives, manufacturers of pool products, and many others;

- created a new Web site (www.poolsafety.gov) and a new listserv reaching over 2,100 stakeholders;
- reached over 51 million viewers with TV interviews and participated in print and radio interviews; and
- responded to 32 reports of drowning incidents with our Rapid Response system, which provides the media with timely educational materials about drowning prevention when local tragedies have touched a community.

In 2010, CPSC will address requirements of the Act through a comprehensive education initiative to reduce child drowning and drain entrapments, and to inform public pool and spa operators of the new requirements of the Pool and Spa Safety Act.

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 Commission'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.

Updates to NEISS in 2000 improved the data to include all trauma-related injuries. The expanded data provide other Federal agencies, researchers, and the public with more comprehensive information on injuries from all sources, not just consumer products. The Institute of Medicine of the National Academies recommended the expansion of NEISS into an all-injury system. Reimbursable funds of approximately \$2 million from the Centers for Disease Control and Prevention support this effort. The reimbursable funds allow us to collect non-consumer product injury data, while we continue collecting 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 and the District of Columbia. Our Medical Examiner and Coroner Alert Project collects and reviews approximately 4,600 additional reports from participating medical examiners and coroners throughout the country. We also collect and review about 7,400 newsclips and 14,300 other reports of product-related injuries and deaths from consumers, lawyers, physicians, fire departments, and others.

Risk Management System/ Public Database/ Early Warning System

The Consumer Product Safety Risk Management System (CPSRMS) is an example of the Commission's efforts to alter the way CPSC approaches early warning detection by creating a single data source and resolving issues of siloed systems with disparate data. CPSIA directed the Commission to modernize its IT systems and develop a database searchable by the public. In response to that mandate, the Commission is developing a single, integrated web-based environment – the CPSRMS – that will allow public access to consumer product safety information, and allow the CPSC to continue to monitor the safety of products from across the globe.

The Commission plans to release the first version of the public database (*www.SaferProducts.gov*, final Web site name still to be determined) by March 11, 2011. The new database will allow CPSC to dramatically change the way we interact with the public, with industry, and with other government agencies. This will allow a greater exchange of information in both directions and provide benefits to CPSC as well as our constituents. The database also increases the transparency of CPSC data and efforts to detect hazardous products.

In 2007, CPSC staff established a pilot program for an Early Warning System (EWS) that used subject matter experts to characterize risk factors for three products: cribs, bassinets, and play yards. Electronic searches using these risk factors allowed for identification of cases with similar hazard patterns: work on EWS contributed to 12 recalls involving more than 3 million cribs, bassinets, and play yards, demonstrating the successful implementation of the pilot EWS processes and procedures.

Emerging Hazards

Every week, CPSC receives thousands of consumer product incident reports from our hotline, our Internet reporting system, news clips, and NEISS. Staff constantly reviews and analyzes this large volume of data to identify patterns and trends indicating a potential emerging hazard.

Our emerging hazards work involves professionals from across CPSC and has three objectives:

- identify patterns and trends indicating an emerging consumer product hazard;

- investigate incident reports to accurately characterize hazards; and
- mitigate identified hazards by alerting consumers to the potential risks and removing hazardous products from the marketplace.

As CPSC receives consumer product-related incident reports, CPSC analysts identify the product involved and determine if an injury or fatality has occurred. Analysts conduct data searches to determine the number and type of similar reports previously received by CPSC. The analysts characterize the frequency of reports received by product type and track the number of reports received on any specific product over multiple years. Staff classifies the incident reports by severity (no injury, injury, or death) and evaluates hazard patterns for indications of emerging trends.

If the analysts detect an increased frequency of reports for a given product or manufacturer field investigators may conduct an in-depth investigation to better understand how the injury occurred, the consumer product involved, and other information relevant to the investigation.

Through these and other actions, CPSC staff identifies and addresses consumer product hazards in a timely manner.

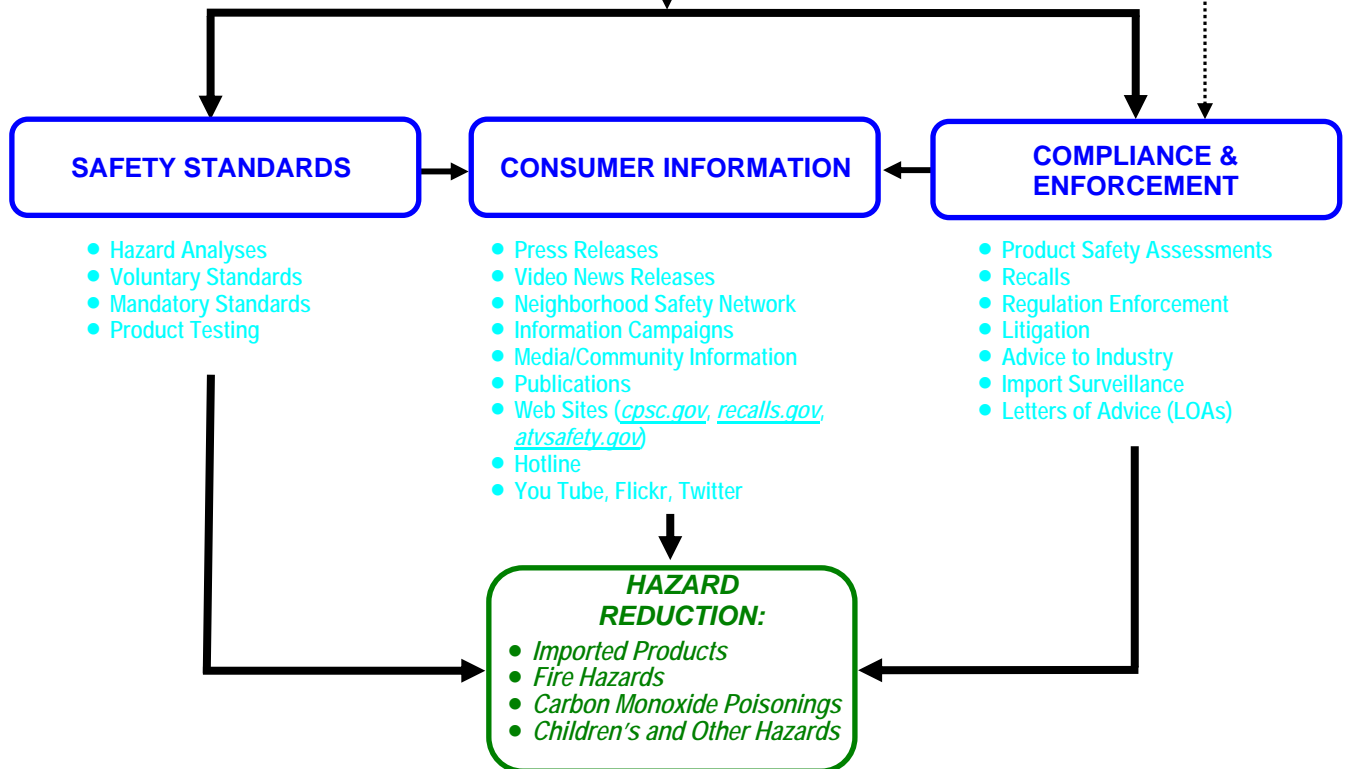
APPROACHES TO PRODUCT SAFETY SUMMARY

IDENTIFYING HAZARDS:



- National Estimates
- Emerging Hazards
- Economic Analysis
- Petition Responses

REDUCING HAZARDS:



CPSC'S STRATEGIC PLAN AT A GLANCE

STRATEGIC GOALS

CPSC's second Strategic Plan adopted in September 2003 (scheduled for revision) guided the development of the CPSC resource requests and focuses on the following two results-oriented hazard reduction strategic goals:

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

*Improve
service quality
and customer
satisfaction*

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 Management Services by establishing annual performance goals in all five Management Services areas.

We plan to revise the Strategic Plan in 2010. Delays to the revision to the Strategic Plan, originally planned for 2006, occurred for several reasons. CPSC lacked a quorum for extended periods in 2007 and 2008. Further, the enactment of the Consumer Product Safety Improvement Act in late 2008 brought about significant changes in CPSC operations and the next plan revision must incorporate these changes. Finally, in July 2009 a new Chairman was sworn in, and in August 2009, two additional Commissioners were sworn in, increasing the number of Commissioners to five, the Commission will now develop a new strategic plan.

2009 PERFORMANCE SUMMARY

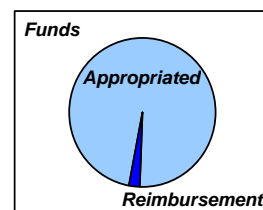
We met or exceeded most of our 2009 Performance Plan goals. In successful pursuit of the 2009 plan, we made these safety advances:

- ❖ Implemented significant portions of the Consumer Product Safety Improvement Act of 2008 (CPSIA) by completing 37 rules and related rulemaking activities or official Commission actions² such as limiting lead in children's products, requiring warning labels for toy and game advertisements, developing laboratory accreditation and third party testing requirements, and issuing guidance documents for lead-containing paint and certain childcare and children's products containing phthalates. Information on all CPSIA activities can be found at www.cpsc.gov/about/cpsia/cpsia.html.
- ❖ Continued implementation of the Import Safety Initiative and improved import safety with a number of activities. CPSC hired a product safety specialist stationed in China, providing CPSC a presence outside the U.S. for the first time. CPSC expanded the Import Surveillance Division to 14 permanent, full-time CPSC personnel stationed at key U.S. ports of entry. The port investigators continued to work with CPSC compliance officers, research analysts, attorneys, and support staff, as well as staff from the Customs and Border Protection Agency.
- ❖ Launched an investigation into Chinese drywall, an emerging hazard representing a major unplanned effort. As of September 2009, CPSC has received nearly 1,900 incident reports from residents in 30 states plus the District of Columbia. Staff is actively investigating the situation by collecting and testing samples of drywall from homes and working to trace the origin of the problem drywall. CPSC is collaborating with other federal and state agencies on this issue.
- ❖ Continued development of the Consumer Product Safety Risk Management System (CPSRMS), which includes a publicly searchable database of consumer product information and related information technology modernization. CPSC completed a business case to develop the CPSRMS; developed an implementation plan that the Chairman delivered to Congress; awarded contracts; and started work on the first of four phases, which includes engaging with industry and consumers via public workshops.
- ❖ Launched a new social media campaign including CPSC's blog *OnSafety* www.cpsc.gov/onsafety, providing the public with news about what is happening at the Commission and information on product hazards. The public can now get up to the minute updates via Twitter, watch safety videos on YouTube, and see photos relating to CPSC's safety work on Flickr.
- ❖ Obtained 465 voluntary recalls involving about 230 million product units. In addition, we obtained \$9.8 million in civil penalties for failure to report possible product hazards in a timely manner and for selling banned fireworks.
- ❖ Alerted the public to hazardous products through 342 press releases and recall alerts, 8 million electronically-distributed publications, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had about 40 million Web site visits.
- ❖ Implemented and enforced the Virginia Graeme Baker Pool and Spa Safety Act (PSSA). The Commission launched an extensive public education campaign that included activities such as participating in Webinars; speaking before groups of state and local health officials; conducting TV interviews; and preparing and disseminating posters and brochures on drowning and drain entrapment hazards. The Commission also enforced the new law by inspecting 733 locations with 971 pools and 339 spas. Of the inspections completed, 81 percent of the pools and 78 percent of the spas met the drain cover requirements of the PSSA.

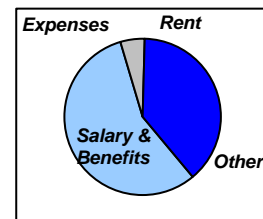
²Ibid., p. 4.

2009 RESOURCES

In 2009, CPSC's total available resources of \$108,200,804 included \$105,404,000 (97.4%) appropriated by Congress and \$2,796,804 (2.6%) in reimbursements from others. The majority of these reimbursement funds were from other federal agencies for the collection of injury data for incidents using our unique data collection systems.



Of the \$105,404,000 2009 appropriated funds, \$97,404,000 are classified as one-year funds and \$8,000,000 are classified as multi-year funds and will be obligated in future years. The \$8 million includes \$6 million for our laboratory modernization project (available through fiscal year 2011) and \$2 million for the Virginia Graeme Baker Pool and Spa Safety Act grants (available through fiscal year 2010).



CPSC obligated \$97,348,095 (99.9%) of its one-year appropriated funds. Staff salary and benefits made up most of these obligations. In 2009, the Commission funded an average 435 FTEs using \$55,078,709 (56.6%) of appropriated funding. We obligated \$4,605,797 (4.7%) on space rent to house our staff and product testing facility. CPSC obligated the balance, \$37,663,589 (38.7%), for various support costs, such as laboratory testing, information technology and other contractual support services, staff travel, information technology equipment, and supplies.

Total resources for CPSC increased from 2008 to 2009. The financial statements do not reflect any significant differences between fiscal years not accounted for by the increase in total resources.

Appropriated Expenditures

| | <u>2008</u> | | <u>2009</u> | |
|--|-------------------|------------------------|-------------------|------------------------|
| | <u>FTEs</u> | <u>\$000</u> | <u>FTEs</u> | <u>\$000</u> |
| Reducing Product Hazards | | | | |
| Fire Deaths | 120 | \$20,811 | 104 | \$20,137 |
| Carbon Monoxide Poisoning | 6 | 1,118 | 10 | 2,292 |
| Children's and Other Hazards | 188 | 32,572 | 235 | 49,251 |
| Identifying Product Hazards | 82 | 17,447 | 86 | 25,668 |
| Lab Modernization* | -- | 8,000 | -- | -- |
| TOTAL COMMISSION | <u>396</u> | <u>\$79,948</u> | <u>435</u> | <u>\$97,348</u> |

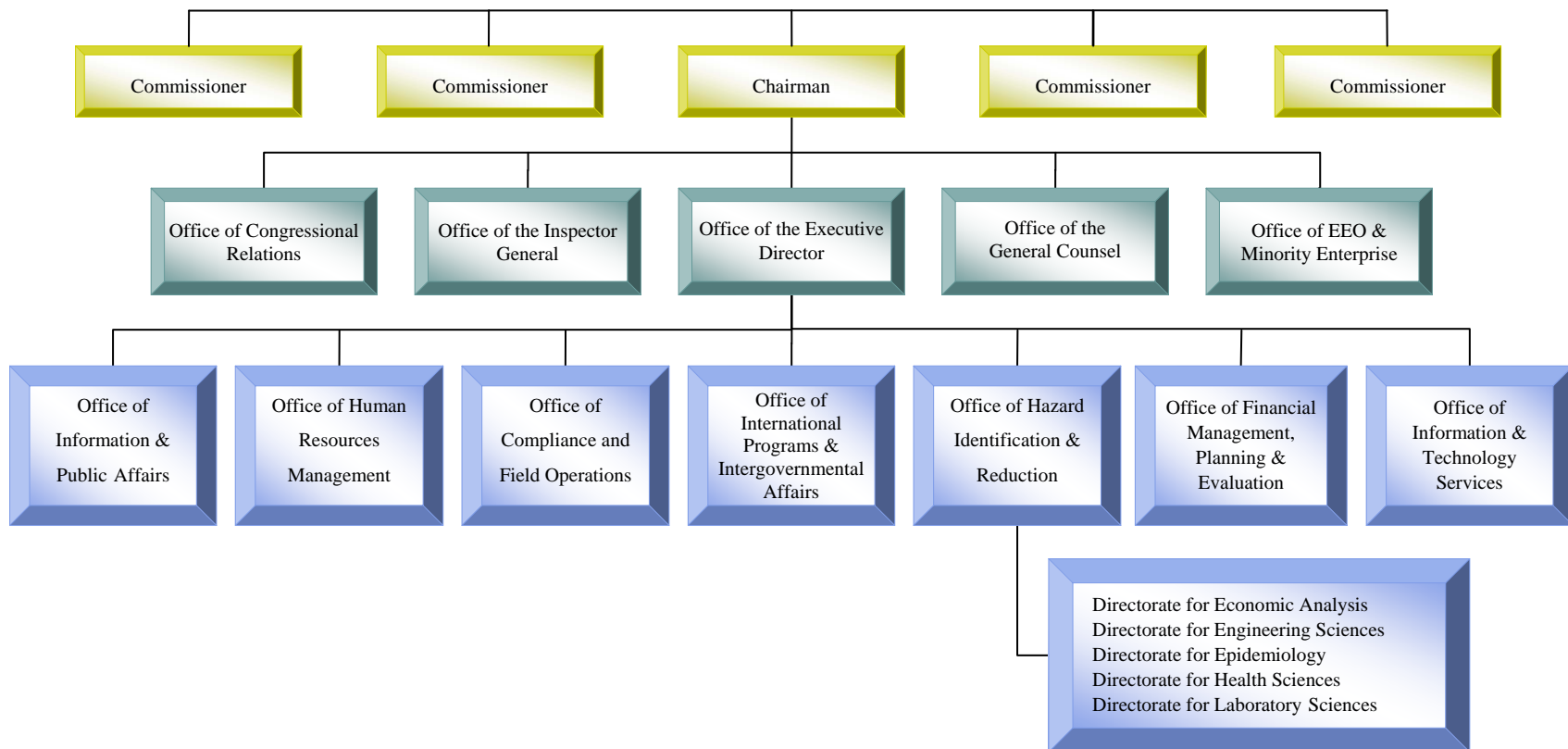
*Lab modernization activity supports all hazard reduction efforts. The 2009 funds are multi-year funds with obligations planned for in 2010 and 2011

Note 1: In 2009, CPSC also collected \$9,808,573 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 26 pay periods.

ORGANIZATIONAL STRUCTURE

The Commission is composed of five 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 has not identified any substantial financial management issues facing the Commission. There were no major changes in the Commission's assets, liabilities, costs, revenues, obligations, and outlays that were unrelated to changes in appropriated funding.

ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

CPSC's system of internal control provides reasonable assurance that: obligations and costs comply with applicable law; safeguards are in place to protect funds, property, and other assets from waste, loss, unauthorized use, or misappropriation; and proper recording and accounting procedures exist for expenditures applicable to agency operations. The Agency completed its 2009 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. The review identified no material weaknesses.

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 Department of Interior's (DOI) National Business Center in Denver, Colorado maintains the FFS application through a cross-servicing agreement. An independent auditor has issued a 2009 opinion on the FFS application that found full compliance with all regulations and that FFS had no material weaknesses.

MANAGEMENT COMMENT ON INSPECTOR GENERAL STATEMENT OF MANAGEMENT CHALLENGES

The Office of the Inspector General has identified management and performance challenges facing CPSC (see Financial Report section). These challenges result from implementation of the Consumer Product Safety Improvement Act (CPSIA):

- Management and Cultural Changes
- Strategic Planning
- Management of Human Capital
- Capital Improvements

We concur in the identification of these challenges that face CPSC. The CPSIA legislation represents the most extensive changes to our authorities since the founding of the agency in 1973. The implementation workload has been extraordinary and will continue for the next few years as the Commission promulgates and enforces new rules.

Management and cultural changes in the way managers, supervisors, and staff will work together to achieve the full implementation of CPSIA calls for an assessment by the Commission. *Strategic planning* can now be undertaken to reflect CPSIA (enacted at the end of fiscal year 2008) because we have a full Commission. The Commission is developing an ambitious schedule to review agency operations and complete a revised Strategic Plan by the fall of 2010.

Management of human capital is a recognized key to Commission success. In 2009, we completed a successful hiring drive, increasing our employment by over 15 percent and we expect to conduct a similar hiring drive in 2010. We recently received a positive performance audit from the Office of Personnel Management. We have identified agency-wide training needs, increased our training budget, and dedicated a staff position to address training issues. We are working with the Office of Personnel Management and the Office of Management and Budget to reform hiring practices, and improve employee wellness programs and employee satisfaction. We recently hired a human capital specialist responsible for developing a human capital plan and accountability system.

Capital improvements, recognized by the Commission before CPSIA, support changes to the product safety environment. To test a growing number of product samples in our laboratory, the Commission, working with the General Services Administration, signed a lease for a new modern laboratory site to be occupied by the fall of 2010. CPSIA requires the modernization of our information technology (IT) infrastructure and the creation of a new public database on consumer product safety incidents. The Commission took a major step toward meeting these requirements in 2009 with the creation of an IT governance structure to manage increased capital investments and the funding of the first phase of the Consumer Product Safety Risk Management System. This system will provide the public database and ultimately integrate the Commission's now disparate program databases.

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 books and 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 books and 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. Staff reviewed all payments to determine if any were erroneous as defined in "The Improper Payments Information Act of 2002" (Public Law 107-300). CPSC's current procedures are adequate to prevent significant erroneous payments.

INTRODUCTION

PERFORMANCE REPORT ORGANIZATION

This Performance Report gives a comparison of 2009 actual performance with the annual goals and targets set forth in the 2009 Performance Budget (May 2009). The goals are in *italics* to distinguish them from the accomplishments. CPSC's 2009 performance is characterized as follows:

- Exceeded – work was accomplished beyond the target.
- Met – performance goal was met.
- 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.

Some projects were deferred in 2009 due to limited resources and higher priority work associated with the Consumer Product Safety Improvement Act. They remain in the document for informational purposes. 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 Commission 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 Management Services. This Performance Report includes accomplishments in both strategic and non-strategic goal areas.

ESTIMATED VERSUS TARGETED ANNUAL GOALS

The Commission engages in different types of activities that require different types of annual goals. Activities can be categorized as those that *react* to critical safety problems in the marketplace, such as consumer outreach to warn about an emerging safety hazard, and *planned* activities, such as developing a safety standard.

For activities that react to critical safety problems, annual goals are more appropriately characterized as estimates. Numerical goals for these types of activities are set based on a review of past years' data. However, the actual number of consumers reached may vary depending on the safety-related circumstances arising during the year.

For planned activities, an annual goal is a target for completing a certain number of activities, such as to prepare recommendations to develop or strengthen six fire-related safety standards.

IMPORTED DRYWALL



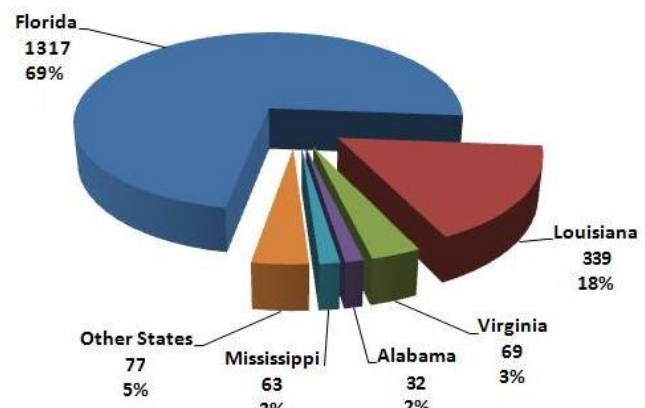
CPSC responds to emerging hazards that arise outside the usual performance budgeting planning cycle. This occurred in 2009 when we began receiving consumer complaints related to the presence of drywall produced in China. These complaints included reports of noxious, rotten egg odors, corrosion of metal items inside homes, especially copper air conditioning coils and short-term health effects generally involving the upper respiratory tract. In response, CPSC launched an extensive investigation requiring substantial resources and staff continues to analyze incoming information about imported drywall to determine the nexus between the drywall and the reported health and corrosion issues. While our work related to drywall occurred too late in the fiscal year to be a part of the published operating plan, we are reporting on our progress through October 2009 to present the most up-to-date information to the President, Congress, and the public.

As of the end of October, CPSC has received nearly 1,900 incident reports from residents in 30 states about health and corrosion symptoms. CPSC is committed to providing answers and solutions to these homeowners.

CPSC's Accomplishments:

- CPSC has taken a lead role in coordination of an interagency task force to investigate possible health and corrosion risks from Chinese drywall with support from the Environmental Protection Agency, the Centers for Disease Control and Prevention/Agency for Toxic Substances and Disease Registry, the U.S. Department of Housing and Urban Development, and the Department of Homeland Security. Since the beginning of the investigation, these federal agencies have had weekly calls to discuss and share information about the investigation and to review technical data and test plans.
- CPSC staff has conducted more than 700 telephone interviews with affected homeowners and 809 in-depth investigations.
- CPSC has developed an online *Drywall Information Center* (www.DrywallResponse.gov), which provides the latest information on technical developments, news about the investigation, and a way for homeowners to report incidents to CPSC. Additionally, CPSC established an e-mail distribution (listserv) to disseminate noteworthy developments directly to interested parties.
- CPSC is working closely with the Department of Homeland Security to identify shipments of imported drywall. CPSC identified hundreds of thousands of stockpiled boards and notified the warehouses where they are stored of CPSC's ongoing investigation and that the warehouses should notify CPSC if they sell, transfer, or dispose of any drywall from their inventory.

Number (and Percentage) of Reports by State



Ongoing Studies:

Studies conducted so far have discovered certain differences between Chinese and non-Chinese drywall. Further studies are required, however, to determine the nexus between the drywall and the reported health and corrosion issues. (www.cpsc.gov/info/drywall/execsum.pdf)

- An elemental and chemical analysis of drywall samples shows the presence of elemental sulfur in Chinese, but not in non-Chinese drywall. It also shows higher concentrations of strontium in Chinese drywall than in non-Chinese drywall. Testing conducted over the summer by federal and state agency radiation laboratories found no radiation safety risk to families in homes built with manufactured drywall. The strontium found in this drywall does not pose a radiological risk. (www.cpsc.gov/info/drywall/TabA.pdf)
- Ongoing chamber emission studies conducted at Lawrence Berkeley National Laboratory found that Chinese drywall emits higher levels of total volatile sulfur compounds than non-Chinese drywall. As specific chemical characterization data becomes available from the chamber testing, CPSC staff expects to conduct a comprehensive exposure and risk assessment. (www.cpsc.gov/info/drywall/TabB.pdf)
- A joint federal and state team tested the air quality in 10 homes in Florida and Louisiana to identify and measure contaminants. Concentrations of two known irritant compounds, acetaldehyde and formaldehyde, were detected in both homes with and without Chinese drywall, and at concentrations that could exacerbate conditions such as asthma in sensitive populations. (www.cpsc.gov/info/drywall/TabC.pdf)

Next Steps:

By the end of the calendar year, we expect to have more information to share, including:

- A report of our 50-home indoor air study that will contain additional testing results, including the exposure of small copper and silver metal strips. Testing these strips will help determine if there is a relationship between homes with Chinese drywall and corrosion of metal components in those homes. This study is also looking for certain sulfur gases at lower levels than could be detected in the initial studies.
- A preliminary engineering analysis of potential electrical and fire safety issues related to corrosion.

The federal interagency working group is actively talking to Congressional and White House officials to consider legislative and other means of helping families affected by and struggling with this issue.

CONSUMER PRODUCT SAFETY IMPROVEMENT ACT³



The Consumer Product Safety Improvement Act (CPSIA), signed into law on August 14, 2008, represents the most significant change in the CPSC's governing statutes since the enactment of the original Consumer Product Safety Act in 1972. CPSIA directs the Commission to adopt and enforce many new requirements intended to enhance the safety of consumer products.

CPSC has made implementation of CPSIA our highest priority. The Commission has:

- completed 37 rules and related rulemaking activities or official actions⁴, an unprecedented number for this Commission, or any other agency of this size;
- published enforcement guidance and policies to enhance compliance and understanding of the new law;
- conducted numerous meetings with stakeholders;
- developed a special Web site dedicated to CPSIA;
- responded to questions from the public numbering in the thousands; and
- focused the Commission's scientific, legal, technical, educational, and administrative resources on CPSIA implementation.

The Commission staff is actively engaged in over 60 other CPSIA related activities and will present them to the Commission for vote.

IMPROVING PRODUCT SAFETY: IMPLEMENTING TITLE I - CHILDREN'S PRODUCT SAFETY

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|--------|------|------|------|------|------|
| Safety Standards: Prepare Candidates for Rulemaking | | | | | | |
| 1. Lead content and lead paint reduction rules (sec. 101) | Goal | ** | ** | ** | ** | 5 |
| | Actual | | | | | 5 |
| 2. Third party testing accreditation requirements (sec. 102) | Goal | ** | ** | ** | ** | 6 |
| | Actual | | | | | 6 |
| 3. Requirements for the periodic audit of third party conformity assessment bodies (sec. 102) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 4. Labeling of consumer products as complying with certification requirements (sec. 102) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 0 |
| 5. Electronic filing of certificates (sec. 102) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 6. Consumer registration forms for durable infant and toddler products (sec. 104) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 7. Safety standards for durable infant or toddler products (sec. 104) | Goal | ** | ** | ** | ** | 3 |
| | Actual | | | | | 3 |
| 8. Cautionary statement labeling requirements (sec. 105) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 9. All-Terrain Vehicles (ATVs) (sec. 232) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |

³ Resources for this effort are included in the major program, Reducing Product Hazards to Children and Families, except for the Consumer Product Safety Risk Management System (CPSRMS), which is included under Identifying Product Hazards.

⁴ Identified by *Federal Register* documents relevant to the Consumer Product Safety Improvement Act of 2008, as issued by the Consumer Product Safety Commission during the period of September 22, 2008 to September 3, 2009.

| Complete Data Analysis and Technical Review Activities | | | | | | |
|---|---------------|----|----|----|----|------|
| 10. Study the measurement of lead in paint through X-Ray Fluorescence and alternative technologies (sec. 101) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 11. Publish a list of accredited laboratories (sec. 102) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 12. Evaluate and make recommendations to improve sections of the ASTM toy standard | Goal | ** | ** | ** | ** | 6 |
| | Actual | | | | | 6 |
| 13. Complete a phthalate toxicity review and a review of phthalate substitutes (sec. 108) | Goal | ** | ** | ** | ** | 2 |
| | Actual | | | | | 1 |
| 14. Review laboratory applications for accreditation | Goal | ** | ** | ** | ** | 400 |
| | Actual | | | | | 980 |
| 15. Develop laboratory testing procedures and requirements | Goal | ** | ** | ** | ** | 5 |
| | Actual | | | | | 5 |
| 16. Prepare briefing packages responding to requests from lead content exclusion rules | Goal | ** | ** | ** | ** | 4 |
| | Actual | | | | | 5 |
| Compliance | | | | | | |
| 17. Enforce the lead paint bans on lead content and in children's products (sec. 101) | Goal | ** | ** | ** | ** | 500 |
| | Actual | | | | | 715 |
| 18. Review existing state safety standards (sec. 106) | Goal | ** | ** | ** | ** | 90% |
| | Actual | | | | | 100% |
| 19. Review ATV action plans within 60 days (sec. 232) | Goal | ** | ** | ** | ** | 100% |
| | Actual | | | | | 100% |
| Communication/Consumer Information | | | | | | |
| 20. Develop summaries of CPSIA sections for publication on CPSC's Web site | Goal | ** | ** | ** | ** | 14 |
| | Actual | | | | | 19 |
| 21. Prepare guidance documentation for phthalates awareness | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 22. Participate in public Web-cast meetings for stakeholders to learn about CPSIA | Goal | ** | ** | ** | ** | 9 |
| | Actual | | | | | 12 |
| 23. Create guidance publications for small businesses seeking Ombudsman office counsel | Goal | ** | ** | ** | ** | 3 |
| | Actual | | | | | 3 |

**No goal established as legislation not yet in place: while no CPSIA goals were set in FY 2008, work began in late FY 2008.

Safety Standards

Prepare for Commission consideration these candidates for rulemaking or other alternatives.

1. Lead Content and Lead Paint Reduction Rules



The Commission's regulations ban lead in paint in excess of 0.06 percent of the total nonvolatile content of paint. CPSIA reduces the limit for lead in paint to 0.009 percent and establishes a new ban on children's products, as defined in the Consumer Product Safety Act (CPSA), based on lead content in materials other than paint.

Goal: In 2009, staff will prepare for Commission consideration:

- a modification of 16 C.F.R. 1301.1, Ban of Lead-Containing Paint, by substituting "0.009 percent" for "0.06 percent" in scope and application;
- a rule providing guidance on which products or classes of components are inaccessible to a child and, therefore, exempt from lead testing;
- a rule providing requirements for certain electronic devices with respect to lead content of component parts;

- a rule providing procedures for determinations and exclusions concerning lead content limits for specific products or materials; and
- a rule providing for the determination that the lead content of certain specified materials does not exceed the lead limits.

Exceeded: In 2009, staff prepared for Commission consideration the above rulemakings. Furthermore, other work was involved to complete these rulemakings including instituting stays of enforcement and making determinations on requests for exclusions. Details about this section can be found at:

www.cpsc.gov/about/cpsia/sect101.html, or further information about each topic can be found at:

- Ban of Lead-Containing Paint;
www.cpsc.gov/BUSINFO/frnotices/fr09/leadpaint.html
- Inaccessible Components Parts;
www.cpsc.gov/businfo/frnotices/fr09/leadinaccessibilityfinalrule.pdf
- Exemptions for Certain Electronic Devices;
www.cpsc.gov/businfo/frnotices/fr09/electronicinterim.pdf
- Procedures and Requirements for Commission Determination of Exclusion;
www.cpsc.gov/businfo/frnotices/fr09/determination.pdf
- Determinations Regarding Lead Content Limits on Certain Materials or Products (draft rule, ballot vote);
www.cpsc.gov/library/foia/foia09/brief/leadfinalrule.pdf
www.cpsc.gov/library/foia/ballot/ballot09/leaddetermine.pdf

2. *Third Party Testing Accreditation Requirements*



The CPSC is charged with publishing acceptance requirements for the accreditation of third party assessment bodies in reference to certain children's products and with establishing requirements for certificates and audits.

Goal: In 2009, staff will draft requirements for acceptance of the accreditation of third party conformity assessment bodies to assess conformity of children's products with the following standards:

- lead-containing paint to be no greater than 0.009 percent by weight of the total nonvolatile content of the paint;
- full-size cribs, non full-size cribs, and pacifiers in October 2008;
- small parts in November 2008;
- children's metal jewelry in December 2008;
- children's products, other than metal jewelry, subject to the 300 ppm lead content limit in May 2009; and
- all other children's product safety rules⁵ in June 2009.

⁵ Please refer to the *Federal Register* notice for all other children's product safety rules for an explanation of 'all other children's products' (as required by CPSIA) at: www.cpsc.gov/businfo/frnotices/fr09/testingaccred.pdf

Met: In 2009, staff drafted federal register (FR) notices for all the above-mentioned items related to accreditation of third party conformity assessment bodies. The FR notices can be found at:

- Lead-Containing Paint;
www.cpsc.gov/businfo/frnotices/fr08/testhldprod.pdf
- Full-Size Cribs, Non Full-size Cribs, and Pacifiers;
www.cpsc.gov/businfo/frnotices/fr09/tptesting.pdf
- Small Parts;
www.cpsc.gov/businfo/frnotices/fr09/tptccp.pdf
- Children's Metal Jewelry;
www.cpsc.gov/businfo/frnotices/fr09/metaljewelry.pdf
- Children's Products, Other than Metal Jewelry.
www.cpsc.gov/businfo/frnotices/fr10/totallead.html
- All Other Children's Products (Bicycle helmets, dive sticks and similar articles, rattles, bicycles, bunk beds);
www.cpsc.gov/businfo/frnotices/fr09/testingaccred.pdf

3. *Periodic Audit Requirements*

CPSIA includes an additional requirement related to the mandatory third party testing for the periodic audit of assessment bodies, as a condition for continuing acceptance of accreditation.

Goal: *In 2009, staff will draft a notice of requirements for the periodic audit of third party conformity assessment bodies.*

Met: On August 13, 2009, CPSC published a notice of requirements for the periodic audit of third party conformity assessment bodies. The proposed rule explains the processes for reassessment, resubmission, and verification that third party testing bodies continue to meet the appropriate statutory criteria. The *Federal Register* notice is available at:

www.cpsc.gov/businfo/frnotices/fr09/tpaudit.pdf

4. *Labeling of Consumer Products as Complying with Certification Requirements*

CPSIA requires that the CPSC initiate a process by which a manufacturer or private labeler may label a consumer product as complying with the certification requirements.

Goal: *In 2009, staff will prepare for Commission consideration a plan for such labeling of consumer products.*

Not Met: This project was delayed and resources were redirected to address other CPSIA work. Staff anticipates completing this plan for Commission consideration in 2010.

5. *Electronic Filing of Certificates*

CPSIA requires that, for products manufactured on or after November 12, 2008, manufacturers, importers, and private labelers of the products certify that the products comply with all applicable CPSA consumer product rules, bans, standards, and regulations by issuing a certificate that accompanies the product and furnish the certificate to certain parties. CPSIA also states that the Commission may provide for the electronic filing of certificates.

Goal: In 2009, staff will prepare for the Commission a briefing package on an emergency rule relating to electronic filing of certificates and an analysis of legal issues relating to the electronic filing of certificates.

Met: On November 18, 2008, the Commission issued a draft final rule (73 Fed. Reg. 68328) pertaining to certificates of compliance, including requirements for electronic certificates. The final rule was based on a briefing package that was sent to the Commission for its consideration. The *Federal Register* notice can be found at:

www.cpsc.gov/BUSINFO/frnotices/fr09/certification.pdf

6. *Consumer Registration Forms for Durable Infant and Toddler Products*

CPSIA requires CPSC to issue a rule requiring manufacturers of durable infant and toddler products to issue postage prepaid registration cards that will enable the manufacturer or retailer of the product to contact consumers with recall or other safety information.

Goal: In 2009, staff will prepare for Commission consideration a draft Notice of Proposed Rulemaking on the use of registration cards for durable infant products regarding registration forms.

Met: On June 29, 2009, staff prepared a draft proposed rule titled, “Requirements for Consumer Registration of Durable Infant or Toddler Products,” (74 Fed. Reg. 30983). The Commission voted to accept the proposed rule and it was published in the *Federal Register*. The proposed rule would require each manufacturer of a durable infant or toddler product to: provide a postage-paid consumer registration form with each product; keep records of consumers who register such products with the manufacturer; and permanently place the manufacturer’s name and contact information, model name and number, and date of manufacture on each such product.

7. *Safety Standards for Durable Infant or Toddler Products*



CPSIA requires CPSC to study and develop safety standards for two durable infant and toddler products every six months, to begin no later than August 14, 2009.

Goal: To meet the requirements of CPSIA, staff will prepare two draft notices of proposed rulemaking (NPR) on baby bath seats and baby walkers and begin the rulemakings required under this section of the statute. Also, in 2009, staff will prepare for Commission consideration one briefing package recommending an Advanced Notice of Proposed Rulemaking (ANPR) on cribs (full size and non-full size) to address hazards associated with hardware failures. In Spring 2009, staff will hold a Roundtable on Cribs and Other Sleeping Environments for Infants to consult with interested stakeholders, pursuant to section 104 of CPSIA. Staff plans to present a comparison of requirements in various standards for cribs and will solicit input regarding the adequacy of the requirements in addressing hazards to infants, including

performance requirements to address durability and requirements for warning labels to address hazards associated with soft bedding. This event will provide an opportunity for attendees to present data, ideas, proposals, or concerns about current or future standards as they relate to the infant sleep environment.

Met: In 2009, staff completed briefing packages for baby bath seats and infant walkers with recommendations for an NPR. Staff prepared a briefing package for an ANPR on cribs to address hardware failures. Staff held a roundtable on cribs and other sleeping environments and presented a comparison of requirements in various standards for cribs. Staff requested input regarding the adequacy of the requirements in addressing hazards to infants.

- Baby Bath Seats NPR
www.cpsc.gov/businfo/frnotices/fr09/infantbath.pdf
- Infant Walkers NPR
www.cpsc.gov/businfo/frnotices/fr09/walkers.pdf
- Cribs ANPR
www.cpsc.gov/businfo/frnotices/fr09/cribsafety.pdf
- Roundtable Notice
www.cpsc.gov/businfo/frnotices/fr09/infantsleep.pdf

8. *Cautionary Statement Labeling Requirements*



WARNING:

**CHOKING HAZARD--Small parts
Not for children under 3 yrs.**

Prior to CPSIA, manufacturers were required to place cautionary statements, when necessary, only on the product packaging. CPSIA extends these cautionary statements to Internet advertising by December 12, 2008, and to catalogues and other printed materials by February 10, 2009.

Goal: *In 2009, staff will prepare for Commission consideration a draft rule for print advertising labeling requirements.*

Exceeded: In 2009, the staff prepared both draft proposed and final rules for print advertising labeling requirements. The Commission issued the proposed rule on October 6, 2008 (73 Fed. Reg. 58063) and subsequently issued a final rule on November 17, 2008 (73 Fed. Reg. 67730). The final rule details requirements regarding the size and placement of the cautionary labeling and the use of abbreviated warnings. The final rule *Federal Register* notice can be found at:

www.cpsc.gov/businfo/frnotices/fr09/lrtgafin.pdf

9. *All-Terrain Vehicles (ATVs)*



CPSIA requires that the Specialty Vehicle Institute of America's (SVIA) voluntary American National Standard for Four Wheel All-Terrain Vehicles - Equipment, Configuration, and Performance Requirements (ANSI/SVIA 1-2007) become a mandatory standard.

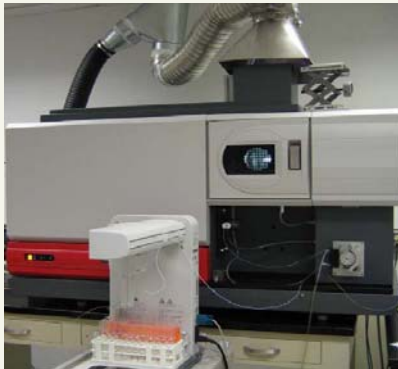
Goal: *In 2009, staff will prepare for Commission review the ANSI/SVIA 1-2007 standard draft federal register notice.*

Met: Staff developed a draft federal register notice on the final rule for ATVs that was approved by the Commission and published in the *Federal Register*. The standard specifies requirements concerning the vehicle's equipment and configuration (including requirements for owner's/operator's manuals, labels and hang tags), maximum speed capability, speed capability of youth ATVs, service and parking brakes, pitch stability, electromagnetic compatibility, and sound level limits. It also requires that ATVs have a certification label indicating that they comply with the ANSI/SVIA standard.

www.cpsc.gov/businfo/frnotices/fr09/atvfinal.pdf

Complete Data Analysis and Technical Review Activities

10. Measurement of Lead in Paint



To ensure effective and efficient enforcement, CPSIA permitted CPSC to rely on x-ray fluorescence (XRF) technology or other alternative methods for measuring lead in paint. CPSIA requires the CPSC to conduct a study to evaluate the effectiveness, precision, and reliability of such measurement technologies no later than one year from the enactment date.

Goal: In 2009, staff will complete a study evaluating x-ray fluorescence technology and other alternative methods for measuring lead in paint.

Exceeded: CPSC completed a study to evaluate the use of XRF technology to measure lead in paint. The scope of the study was expanded to include the use of XRF technology to measure total lead in plastics and staff published the results with those of the lead in paint study in August 2009 on the CPSC Web site at:

www.cpsc.gov/about/cpsia/leadinpaintmeasure.pdf

11. List of Accredited Laboratories

Staff will develop and maintain on the CPSC Web site an up-to-date list of entities accredited to assess conformity with children's product safety rules.

Goal: In 2009, the CPSC staff will publish a list of laboratories accredited for testing.

Met: CPSC staff published a list of accredited testing laboratories on the CPSC Web site. The list is searchable by region, scope of accreditation, and other keywords:

www.cpsc.gov/cgi-bin/labapplist.aspx

12. ASTM F963 Toy Standard Evaluation

After the adoption of the ASTM F963 toy safety standard as a mandatory consumer product safety standard, staff will evaluate the adequacy of requirements that address hazards associated with: small magnets; toxic substances; toys with spherical ends; hemispheric-shaped objects; cords, straps, and elastics; and battery-operated toys.

Goal: In 2009, staff will evaluate the adequacy of the requirements that address hazards in six areas. Staff will prepare recommendations for improvements to these requirements, as appropriate.

Met: Staff evaluated the adequacy of requirements that address hazards in the following six areas: hazardous magnets; toxic substances; toys with spherical ends; hemispheric-shaped objects; cords, straps, and elastics; and battery-operated toys. Staff consulted with representatives from industry and consumer groups at ASTM International subcommittee meetings on the toy safety standard and requested comments in a federal register notice concerning the effectiveness of the standard in the six areas. Staff reviewed and compiled the comments and will use this information for selecting priorities to address in the coming years. Several ASTM work groups are already working on revisions to the voluntary standard to address some of the important issues raised in the public comments.

13. Phthalates and Phthalate Substitutes



The CPSC will prepare for the appointment of a Chronic Hazard Advisory Panel (CHAP) to study the effects on children's health of phthalates and common substitutes or alternate plasticizers to phthalates from all sources, including personal care products, and make recommendations to the Commission.

Goal: In 2009, staff will complete a draft report of its toxicity review of six phthalates. A contractor will prepare a report of a toxicity review of five phthalate substitutes. These reviews will be provided to the CHAP when it convenes in 2010.

Not Met: The contractor report was completed and staff completed five of the six toxicity reviews for its report. Staff sent the five toxicity reviews out for scientific peer review. The sixth toxicity review, an update of toxicity data for di-isononyl phthalate (DINP), is not complete. The delayed DINP toxicity review is due to resources being redirected to address other CPSIA-related activities (i.e., development of a policy statement on the testing of component parts under CPSIA section 108). The sixth toxicity review is scheduled to be completed in 2010.

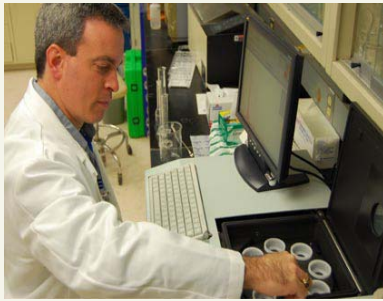
14. Laboratory Applications for Acceptance of Accreditation

Staff evaluates requests from laboratories for acceptance of accreditation to verify International Standards Organization/International Electrotechnical Commission (ISO/IEC 17025:2005) accreditation, ownership registration, and other requirements.

Goal: In 2009, staff will review 400 applications for possible acceptance of laboratory accreditation.

Exceeded: In 2009, staff reviewed over 980 applications for possible acceptance of laboratory accreditation.

15. Laboratory Testing Procedure



CPSIA mandates that certain children's products undergo third party testing. CPSC staff will develop some of the procedures, methodologies, or requirements involved in testing of products.

Goal: In 2009, staff will prepare five standard operating procedures, testing methodologies, or other requirements for accredited laboratories to conduct product testing.

Met: Test procedures were prepared and published for accreditations for:

- Lead in paint
www.cpsc.gov/about/cpsia/CPSC-CH-E1003-09.pdf
- Lead in metals
www.cpsc.gov/about/cpsia/CPSC-CH-E1001-08.pdf
- Lead in non metals
www.cpsc.gov/about/cpsia/CPSC-CH-E1002-08.pdf
- Phthalates
www.cpsc.gov/about/cpsia/phthalatesop.pdf

Staff also prepared a Laboratory Toy Test Manual, which includes test procedures for sharp points, sharp edges, small parts, rattles, and pacifiers. The manual is in the CPSC clearance process.

16. Requests for Lead Content Exclusions

CPSIA allows industry to apply for exclusions or exemption from the lead limits.

Goal: In 2009, staff will prepare, for Commission consideration, four briefing packages relating to requests for exclusion under section 101(b)(1).

Exceeded: In 2009, the staff reviewed and prepared, for the Commission's consideration, five briefing packages relating to requests for exclusion under section 101(b)(1) of CPSIA. Of the five briefing packages, the Commission acted on four (all-terrain vehicles, bicycles, pens, and crystals). The fifth briefing package, which was prepared during the 2009 fiscal year, was submitted to the Commission for consideration in October and voted on by the Commission in November.

Compliance

17. Bans on Lead in Paint and Lead Content for Children's Products



Beginning February 10, 2009, children's products containing more than 600 ppm lead are banned. CPSIA limits the amount of lead in children's products (lead content) and lowered the lead in paint limit under CPSA's regulations.

Goal: In 2009, staff will screen 500 models of children's products for compliance with these lead limits, testing samples as appropriate.

Exceeded: In 2009, staff screened and collected 715 products to determine compliance with the lead requirements.

18. State Safety Standards Review Upon application of a state or political subdivision of a state, the staff shall evaluate any such state or local safety standard or regulation in existence prior to August 14, 2008, for potential exemption from preemption.

Goal: *In 2009, staff will consider and respond to 90 percent of any such applications received for exemption from preemption.*

Met: In 2009, staff considered and responded to 100 percent of applications for exemption from preemption that required a response either orally or in writing. All requests for exemption from preemption were made public on the CPSC Web site.

19. ATV Action Plans CPSIA requires the Commission to review and approve ATV action plans (Letters of Undertaking), which are written plans that describe the actions a manufacturer or distributor agrees to undertake to promote ATV safety.

Goal: *In 2009, staff will review (analyze for acceptability) 100 percent of ATV action plans from manufacturers or distributors within 60 days of receipt.*

Met: The staff reviewed 100 percent of action plans submitted by manufacturers or distributors within 60 days of receipt. When staff determines that the action plans submitted meet the applicable legal requirements, staff forwards the plans for Commission approval. When the staff determines that the action plan submitted does not meet the legal requirements, it sends a letter to the manufacturer or distributor outlining the plan's deficiencies.

Communication/Consumer Information

20. Summaries of CPSIA Sections Understanding the statutory language of CPSIA may be difficult for many stakeholders. To encourage compliance with the Act, staff will prepare summaries of the relevant sections of CPSIA.

Goal: *In 2009, staff will summarize 14 sections of CPSIA for better stakeholder and consumer understanding.*

Exceeded: In 2009, staff prepared summaries of 19 sections of CPSIA, a timeline of the rulemakings required in CPSIA, responses to frequently asked questions, and other information and guidance to explain the various CPSIA provisions. Information can be found under CPSIA tab on the CPSC Web site, at:

www.cpsc.gov/about/cpsia/legislation.html#summaries

21. Phthalates Awareness **Goal:** *In 2009, staff will prepare for Commission consideration guidance in the form of questions and answers to assist in better stakeholder and consumer understanding of phthalate requirements.*

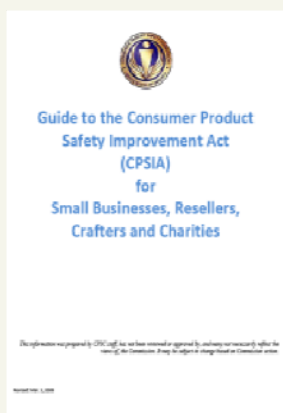
Exceeded: In 2009, staff prepared a list of “frequently asked questions” pertaining to the phthalates provision in CPSIA, and posted the list on the Commission’s Web site. Staff also prepared, and the Commission approved the issuance of draft guidance on which products are subject to the requirements in section 108 of CPSIA (see 74 Fed. Reg. 8058). Also, the staff began work on an interpretative rule regarding the phthalates requirements of CPSIA. The draft guidance is available at: www.cpsc.gov/businfo/frnotices/fr09/draftphthalatesguidance.pdf

22. Public or Web-Cast Meetings

Goal: To address the many questions about CPSIA and allow for an open dialogue with stakeholders, staff will present nine public, Web-casted meetings. In these meetings, staff will explain sections of CPSIA of most interest to stakeholders and encourage discussion through question and answer sessions.

Exceeded: In 2009, staff held 12 public meetings to discuss the requirements of CPSIA with stakeholders. All meeting links are available on our Web site www.cpsc.gov.

23. Small Business Guidance Publications



The Consumer Product Safety Improvement Act (CPSIA) defined the content level of lead and phthalates allowed in children’s products. Businesses (both small and large) are required to comply with the new requirements of CPSIA. The Ombudsman is the CPSC’s contact point for small businesses.

Goal: In 2009, the Ombudsman will: (1) produce a guidance document for small businesses and crafters of children’s products on CPSIA requirements; (2) produce a guidance document for thrift stores and consignment shops; and (3) create a Web page to aid small businesses in complying with the new legislation and CPSC’s enforcement policies.

Met: Staff developed two guidance documents and a Web page for small businesses. Staff also produced a third document for Retailers and resellers of children’s products.

- Guide to CPSIA for Small Businesses, Resellers, Crafters, and Charities
www.cpsc.gov/about/cpsia/smbus/cpsiasbguide.pdf
- Guidance for Small Manufacturers, Importers, and Crafters of Children’s Products
www.cpsc.gov/about/cpsia/smbus/manufacturers.html
- Small Business Web page
www.cpsc.gov/about/cpsia/smbus/cpsiasbguide.html
- Guidance for Retailers and Resellers of Children’s Products, including Thrift Stores, Consignment Shops and Charities
www.cpsc.gov/about/cpsia/smbus/retailers.html

IMPROVING PRODUCT SAFETY: IMPLEMENTING TITLE II - CONSUMER PRODUCT SAFETY

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|---------------|------|------|------|------|------|
| Prepare Candidates for Rulemaking | | | | | | |
| 1. Prepare guidelines for Commission consideration on content requirements in recall notices (sec. 214) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 2. Prepare a final regulation for Commission consideration providing CPSC interpretation of civil penalty factors (sec. 217) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| Review and Oversight | | | | | | |
| 3. Develop a procedure to make determination of foreign government agencies' eligibility to receive information (sec. 207) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 0 |
| 4. Notification to States (sec. 207) | Goal | ** | ** | ** | ** | 95% |
| | Actual | | | | | 100% |
| 5. Develop a procedure to monitor and record the referral of cases as to alleged prohibited acts (sec. 216) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| 6. Coordinate with State Attorneys General on litigation (sec. 218) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| Risk Management System and Public Database | | | | | | |
| 7. Consumer Product Safety Risk Management System (CPSRMS) (sec. 212) | Goal | ** | ** | ** | ** | 3 |
| | Actual | | | | | 3 |

** No goal established as legislation not yet in place: while no goals were established because of the passage date, work on CPSIA began in late fiscal year 2008.

Prepare Candidates for Rulemaking

1. Guidelines on Content Requirements in Recall Notices

CPSIA requires that CPSC issue guidelines concerning the specific content of information listed in a mandatory recall notice unless the Commission determines certain items are unnecessary or inappropriate.

Goal: In 2009, staff will develop for Commission consideration a briefing package setting forth a uniform class of information to be included in any recall notice associated with a mandatory recall.

Met: In 2009, staff prepared a briefing package on recall notices and, on March 20, 2009, the Commission issued a proposed rule titled, "Guidelines and Requirements for Mandatory Recall Notices" (74 Fed. Reg. 11883). The proposed rule would establish guidelines and requirements for recall notices ordered by the Commission or by a United States District Court under the Consumer Product Safety Act. In addition, the staff began work on the final rule in 2009. The *Federal Register* notice can be found at: www.cpsc.gov/businfo/frnotices/fr09/mandatoryrecalls.pdf

2. Interpretation of Civil Penalty Factors under the CPSA, FHSA, and FFA

CPSIA requires CPSC to provide its interpretation of the penalty factors described in the Consumer Product Safety Act, the Federal Hazardous Substances Act, and the Flammable Fabrics Act as amended by CPSIA on civil penalties.

Goal: In 2009, staff will provide for Commission consideration a draft Notice of Proposed Rulemaking (NPR) regarding interpretation of civil penalty factors.

Exceeded: The staff prepared a draft interim final rule (rather than a proposed rule) on this subject, and the Commission approved the issuance of the interim final rule. The interim final rule appeared in the *Federal Register* (FR) on September 1, 2009 (74 Fed. Reg. 45101) and interprets the civil penalty factors found in the Consumer Product Safety Act, the Federal Hazardous Substances Act, and the Flammable Fabrics Act. The FR notice can be found at: www.cpsc.gov/businfo/frnotices/fr09/civilpenaltyfactors.pdf

Review and Oversight

3. *Foreign Government Agencies' Eligibility to Receive Information*

The Commission has the authority under CPSIA to make information obtained by the CPSC available to a foreign government agency provided there is an agreement that the foreign government will maintain such material in confidence and use it only for official law enforcement or consumer protection purposes. There is also a prohibition on sharing information with terrorist states.

Goal: *In 2009, staff will develop for Commission consideration a draft internal policy on sharing information with foreign governments.*

Not Met: Work on an internal policy, which is not a CPSIA requirement, has been delayed due to higher priority work associated with CPSIA implementation and other activities. Staff will develop the policy once a standard text for such agreements has been approved by the appropriate federal agencies.

4. *Notification to States*

The CPSC is required to notify each State health department or designated agency whenever it is notified of a voluntary corrective action taken by a manufacturer or the Commission issues a mandatory order under section 15(c) or (d) with respect to any product.

Goal: *In 2009, staff will notify State health departments or designated agencies of such actions within one business day 95 percent of the time.*

Met: In 2009, staff delivered 100 percent of recall notices and safety alerts electronically to state health departments and attorneys general offices within one business day of receipt by CPSC.

5. *Procedure of the Referral of Cases as to Alleged Prohibited Acts*

CPSC staff reviews and tracks cases involving the alleged sale, offer for sale, manufacture for sale, distribution into commerce, import into or export out of the United States, of any consumer product or other product or substance that is under a voluntary corrective action, subject to an order issued by the Commission, or has been deemed a banned hazardous substance. Staff also reviews and tracks cases in which a product allegedly bears a certification mark that is false or misleading, that misrepresents which product

is subject to an action, or bears certification due in any part from the exercise, or attempt to exercise, undue influence on a third party conformity assessment body.

Goal: In 2009, staff will develop a process to monitor and record the procedure of the referral of cases as to alleged prohibited acts.

Met: In 2009, staff decided to use existing federal court monitoring programs, such as Public Access to Court Electronic Records (PACER), to determine whether cases are filed by the state attorneys general regarding the alleged prohibited acts. No such cases have been filed; therefore, the staff determined that no more formal process is warranted at this time.

6. Coordination with State Attorneys General on Litigation

CPSIA allows state attorneys general to bring injunction actions alleging a violation of specific acts prohibited by the Consumer Product Safety Act as amended by CPSIA on behalf of the residents of their states.

Goal: In 2009, staff will coordinate to the extent possible with the state attorneys general and monitor any cases filed by them to determine whether and when to intervene.

Met: In 2009, staff coordinated with the state attorneys general on a number of issues and made plans to coordinate with state attorneys general on a quarterly basis in 2010. The first such meeting was held on October 15, 2009, on joint partnership efforts with representatives of the states.

Risk Management System

7. Risk Management System



CPSIA mandated that CPSC establish and maintain a publicly available database on the safety of consumer products. CPSIA mandates that the database be searchable and accessible through the Web site of the Commission. CPSIA also directs the Commission to expedite efforts to upgrade and improve the information technology systems currently in use. Based on research and analysis of various alternatives, staff has proposed a Consumer Product Safety Risk Management System (CPSRMS) to provide a single integrated Web-based environment to accommodate a searchable database for consumers, enhance the efficiency and effectiveness of CPSC staff’s consumer product safety work, and enable more rapid dissemination of information.

Goal: In 2009, CPSC will establish an IT governance structure that includes: (1) implementation of a Program Management Office (PMO); (2) finalizing the Capital Planning and Investment Control (CPIC) policy document; and (3) completing an Enterprise Architecture framework report designed to manage the CPSRMS, existing applications, and any future IT projects that CPSC may seek to undertake.

Met: In 2009, CPSC established an IT governance structure and will continue to develop it in the future:

(1) The CPSRMS team implemented a Program Management Office. Staff created a federal program management organization, program charter, program management plan, and awarded a contract to create a System Development Life Cycle methodology and to monitor quality. The Program Management Office established an Investment Review Board (IRB) comprised of senior Commission officials who review and approve funding needs required for IT projects. Meetings were led by the Project Management Office where the IRB reviewed and approved both the CPSRMS investment and the rest of the IT portfolio to support the submission of CPSC's budget.

(2) CPSC staff developed an IT investment management policy, which covers the Capital Planning and Investment Control (CPIC) policy, systems development life cycle, enterprise architecture, and other components. As part of the CPIC policy, CPSC hired an experienced CPIC manager and established an Investment Review Board, described above. The CPSRMS team is working to award a contract to provide ongoing CPIC and enterprise architecture (EA) with support staff capable of passing an internal GAO IT Investment Management review at "Level 2".

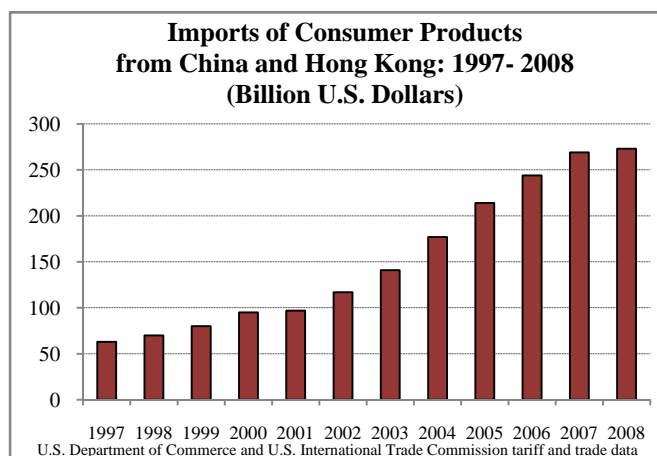
(3) The CPSRMS team created an EA framework document to guide the management of the CPSRMS investment, existing applications, and any future CPSC IT projects. CPSC is working towards completion of a full enterprise architecture document.

IMPORT SAFETY INITIATIVE⁶



In 2007, product recalls were at their highest level in 10 years. Of the 473 recalls, 82 percent involved imported products, mostly from China. In 2008, CPSC recalled an even higher number of hazardous imported products from China, including toys and children's jewelry. These products may not have been tested to voluntary or mandatory safety and performance standards. Therefore, it is important for product safety that there is a strong federal presence in the import arena.

Currently, approximately 85 percent of U.S. product recalls are of imported products with the majority manufactured in China. The value of U.S. imports from all countries of consumer products under CPSC's jurisdiction was \$639 billion in 2008, with imports from China and Hong Kong valued at \$273 billion, comprising about 43 percent (dollar value) of all consumer products imported into the United States. From 1997 through 2008, the value of all U.S. imports of consumer products from China and Hong Kong more than quadrupled.



The 2008 appropriation funded the Import Safety Initiative, including the establishment of a new Import Surveillance Division, with the first permanent, full-time presence of CPSC investigators at key ports of entry throughout the United States. These port investigators work with compliance officers, research analysts, attorneys, and support staff to stop violative or defective products from entering the U.S.

CPSC's Office of International Programs and Intergovernmental Affairs continues to provide a comprehensive and coordinated effort with other countries in consumer product safety standards development. The Office conducts activities and creates strategies aimed at ensuring greater import compliance with recognized American safety standards. A major emphasis of this program is encouraging foreign manufacturers to establish product safety systems as an integral part of the manufacturing process. The Office has been responsible for coordinating the biennial U.S.-Sino Product Safety Summit. The most recent summit occurred October 21-26, 2009, in Beijing, China. CPSC hired a product safety specialist (one of two positions authorized) to work in China, one of the largest exporters of consumer products to the U.S.

⁶ Resources for this effort are included in the major program, Reducing Product Hazards to Children and Families, which this activity supports.

Imports from China

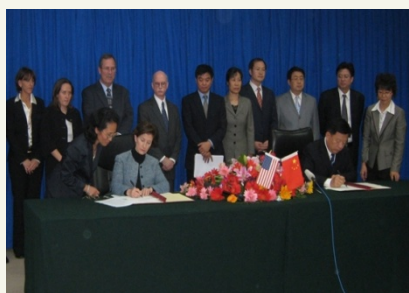
| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------|------|------|------|------|------|
| Dialogue and Initiatives with the Chinese Government | | | | | | |
| 1. Participate in biennial U.S.-Sino Product Safety Summit | Goal | ** | ** | ** | 0 | 1 |
| | Actual | 1 | 0 | 1 | 0 | 1 |
| 2. Develop or continue implementation of cooperative work plans in product areas, as appropriate | Goal | ** | 2 | 4 | 4 | 6 |
| | Actual | | 2 | 4 | 4 | 6 |
| 3. Review and update China program plan | Goal | ** | 1 | 1 | 1 | 1 |
| | Actual | | 1 | 1 | 1 | 1 |
| 4. Conduct periodic review with Chinese regulatory officials to exchange information about significant recalls and/or other product safety issues | Goal | ** | ** | ** | 12 | 12 |
| | Actual | | | | 12 | 12 |
| 5. Establish a regional Product Safety Office in Beijing, China (hire a product safety specialist) | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| Working with the Private Sector | | | | | | |
| 6. Conduct outreach/training events for U.S. importers of Chinese products | Goal | ** | ** | ** | 2 | 3 |
| | Actual | | | | 3 | 10 |

** No goal established.

Dialogue and Initiatives with the Chinese Government

1. Participate in biennial U.S.-Sino Product Safety Summit.

Biennial U.S.-Sino Product Safety Summit



The first Product Safety Summit took place in Beijing, China in 2005, between CPSC and the General Administration for Quality Supervision and Inspection (AQSIQ), CPSC's Chinese counterpart agency. At that time, CPSC and AQSIQ signed an Action Plan on Consumer Product Safety and agreed to hold a Safety Summit every two years. In accordance with the Action Plan, AQSIQ and CPSC established four working groups: Fireworks, Toys, Lighters and Electrical Products. The Work Plans for these were presented at the second Biennial Consumer Product Safety Summit held in Washington, DC, on September 11, 2007. At that event, CPSC and AQSIQ explained their expectations for retailers, importers, exporters, and manufacturers dealing in consumer products. A third Summit, in October 2009, will build on these events with the goal of institutionalizing a culture of product safety among Chinese consumer product exporters.

Goal: During 2009, staff will plan and make arrangements for the upcoming 2010 meeting. CPSC will participate in the third biennial U.S.-Sino Product Safety Summit in October 2009.

Met: In October 2009, CPSC participated in the third biennial U.S.-Sino Product Safety Summit in Beijing, China. In 2009, staff completed a substantial amount of work in preparation for the Summit including coordinating arrangements, preparations, and scheduling for Summit attendees, visits, and other requisite elements.

2. Develop or continue implementation of cooperative work plans.

Cooperative Work Plans

The 2005 Action Plan on Consumer Product Safety with AQSIQ outlines specific cooperative actions (training, technical assistance, consultation, and the creation of Working Groups) to be taken by CPSC and AQSIQ to improve the safety of consumer products. Utilizing this plan in 2007 and 2008, we communicated to our Chinese counterpart specific problems with respect to each of the Working Group product areas and negotiated and reached agreements on work plans to address these problems. In 2008, in conjunction with the passage of CPSIA, it became essential to integrate ongoing product areas into analogous cooperative work plans to improve the safety of consumer products.

Goal: *In 2009, CPSC staff will continue to cooperate with its Chinese counterpart on the implementation of work plans on the six priority areas: toys, ATVs, lead in children's products, electrical products, lighters, and fireworks.*

Met: In 2009, CPSC and AQSIQ continued work, under the work plans, in all six product areas. This includes the translation and posting of technical information, seminars on conformity assurance, and technical information exchanges.

3. Review and update China program plan.

China Program Plan Update

The China program plan was originally developed in 2005 as a way of managing CPSC's various China-related activities and as the basis for an overall strategy to promote safety and compliance of Chinese consumer products exported to the United States. Staff reviews and updates the plan annually to ensure that it takes into account changing conditions and new opportunities for progress.

Goal: *In 2009, staff will review and update the China program plan.*

Met: In September 2009, staff updated the China program plan. The plan includes greater coordination of efforts to increase compliance with consumer product safety requirements, expand communication mechanisms, and enhance the collaborative environment through CPSC presence in Beijing.

4. Conduct periodic review with Chinese regulatory officials to exchange information about significant recalls and/or other product safety issues.

Recall Information Exchange

A key element in product safety cooperation with another country is the exchange of pertinent information about non-compliant or hazardous products. This supports bilateral compliance efforts and allows staff to emphasize areas needing particular attention.

Goal: In 2009, staff will conduct 12 periodic reviews with Chinese regulatory officials to exchange information about significant recalls and/or other product safety issues.

Met: In 2009, staff held 12 reviews with Chinese officials to exchange information about recalls and other product safety issues.

5. Establish a regional Product Safety Office in Beijing, China.

Beijing Product Safety Office

CPSC will establish its first overseas office, to be located at the U.S. Embassy in Beijing. This will better enable CPSC to promote compliance with U.S. product safety requirements among Asian (especially Chinese) exporters and to better coordinate with product safety regulators in the region. U.S. imports of consumer products from China comprise a large portion of all U.S. imports of consumer products, with other Asian countries accounting for a growing share.

Goal: In 2009, staff will put in place the arrangements with the U.S. State Department to support the establishment of the regional Product Safety Office at the U.S. Embassy in Beijing, China. Also, CPSC will hire a Product Safety Specialist in China.

Met: In 2009, staff made arrangements with the State Department to establish financial procedures and personnel management for the Beijing office, which will likely become operational in December 2009. CPSC hired a product safety specialist to work in China.

Working with the Private Sector

6. Conduct outreach/training events for U.S. importers of Chinese products.

Outreach/Training Events for U.S. Importers

In order to maximize U.S. importers' cooperation with U.S. product compliance efforts, it is essential to convey sufficient understanding of the U.S. regulatory environment, as it applies to imports. Outreach/training events that explain U.S. statutory and regulatory requirements, present useful techniques, regulatory best practices, and relevant experience increase the chances of effective cooperation and the level of compliance.

Goal: In 2009, CPSC staff will conduct three outreach/training events for U.S. importers.

Exceeded: The Import Surveillance Division conducted 10 outreach/training events for U.S. importers and brokers. Participating in these events has started a dialogue for many organizations, including the National Customs Brokers and Forwarders Association, the International Consumer Product Health and Safety Organization, Pacific Northwest Importers,

International Compliance Professional Association, and the Trade Support Network, on the regulatory changes that resulted from CPSIA. Staff conducted many of these training events in conjunction with each association's annual conference.

Imports from All Countries

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------------------------------|-----------|-----------|-----------|-------------|-------------------------|
| Surveillance and Enforcement Activities | | | | | | |
| 1. Expand Import Surveillance Division and conduct the following import safety improvement activities | Goal Actual | ** | ** | ** | 1 1 | 1 1 |
| a) Increase the number of samples of imported products collected [‡] | Goal Actual | ** 685 | ** 609 | ** 724 | 750 1131 | 1200 1559 |
| b) Examine product categories for potentially hazardous imports | Goal Actual | ** | ** | ** | 8 13 | 12 15 |
| c) Cross-train other federal agencies' staff to identify hazardous imported products | Goal Actual | ** | ** | ** | 4 6 | 6 6 |
| 2. Work with GSA to improve facilities for the test/evaluation of import samples | Goal Actual | ** | ** | ** | 1 1 | 1 1 |
| 3. Expand in-house capabilities to conduct Human Factors product research | Goal Actual | ** | ** | ** | 1 1 | D* D* |
| 4. Test/evaluate import samples | Goal Actual | ** | ** | ** | 1 1 | D* D* |
| 5. Develop measures of import safety success | Goal Actual | ** | ** | ** | 1 1 | 1 0 |
| Dialogue and Initiatives with Foreign Entities† | | | | | | |
| 6. Conduct outreach/training events for foreign† government officials | Goal Actual | ** | ** | ** | 3 3 | 3 3 |
| 7. Conduct outreach/training events for foreign† manufacturers | Goal Actual | ** | ** | ** | 2 3 | 3 3 |
| Communication/Consumer Information | | | | | | |
| 8. Respond to requests for information from foreign manufacturers/government officials through Web page contact form within 3 business days | Goal Actual | ** | ** | ** | 90% 100% | 90% N/A [§] |
| 9. Consumer outreach for imports (million) | Goal Actual | ** | ** 125 | ** 966 | 450 185 | 200 530 |
| 10. Conduct public information efforts/partnerships | Goal Actual | ** | ** | ** | 2 2 | 2 2 |
| Improving Rapid Identification of Import Safety Issues | | | | | | |
| 11. Develop metrics for quick identification of hazardous products through Customs' and CPSC's databases | Goal Actual | ** | ** | ** | 1 1 | 1 1 |
| 12. Improve tracking mechanisms | Goal Actual | ** | ** | ** | 1 0 | D* D* |

**No goal established.

* This goal was deferred due to limited resources and higher priority work associated with CPSIA.

† Before 2009, these goals were for Chinese officials or manufacturers.

‡ In 2008, the goal was to measure samples tested. For 2009, it is counting samples collected and is not comparable to 2008.

§ N/A - No requests for information were received through the CPSC Web site.

Surveillance and Enforcement Activities

1. Expand the Import Surveillance Division and conduct import safety improvement activities.

Import Surveillance Division

The marketplace for consumer products has changed dramatically in recent years. A far greater percentage of consumer products are now imported. The ability for small business retailers and foreign manufacturers to quickly locate each other via the Internet and communicate cheaply has truly created a global marketplace.

Goal: *In 2009, the CPSC will expand the Import Surveillance Division by increasing the number of staff working at U.S. ports of entry.*

Met: The Import Surveillance Division increased staffing at U.S. ports to 14. Staff is co-located with U.S. Customs and Border Protection at some of the largest ports where CPSC regulated commodities enter into commerce.

a. Increase the number of samples of imported products collected.

Samples Collected

Members of the Import Surveillance Division are CPSC's frontline in identifying the imported products that violate CPSC enforced regulatory requirements or that contain defects that present a significant risk of injury. These investigators will screen products and ship samples to other CPSC locations for final determinations.

Goal: *In 2009, staff will increase to 1,200 the number of samples of imported consumer products collected that are suspected of being non-conforming or defective.*

Exceeded: Staff collected 1,559 samples for further CPSC evaluation. New technologies including the use of the X-ray fluorescent machines allow us to maximize resources at the co-located ports.

b. Examine product categories for potentially hazardous imports.

Product Categories Examined

In 2008, CPSC staff and U.S. Customs and Border Protection conducted 20 import surveillance activities, as identified by the Import Surveillance Division, for 12 product categories. Examples of these products included toys, holiday lights, extension cords, lighters, fireworks, children's jewelry, and children's sleepwear.

Goal: *In 2009, staff will inspect shipments of potentially hazardous products for at least 12 product categories.*

Exceeded: Through partnerships with U.S. Customs and Border Protection, staff identified 15 product categories and established

programs to examine those product categories. Some of the programs include all-terrain vehicles, toys, holiday lights, children's jewelry, and bike helmets.

c. Cross-train other federal agencies' staff to identify hazardous imported products.

Working with Other Federal Agencies

CPSC works with other federal agencies on inspection of import shipments of consumer goods.

Goal: In 2009, CPSC staff will cross-train other federal agencies' staff working at six ports to identify hazardous imported products.

Met: The Import Surveillance Division conducted training events at six ports to inform import specialists, account managers, and regulatory audit staff of U.S. Customs and Border Protection about the new provisions of CPSIA.

2. Work with GSA to improve facilities for the testing/evaluation of imported samples.

Laboratory Modernization Plan



The CPSC Laboratory plays a vital role in the testing and evaluation of consumer products. The laboratory contributes to the development of test methods for consumer product safety standards. CPSC needs to acquire a new facility to replace the current inefficient 1950s-era laboratory. CPSC committed funds in 2007 and 2008 and GSA is proceeding to acquire a new site. CPSC will use funds from the 2009 appropriation for the final portion of the project, with scheduled completion in 2010.

Goal: In 2009, staff will continue to work with GSA to relocate to a modernized Laboratory to facilitate the testing/evaluation of import samples and support the development of safety standards.

Met: In May 2009, GSA awarded a lease for the CPSC laboratory to move into a facility located at 5 Research Place in Rockville, MD. Facility design efforts have been progressing.

3. Expand in-house capability to conduct Human Factors product research.

Enhance Human Factors Research Capability

In 2006, the US imported from China more than 78 percent of children's games and toys. CPSC currently does not have the capability to conduct in-house applied Human Factors research about how adults and children use and interact with toys as well as other products. This research would provide important information for the development of performance standards for toys. These standards would provide the basis for third party certification of imports and domestically produced children's products. In 2008, staff initiated plans for the design of a lab that will be used in developing a human factors/ergonomics test facility that would accommodate evaluations such as studies of children's play behaviors and unintended uses of toys and other products

Goal: In 2009, staff will complete designs for an observation test facility that will enhance its Human Factors applied research by providing the in-house capability to conduct observational studies of children's and adults' interaction with products such as toys.

Deferred: This work was deferred at the beginning of the year due to higher priority work associated with CPSIA implementation. It was later discontinued because, in 2009, staff evaluated options for in-house research facilities and decided it would be more cost effective to contract with professional research facilities on an as-needed basis rather than building the necessary infrastructure and hiring staff for applied human factors research.

4. Test/evaluate import samples.

Test/Evaluate Samples

CPSC tests a variety of imported sample types, with varying requirements. We do not currently have an integrated database that tracks the time it takes from sample collection at the port to final Customs and Border Protection (CBP) notification of test results. In 2008, we evaluated the existing sample tracking process and made recommendations to more accurately track the timeliness of sample collection and testing.

Goal: In 2009, staff will follow appropriate recommendations made in 2008.

Deferred: In 2009, the project was deferred due to major changes at CPSC affecting sample evaluations, including the new laboratory, modernization of CPSC's information technology system, and the potential automation exchange of data with CBP. This goal is deferred until the changes instituted at CPSC fully support completion of this goal.

5. Develop measures of import safety success.

Measures of Import Safety Success

Surveillance of consumer products for compliance to mandatory and voluntary standards presents many methodological and other challenges. In 2008, CPSC staff researched and evaluated compliance studies for potential applicability to an enhanced surveillance system. Staff made contact with the Food and Drug Administration, Customs and Border Protection, and the Internal Revenue Service staff to discuss methods and requirements of their surveillance systems. CPSC also published a "Request for Information" in the *Federal Register* and received two responses concerning the development of consumer product safety metrics. Staff reviewed these responses and presented them to CPSC management for consideration, but management found they did not form the basis for additional work.

Goal: In 2009, staff will develop a plan to conduct a pilot study to determine methods for evaluating compliance with one CPSC regulatory requirement.

Not Met: In 2009, CPSC revised its plans to perform the pilot study. However, staff completed several activities, which were required prior to planning the pilot study. In 2009, staff:

- performed a full data mapping of National Electronic Injury Surveillance System product coding to current Harmonized Tariff Schedule (HTS) coding, the primary product classification resource in the U.S.;
- submitted data and operational memoranda of understanding to CBP; and
- defined new HTS codes and submitted them to the U.S. International Trade Commission 484(f) Committee, which reviews requests for changes to the statistical reporting requirements of the HTS.

It was determined that a contract for the development of an initial Risk Assessment Methodology could begin in early 2010. The pilot study is postponed until the summer of 2010.

Dialogue and Initiatives with Foreign Entities

6. Conduct outreach/training events for Chinese government officials.

Outreach/Training Events for Government Officials

To maximize foreign government cooperation with U.S. product compliance efforts, it is essential to convey sufficient understanding of U.S. regulatory requirements. Outreach/training events that present regulatory best practices and relevant experience increase the chances of effective bilateral cooperation.

Goal: In 2009, CPSC staff will conduct three outreach/training events for foreign government officials.

Met: In 2009, staff conducted three outreach/training events for foreign government officials in the areas of toys, electrical products, and textiles.

7. Conduct outreach/training events for Chinese manufacturers.

Outreach/Training Events for Chinese Manufacturers

To maximize foreign manufacturers' cooperation with U.S. product compliance efforts, it is essential to convey sufficient understanding of the U.S. regulatory environment. Outreach/training events that explain U.S. statutory and regulatory requirements, regulatory best practices, and relevant experience increase the chances of effective cooperation and the level of compliance.

Goal: In 2009, CPSC staff will conduct three outreach/training events for foreign manufacturers.

Met: In 2009, staff conducted three outreach/training events for foreign manufacturers in the areas of toys, electrical products, and textiles.

Communication/Consumer Information

8. Respond to requests for information from foreign manufacturers and others through the Web site within 3 business days.

Responsiveness to Foreign Manufacturers and Others

CPSC has created a specific section of its Web site to provide detail of the Commission's international programs, access to the formalized cooperative agreements with international counterparts and electronic copies of the CPSC Handbook for Manufacturing Safer Consumer Products (available in both English and Mandarin). CPSC's international activities Web pages are among the first places foreign officials and producers/exporters look for information about U.S. product safety requirements. 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. Ensuring that the information presented is up-to-date and that foreign visitors can request additional information are essential elements in gaining cooperation of non-U.S. stakeholders.

Goal: In 2009, staff will respond to requests for information from foreign manufacturers, foreign government officials, and others through the International Activities section of CPSC's Web site within three business days of receiving the request 90 percent of the time.

Not Applicable (N/A): In 2009, there were no requests for information received through the international activities section of CPSC's Web site.

9. Consumer outreach for imports.

Consumer Outreach

In 2008, consumers received about 185 million views of CPSC safety messages relating to imported goods through video news releases (VNRs) and television appearances. In 2007, there were a number of recalls of very popular toys and nursery products that drew exceptional media coverage and accounted for the higher number of consumers reached. Some of that effect also occurred in 2008 with the enactment of CPSIA.

Goal: In 2009, 200 million views of CPSC safety messages will be received by consumers through TV appearances and VNRs related to import safety campaigns and recalls as well as from downloading e-publications.

Exceeded: In 2009, there were 530 million views of CPSC safety messages through TV appearances and VNRs related to import safety campaigns and recalls for products such as toys, window blinds, and cribs.

10. Conduct two public information efforts/partnerships.

Imported Products



Goal: In 2009, staff will conduct an activity, such as a local and/or national interview, to inform consumers about a particular imported consumer product posing a hazard to the public or presenting a potential safety risk. Staff will educate consumers via the media about steps that CPSC takes to investigate, detect, prevent and respond to dangerous or potentially dangerous imports.

Met: In July 2009, the Chairman conducted a national morning show interview with the CBS Early Show during which she discussed two Chinese made products –cribs and floats – that posed entrapment and drowning hazards to children, respectively. The Chairman discussed the steps CPSC was taking to ensure that products such as cribs and baby floats are made safer.

Port Safety



Goal: In 2009, staff will conduct an activity, such as issuing a news release, related to an enforcement or intervention action at a U.S. port.

Met: In 2009, CPSC provided the national press with a statement regarding the Chairman's visit to the Port of Hong Kong during her trip to Southeast Asia in August, during which she discussed the positive impact that effective screening and enforcement overseas can have on the work of CPSC port inspectors in the U.S.

Improving Rapid Identification of Import Safety Issues

11. Develop metrics for quick identification of hazardous products through Customs' and CPSC's databases.

Integration of Databases

During 2008 staff submitted CPSC's business and system requirements for the Automated Commercial Environment (ACE), the commercial trade processing system Customs and Border Protection (CBP) is developing. CPSC has found that to improve the rapid identification of hazardous products, CPSC needs to provide to CBP and the International Trade Commission (ITC) a data map of CPSC jurisdiction in terms of the Harmonized Tariff Schedule product code. This will allow ITC to be more specific when classifying products for entry documentation and allow CBP to customize ACE to focus on CPSC's products and needs, which will improve the compliance of manufacturers of imported products to CPSC standards through improved monitoring.

Goal: In 2009, staff will submit CPSC's data map to ITC and CBP.

Met: In 2009, CPSC submitted our statistical breakout requirements to ITC and our data map to CBP on products required under CPSIA.

12. Improve tracking mechanisms.

Improve Tracking Mechanisms

To provide staff with the latest information on potentially hazardous imported products as well as domestic cases at the touch of a button, CPSC plans to automate and update compliance systems used for tracking and performance information. CPSC uses two data systems to track case information and identify non-compliant manufacturers. Currently, staff has been merging information from these sources manually to support field investigators and provide additional reporting to managers who manage import safety. Resources have been identified that will allow for a redesign of these systems in three years. In 2008, staff worked with contractors to complete analysis of our current case management system and business architecture.

Goal: In 2009, based on our 2008 analysis and architecture, we will develop and test prototypes to improve tracking mechanisms used for case management, complaint tracking, trend analysis, and report production through integrating CPSC's regulatory and non-regulatory databases.

Deferred: Work on this project was deferred due to higher priority work associated with CPSIA. Work on integrating CPSC's databases will be included in Phase 2 of the CPSRMS development.

REDUCING PRODUCT HAZARDS: FIRE HAZARDS



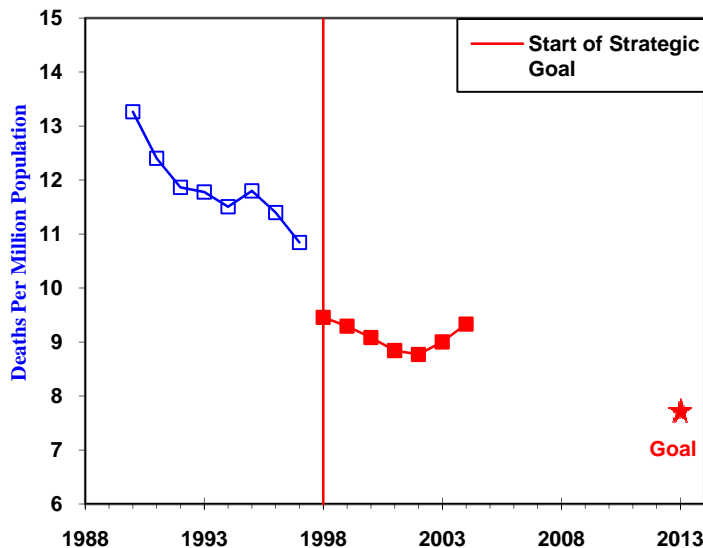
STRATEGIC GOAL: Reduce the rate of death from fire-related causes by 20 percent from 1998 to 2013.

| Total Resources for This Goal (dollars in thousands) | | | | | |
|--|----------|----------|----------|----------|----------|
| Fiscal year | 2005 | 2006 | 2007 | 2008 | 2009 |
| FTEs | 153 | 142 | 126 | 120 | 104 |
| Amount | \$21,907 | \$21,440 | \$20,294 | \$20,811 | \$20,137 |

THE HAZARD

This nation’s fire death rate remains high. From 2003 to 2005⁷, an average of 2,740 people died, and 13,090 people were injured because of fires in residences. These fires also resulted in property losses of about \$5.6 billion. The total cost to the nation from residential fires was \$20.5 billion. Children and seniors are particularly vulnerable. In 2005, over 400 children under the age of 15 died of fire-related causes, and over 200 of these deaths were to children under the age of 5 years. Older adults also have significantly higher fire death rates in comparison to the rest of the population. In 2005, residential fires resulted in over 800 deaths to adults 65 years and older.

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



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 eight percent of fire deaths in recent years.

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 2005⁸. To further reduce the death rate, we retained this as a strategic goal in our current Strategic Plan, but with a new target of a 20 percent reduction from 1998 to 2013. While the graphic suggests a slight rise in the annual moving average based on rate estimates for 2003-2005, this may be associated with statistical variation in the estimates.

⁷ 2005 is the latest year for which complete death data are available; these estimates are based on fires in residential structures that were attended by the fire service.

⁸ The estimates since 1998 are not strictly comparable to those for previous years because of changes in the system for coding fire data.

We expect the trend for fire-related deaths to decline in the future for several reasons. In July 2007, CPSC's new flammability standard for mattresses became effective. Staff estimates that, in 2013, this standard will prevent as many as 148 deaths. Once fully effective, staff estimates that this standard will prevent as many as 270 deaths every year. Child resistant features on cigarette and multi-purpose lighters have been effective in reducing the number of fires started by children under the age of 5 years, and it is expected that the number of fire deaths associated with lighters will continue to decline. As the number of homes with arc-fault circuit interrupters increases, it is expected that this technology will have an increasing impact on the number of fires and fire-related deaths associated with home wiring systems.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|--------|------|------|------|------|------|
| Safety Standards | | | | | | |
| 1. Prepare candidates for rulemaking | Goal | 4 | 5 | 8 | 9 | 4 |
| | Actual | 1 | 4 | 5 | 7 | 3 |
| 2. Present recommendations to voluntary standards or code organizations | Goal | 0 | 1 | 2 | 2 | 1 |
| | Actual | 0 | 0 | 0 | 3 | 1 |
| 3. Complete data analysis and technical review activities | Goal | 14 | 12 | 11 | 8 | 2 |
| | Actual | 10 | 9 | 8 | 5 | 1 |
| 4. Support voluntary standards and code revisions | Goal | 13 | 11 | 11 | 13 | 3 |
| | Actual | 17 | 11 | 12 | 13 | 3 |
| Compliance | | | | | | |
| 5. Preliminary determination within 85 business days (unregulated products) | Goal | ** | ** | 66% | 70% | 70% |
| | Actual | 68% | 54% | 82% | 79% | 62% |
| 6. Corrective action within 60 business days of preliminary determination (unregulated products) | Goal | ** | ** | 80% | 82% | 80% |
| | Actual | 71% | 84% | 86% | 85% | 94% |
| 7. Corrective action within 35 business days of notice of violation (regulated products) | Goal | ** | ** | 80% | 82% | 80% |
| | Actual | 60% | 89% | 76% | 96% | 89% |
| 8. Monitor existing voluntary standards | Goal | ** | 1 | 1 | 1 | D* |
| | Actual | 0 | 1 | 1 | 1 | |
| Consumer Information | | | | | | |
| 9. Consumer outreach (in millions)† | Goal | ** | ** | 125 | 200 | 150 |
| | Actual | 94 | 185 | 295 | 103 | 117 |
| 10. Conduct public information efforts/ partnerships | Goal | 6 | 7 | 7 | 6 | 5 |
| | Actual | 5 | 5 | 8 | 6 | 5 |

** No goal established.

* This goal was deferred due to limited resources and higher priority work associated with CPSIA.

† Actual results for this goal prior to 2007 are not strictly comparable to results for 2007 and later years due to an improved data capturing capability implemented in 2007.

Safety Standards

1. Prepare for Commission consideration three candidates for rulemaking or other alternatives.

Upholstered Furniture

Ignitions of upholstered furniture are a leading cause of residential fire deaths among the consumer products under CPSC's jurisdiction. Staff is developing a possible rule to address the risk of fire associated with the ignitions of upholstered furniture. In 2004, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) expanding the Commission's



CPSC Testing

rulemaking proceeding to cover the risk of fire from both cigarette-ignited and small open flame-ignited fires. In 2008, the Commission published a Notice of Proposed Rulemaking (NPR) and received public comments.

Goal: *In 2009, staff will: (1) conduct large scale open flame testing of complying and non-complying furniture and prepare for large scale smolder testing; (2) begin development of standard reference material (SRM) test cigarettes and test foam under interagency agreements (IAGs) with The National Institute of Standards and Technology (NIST); and (3) continue analyzing public comments on the NPR and developing regulatory options. Completion of the SRM cigarette development, and a decision point on proceeding with the SRM foam development, are scheduled for early 2010.*

Met: In 2009, the staff conducted large-scale open flame testing at NIST, and prepared a preliminary analysis to accompany smolder testing planned for 2010. NIST completed research and published a technical note on the SRM cigarettes for use in the planned smolder testing. CPSC posted the NIST report on its Web site and received public comments on the report. Work at NIST has begun on SRM foam development to assist the CPSC staff's testing program; the staff plans to use the resulting data on foam to help refine the NPR. The staff continued research and testing to assess technical concerns and recommendations in the NPR public comments, and to evaluate alternatives on various elements of the proposed rule. The public comments are at:

www.cpsc.gov/LIBRARY/FOIA/FOIA09/pubcom/nistignition.pdf

Mattresses - Cigarette Ignition

In 2005, the Commission issued an ANPR, initiating a possible amendment or revocation of the existing mattress cigarette ignition standard. In 2006, the staff analyzed comments on the ANPR and conducted an extensive review of historical compliance data. In 2007, a research study to re-examine the test criteria for self-sustained smoldering in light of new technologies used to meet the new open flame mattress standard began at NIST.

Goal: *In 2009, if appropriate, staff will prepare a briefing package with a draft proposed rule.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Carpet and Rug Standards Amendments

The Flammable Fabrics Act enacted standards for the surface flammability of carpets and rugs to reduce fires where carpets and rugs are the first items ignited. The standards prescribe cleaning methods for various carpet and rug types to help assure permanence of any flame retardant (FR) treatments.



Staff reviewed the carpet and rug flammability standards in 2005 under the Program for Systematic Review of Commission Regulations. The rule review identified inconsistencies with CPSC's internal compliance testing procedures, references to obsolete standards, and requirements no longer needed based on CPSC staff experience with the rules.

Goal: *In 2009, staff will complete a draft report of their review of voluntary and mandatory international test methods for measuring carpet and rug flammability*

Met: In 2009, staff completed a literature review of laundering procedures used in mandatory and voluntary carpet and rug flammability standards. A draft report of the findings was completed.

Lighters Amendments (2 regulations)



In 2008, as a result of a rule review regarding the child resistance of cigarette lighters, staff evaluated issues such as record keeping, testing, and novelty lighters. Staff also detailed potential options to address those concerns and began development of amendments to improve the lighter standards.

Goal: *In 2009, staff will prepare a draft ANPR to improve the clarity and specificity of the requirements, address changes in the lighter market that have occurred since the implementation of the standards, and propose streamlined procedures to reduce the burden on industry and staff resources.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Cigarette Lighters, Mechanical Malfunction



In 2005, CPSC issued an ANPR to begin development of a new mandatory safety standard to address mechanical malfunctions of cigarette lighters. In 2006, the staff conducted a study of conformance with ASTM F400 and prepared a status briefing to the Commission providing an estimate of current industry conformance. In 2007 and 2008, staff monitored voluntary standard activities.

Goal: *In 2009, staff will continue to monitor voluntary standard activities and follow Commission direction on this activity.*

Met: CPSC staff participated in cigarette lighter voluntary standards activities. In September 2009, staff hosted the ASTM F15.02 Lighter Subcommittee to discuss lighter safety standards revisions and other relevant subcommittee activities. In 2009, no Commission direction was provided.

Cigarette, Standard Reference Material (Technical Amendment to 16 CFR Part 1632)

In 2008, CPSC entered into an Interagency Agreement with the National Institute of Standards and Technology (NIST) to develop a standard reference material (SRM) cigarette that is



consistent with the ignition source requirements of 16 CFR Part 1632, Standard for the Flammability of Mattresses and Mattress Pads. By specifying the SRM cigarette in the standard, CPSC staff believes that there will be greater consistency in testing for compliance with the regulation. Amendments to the standard are necessary in order to specify the NIST SRM cigarette as the ignition source.

Goal: *In 2009, staff will prepare a briefing package with a draft proposed rule (technical amendment) for Commission consideration.*

Not Met: In 2009, NIST work on the SRM cigarette was completed. CPSC staff posted a NIST technical note on development of the SRM cigarette (Technical Note 1627; *Modification of ASTM E2187 for Measuring the Ignition Propensity of Conventional Cigarettes*) on the CPSC Web site to obtain public comment. Staff is reviewing comments and will prepare a briefing package with a draft proposed rule in 2010.

Bedclothes - Flammability



In 2005, the Commission voted to publish an ANPR to develop a possible mandatory standard to address open-flame ignition of bedclothes. In 2006, 2007, and 2008, staff monitored the progress of the efforts of the California Bureau of Home Furnishings and Thermal Insulation (CBHFTI) to develop a test method for filled bedding items. In 2008, CPSC staff also participated in the Precision & Bias study and discussion meeting with CBHFTI and prepared updated estimates of deaths and injuries associated with mattresses and bedding.

Goal: *In 2009, staff will continue to support rulemaking activities or other options, as directed by the Commission, and will consider how information derived from implementation of the new open flame mattress standard impacts bedclothes flammability.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

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

High Energy Battery Packs



Portable electronic devices use higher energy density batteries, such as lithium-ion batteries. Batteries that experience an internal short may overheat and explode, posing a hazard to consumers. Moreover, new technology battery chargers may have faster charge times with increased charging currents and temperatures that require monitoring of the battery charging status. In 2006, a contractor drafted a report on testing of high energy density lithium-ion batteries for mobile telephone use. In 2007, staff followed up this work by examining potential methods and/or

safety features that could be incorporated to reduce the hazards. In 2008, staff shared its draft report of this work with interested parties for comment.

Goal: In 2009, staff will consider comments received on its draft, and the report will be finalized. Recommendations for improvements to voluntary standards will be made, as appropriate.

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

National Electrical Code



Staff will continue to support revisions to improve the model code for electrical installations, the National Electrical Code (NEC). Staff will also actively participate on NEC Code-Making Panels, as appropriate.

Goal: In 2009, staff will submit proposals for the 2011 revision of the National Electrical Code to expand the use of arc-fault circuit interrupters in manufactured homes to prevent fires associated with arcing in a home's branch circuit wiring.

Met: In 2009, staff submitted proposals for the 2011 revision of the National Electrical Code to expand the use of arc-fault circuit interrupters and ground-fault circuit interrupters in manufactured homes. Staff will continue to participate in NEC Code-Making Panel meetings in December 2009.

3. Complete two data analysis, collection, and technical review activities.

Cigarette Ignition Risk



Several states have adopted legislation requiring “fire safe” cigarettes to address potential fires caused by unattended or dropped cigarettes; other states are considering similar legislation.

In 2007, CPSC awarded a contract to test conventional and “fire safe” cigarettes according to requirements in a voluntary standard; the data will be used to evaluate relative ignition propensities. Moreover, staff developed a test plan to compare the ignition propensity of some consumer products commonly involved in smoldering ignition fires (e.g., furniture, mattresses) when exposed to “fire safe” and conventional cigarettes. In 2008, staff monitored a contract to test the burn characteristics of 13 brands of cigarettes, and methods and analytical results were documented.

Goal: In 2009, staff will complete a test program comparing the ignition propensity of some consumer products commonly involved in smoldering ignition fires (e.g., furniture, mattresses) when exposed to “fire safe” and conventional cigarettes. A report of this work will be completed in 2010.

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation. Work on this project is planned to resume in 2010.

Range Extinguishing Systems



Cooking fires continue to be a major cause of residential fires and there is a variety of products marketed to consumers to prevent these fires, including range extinguishing systems. In 2006, staff conducted an evaluation of production and prototype range extinguishing systems in cooperation with the National Institute for Standards and Technology. In 2007, staff completed technical research on these systems. CPSC did not receive test data in 2008.

Goal: *In 2009, staff will write a report of its assessment of the data, when received, with recommendations for future work.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Smoke Alarms



Young children and seniors are particularly vulnerable in fires. In 2009, staff will begin an applied human factors research activity to assess consumer behavior regarding smoke alarms (e.g., the reasons consumers install, inspect, maintain, or disable them). In 2008, staff identified the most critical data deficient areas for smoke alarm design, which will be useful in updating smoke alarm performance standards.

Goal: *In 2009, staff will conduct a literature search and develop a questionnaire for the Consumer Opinion Forum and submit it to OMB for Approval.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Enhanced Smoke Alarms

Young children, the elderly, adults who are sleep deprived, those under the influence of alcohol, drugs, or sleep induced medication; and the visually and hearing impaired may be harder to awaken with current smoke alarm designs. Work in this project is designed to improve occupant response under different fire scenarios and to reduce the possibility of nuisance alarms.

Goal: *In 2009, CPSC staff will enter into an Interagency Agreement with the U.S. Fire Administration (USFA) to sponsor research to develop enhanced smoke alarm technologies. CPSC staff will provide technical support to USFA in developing a statement of work (SOW) to specify the identification of candidate sensors, the construction of prototype smoke alarms, and the evaluation of their fire performance. Staff will also provide recommendations for the types of fire scenarios to be used in evaluating the prototype alarms. In 2009, the SOW will be used to*

award a contract for the development of promising new types of smoke sensors.

Not Met: In 2009, CPSC staff participated in meetings/teleconferences with USFA and provided technical support for the development of a statement of work for a research contract on enhanced smoke alarms. CPSC finalized an Interagency Agreement. CPSC awarded the research contract to Oak Ridge National Laboratory.

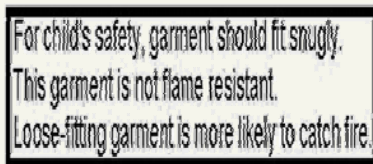
Sensor Technology

Electronic sensors and controls are becoming more sophisticated yet less expensive. One application of these sensors would be to enable an appliance to recognize hazardous conditions and initiate an action to mitigate the hazard. For example, a proximity sensor integrated into a heat-producing appliance, such as a portable heater, could enable it to detect when it is too close to a combustible item and then shut itself off or sound a warning.

Goal: *In 2009, staff will investigate existing sensing circuitry and search for newly emerging technologies. Promising technologies will be integrated into a candidate application and testing will be conducted to demonstrate the viability of the concept.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Children's Sleepwear Test Manual



The federal standards for the flammability of children's sleepwear, 16 CFR Parts 1615 and 1616, were enacted since the 1970's (and amended in 1996) to reduce the unreasonable risk of burn injuries and deaths when children's sleepwear is the first item ignited. There is no laboratory test manual for users of the standards. With the implementation of third-party certification for children's products required by CPSIA, publication of a user-friendly laboratory test manual for 16 CFR Parts 1615 and 1616 will help manufacturers comply with the regulations.

Goal: *In 2009, staff will complete a laboratory test manual for the children's sleepwear flammability standards.*

Met: In 2009, staff completed a draft Children's Sleepwear Laboratory Test Manual, which is in the clearance process. Staff will finalize the manual and post it on the CPSC Web site in 2010.

4. Support voluntary standards and codes.

Voluntary Standards

Staff participates in the voluntary standards process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries, and/or incidents occurred.

Goal: In 2009, staff will support the revision of the voluntary standard and/or model codes for products such as batteries, electrical heaters, and smoke alarms:

Met: Staff monitored or participated in the development or modification of 3 voluntary standards for the following products:

- Batteries
- Electrical Heaters
- Smoke Alarms

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, 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.

Goal: In 2009, staff will make 70 percent of fire-related staff "preliminary determinations" within 85 business days from the case opening date.

Not Met: In 2009, staff made preliminary determinations within 85 business days in 62 percent 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. During the year, over half the staff from the Compliance team that follows up on complaints involving fire issues was redirected to the drywall team with its high priority investigation of contaminated Chinese drywall.

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, 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: In 2009, staff will negotiate and commence 80 percent of fire-related corrective actions within 60 business days after a firm is notified of the staff's preliminary determination.

Exceeded: Staff negotiated a corrective action in 94 percent of cases involving fire hazards within 60 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: In 2009, staff will obtain 80 percent of fire-related corrective actions within 35 business days after the LOA is issued.

Exceeded: For products violating a CPSC standard protecting against the risk of fire, staff successfully negotiated corrective actions in 89 percent of cases within 35 business days after a LOA was 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 Compliance

Goal: In 2009, staff will monitor compliance with one existing voluntary standard likely to reduce fire-related deaths.

Deferred: In 2009, this goal was deferred because of higher priority work relating to CPSIA implementation.

Consumer Information

Alert the public to fire-related hazards through:

9. Consumer Outreach.

Consumer Outreach (in millions)

In 2008, consumers received about 103 million views of CPSC safety messages related to fire hazards through TV appearances,

video news releases (VNRs), and e-publications through CPSC's Web site. However, no major fire-related appliance recalls, final rules, or major advancements of rules occurred in 2008 that generated the extraordinary interest that was realized in 2007.

Goal: *In 2009, 150 million views of CPSC fire safety messages will be received by consumers through TV appearances and interviews on national television networks, VNRs to national and local television networks, and Web publications.*

Not Met: There were 117 million views of CPSC safety messages related to fire hazards in 2009 through TV appearances, interviews, VNRs, and Web publications. Topics that generated the most coverage included the Maytag recall, the fireworks safety press conference, and holiday decorating safety. The fact that there was no major advancement of fire-related rulemaking or recalls affected this year's coverage.

10. Conduct five public information efforts, including at least one partnership with industry and/or a fire safety group.

Fireworks



Goal: *In 2009, 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, video news release, podcast message, or message to the Neighborhood Safety Network (NSN). Possible partners include the Department of Justice and the Department of Homeland Security.*

Met: CPSC launched the fireworks safety campaign on June 30, 2009, with a national press release, a video news release, and a national news conference on the National Mall in front of the U.S. Capitol featuring the CPSC Chairman; Assistant Attorney General for the Civil Division of the Department of Justice; Assistant Commissioner, Office of Trade for Customs and Border Protection within the Department of Homeland Security; and a representative from the Bureau of Alcohol, Tobacco, Firearms and Explosives. The video news release reached over 38 million viewers. The Chairman and CPSC staff conducted major media interviews including: CNN, ABC News, CBS News, FOX News, AP-TV, WAMU and WTOP radio, and Univision. CPSC staff also notified local and national media.

Halloween

Goal: *In 2008, 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. Staff will conduct activities such as issuing a news release and a podcast, and providing TV and radio interviews.*



Met: In October 2008, CPSC staff issued safety tips for a safe “trick or treat.” Staff distributed to local and national media the news release that reminded parents and caregivers to keep safety in mind when selecting Halloween costumes, decorations, and treats. ABC’s Good Morning America and other television news programs reported on Halloween safety tips issued by CPSC.

Holiday Decoration Hazards



Goal: In 2009, for the winter holiday season, CPSC will reissue its annual news release 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. Staff will also conduct activities such as recording a podcast and reissuing the Neighborhood Safety Network poster to its members.

Met: In December 2008, CPSC issued a news release announcing the “Do’s and Don’ts” of holiday decorating. The news release included tips on selecting a fresh tree and preventing fires related to holiday decorations, which cost society millions of dollars in property damage. Staff distributed the safety message to our partners in the Neighborhood Safety Network (NSN). National print and television media, including the CBS Early Show, the Washington Post, and New York Times picked up the safety message from the news release.

Home Heating



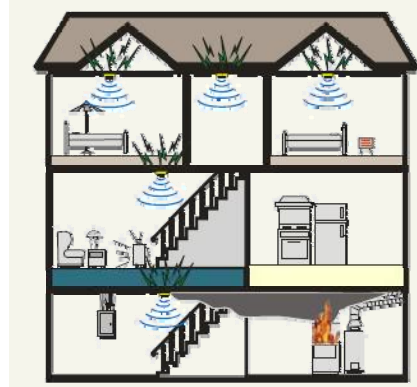
Goal: In 2009, at the beginning of the home heating season, staff will conduct activities such as issuing a news release, an audio news release, and a podcast message to warn about fire hazards from home heating equipment, especially space heaters.

Met: In 2009, CPSC released a home heating safety podcast highlighting the safe use of space heaters, cooking equipment, the installation of smoke and CO alarms, and the recommendation for a professional inspection of all fuel-burning appliances. Later in the winter season, CPSC released a press release warning of deadly fire and carbon monoxide hazards with home heating and urged precautions with space heaters, fireplaces, stoves, and ovens.

Smoke Alarms

Goal: In 2009, in a continuing effort to remind consumers that smoke alarms save lives, staff will issue a news release in the spring and the fall to emphasize that consumers need to have and maintain their smoke alarms. Staff will also contact national and local media to encourage them to remind consumers to check that their smoke alarms are in working order.

Met: In two national news press releases (October 2008 and March 2009), CPSC featured the need for consumers to have working smoke alarms. An audio podcast on home heating safety



in December 2008 and several articles published in *The Safety Review*, the Commission's newsletter (October 2008, January 2009, and February 2009), highlighted smoke alarms.

REDUCING PRODUCT HAZARDS: CARBON MONOXIDE POISONING



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

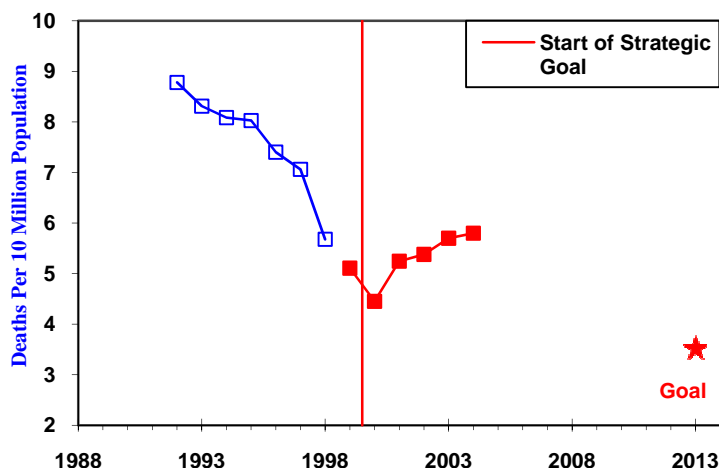
| Total Resources for This Goal (dollars in thousands) | | | | | |
|--|---------|---------|---------|---------|---------|
| Fiscal year | 2005 | 2006 | 2007 | 2008 | 2009 |
| FTEs | 10 | 13 | 16 | 6 | 10 |
| Amount | \$1,473 | \$2,496 | \$3,296 | \$1,118 | \$2,292 |

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 2003-2005⁹, there was an estimated annual average of 171 unintentional non-fire CO poisoning deaths associated with consumer products, at a societal cost of approximately \$860 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, and consequently not check for, CO poisoning. While some symptoms of CO poisoning are reversible, irreversible debilitating 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.

Carbon Monoxide Poisoning Death Rate Associated with Consumer Products by Year (Based on 3 Year Moving Averages)



Most consumer product-related CO poisoning deaths are associated with the use of heating systems and portable generators. Other consumer products associated with CO poisoning deaths include charcoal grills, gas water heaters, gas ranges and ovens, and fuel-burning camping equipment. Fatal scenarios mention problems with chimneys, flues, or vents connected to fuel-burning products.

OUR PROGRESS

Under our previous Strategic Plans, we had a target to reduce the rate of CO poisoning deaths associated with consumer products by 20 percent from

⁹ 2005 is the latest year for which death data are available. CPSC continues to receive reports of CO poisoning deaths for previous years, so these estimates may change in future reports.

1994 to 2004. From 1994 to 2004, the annual death rate was reduced by 34 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.

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, as shown in the graph¹⁰, there has been an increase in the number of CO-related deaths, in large part associated with the use of portable generators during natural disasters, such as hurricanes and ice/snow storms. The share of CO poisonings associated with portable generators increased from 6 percent in 1999 to 49 percent in 2005. Effective in 2007, CPSC issued a mandatory rule for a new danger label for portable generators to warn consumers about CO and to encourage safe use. Activities in our plan, including supporting a portable generator rulemaking activity, public outreach activities, and monitoring voluntary standards, are designed to address this increase.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|--------|------|------|------|------|------|
| Safety Standards | | | | | | |
| 1. Prepare candidates for rulemaking | Goal | ** | ** | 1 | 1 | 1 |
| | Actual | 0 | 1 | 1 | 1 | 1 |
| 2. Complete testing, data collection, hazard analysis, or technical review activities | Goal | 3 | 3 | 2 | 1 | 1 |
| | Actual | 1 | 2 | 1 | 1 | 0 |
| 3. Support voluntary standards revisions | Goal | 3 | 3 | 3 | 3 | D* |
| | Actual | 3 | 3 | 3 | 3 | |
| Compliance | | | | | | |
| 4. Monitor existing standards | Goal | ** | 1 | 1 | 1 | D* |
| | Actual | 0 | 1 | 1 | 1 | |
| Consumer Information | | | | | | |
| 5. Consumer Outreach (in millions) [†] | Goal | ** | ** | 20.0 | 25.0 | 15.0 |
| | Actual | 5.2 | 14.6 | 26.0 | 1.0 | 4.0 |
| 6. Conduct public information efforts/partnerships | Goal | 2 | 3 | 4 | 4 | 4 |
| | Actual | 2 | 2 | 4 | 4 | 4 |

** No goal established.

* This goal was deferred due to limited resources and higher priority work associated with CPSIA.

† The baseline data for this goal are not strictly comparable to the 2007 or later data due to an improved data capturing capability implemented in 2007.

Safety Standards

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

Portable Generators (Technical and Other Issues)

In 2006, the Commission voted to publish an Advance Notice of Proposed Rulemaking to begin research to develop technology to lower the risk of CO poisonings associated with portable generators. Staff awarded a contract to take a commercially-available generator and modify the engine with a prototype

¹⁰The estimates since 1998 are not strictly comparable to those for previous years because of changes in the methods for estimating carbon monoxide data.



configuration that reduced CO emissions in the exhaust. Staff also entered into an Interagency agreement (IAG) with the National Institute of Standards and Technology (NIST) to model the infiltration of CO in various styles of homes when the generator (in both the off-the-shelf and prototype configurations) is operated in an attached garage. Moreover, staff also conducted a proof-of-concept demonstration of a remote CO sensing automatic shutoff device for a portable generator as well as an on-board CO-sensing shutoff device in which a CO sensor was located on the generator. In 2007 and 2008, staff continued to monitor the contract and the IAG, adding necessary modifications to each.

Goal: In 2009, staff will: (1) continue its management of the contract to develop a low CO emission portable generator, which will be modified in 2009 to include additional investigations into the use of a shutoff feature; (2) continue to evaluate the prototype generator's performance by overseeing the testing and modeling conducted at NIST; and (3) establish a new agreement with NIST to develop CO emission performance limits for portable generators to significantly improve predicted survivability, based on results from indoor air quality and health effects modeling.

Met: In 2009: (1) staff continued to manage the contract with the University of Alabama (UA) for the development and durability testing of a prototype low CO emission portable generator. Under a contract modification, UA developed and incorporated a shutoff feature on the prototype generator designed to shut off the engine when performance begins to degrade due to operation in an oxygen depleted environment; (2) NIST conducted numerous performance characterizations needed to establish prototype performance under expected field conditions. NIST began experiments to document performance of a shut-off equipped prototype, the results of which will verify acceptable shut-off performance as well as provide information to UA for further refinement; and (3) staff established an IAG with NIST to develop a method to relate a maximum "acceptable" CO exposure limit profile to the CO emission performance of a portable generator operated in a foreseeable manner. This will result in a reasonable set of performance requirements based solely on health consequences and that are technology independent.

2. Complete one testing, data collection, hazard analysis, or technical review activity.

Vented Gas Appliance CO Sensors

Gas-fired heating appliances continue to be a leading cause of unintentional CO poisoning deaths. Despite improvements over the years, current standards for vented gas appliances do not adequately address known CO poisoning hazard scenarios. In 2000, CPSC staff proposed that the ANSI Z21/83 Committee



revise applicable standards to include CO shutdown requirements for the appliances. Staff supported these proposals with proof-of-concept testing in 2001 and 2003, demonstrating the use of CO and other gas sensors for safety shutdown of gas appliances. From 2002-2004, staff participated in an industry-led working group to develop test criteria to evaluate the use of gas sensors for this application. At the conclusion of that effort, industry opted not to pursue the use of sensors due to concerns about their durability and longevity. To address industry concerns, in 2006, staff initiated a test program to evaluate sensors in a gas furnace. Staff completed this work in 2008.

Goal: *In 2009, staff will complete a draft report of test results associated with longevity/durability tests of sensors within a gas furnace.*

Not Met: In 2009, staff began drafting its report of test results addressing industry concerns associated with the durability and life span of sensors in a gas furnace application. The draft report was not completed due to higher priority work supporting investigations by the Office of Compliance. Staff will complete the draft report in 2010.

3. Support three voluntary standards/codes revisions.

Voluntary Standards

Staff participates in the voluntary standards process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries, and/or incidents occurred.

Goal: *In 2009, staff will support the revision of the voluntary standard and/or model codes for the following three products:*

- *CO alarms*
- *Portable generators*
- *Vented gas appliances (CO sensors)*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation. Staff participated in two conference calls with a task force developing requirements for mandatory back-up batteries in hard-wired CO alarms.

Compliance

4. Monitor existing standards.

Existing standards compliance

Goal: *In 2009, staff will monitor compliance with one existing standard likely to reduce CO poisoning-related deaths or injuries.*

Deferred: In 2009, this goal was deferred because of higher priority work relating to CPSIA implementation.

Consumer Information

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

5. Consumer outreach

Consumer Outreach (in millions)

In 2008, consumers received about 1 million views of CPSC CO safety messages related to CO poisoning hazards through TV appearances, VNRs, and Web publications. This number represents an unusual decrease in consumer interest experienced that year. In 2007, the Commission approval for new danger labels for portable generators was a source of significant media attention where a press conference with the Acting Chairman reached 13 million viewers.

Goal: In 2009, 15 million views of CPSC CO safety messages will be received by consumers through TV appearances and interviews on national television networks, video news releases (VNRs) to national and local television networks, and e-publications through CPSC's Web site.

Not Met: In 2009, there were 4 million views of CPSC CO safety messages by consumers through TV appearances, VNRs and the Commission's e-publications. Unlike previous years, there were no major storms and power outages during which CPSC promotes CO safety and safe generator use.

6. Conduct four public information efforts and/or partnerships with a trade association or safety advocacy group.

CO Alarms



While a large percentage of consumers' homes are equipped with smoke alarms, it is estimated that far fewer have CO alarms in their homes. CPSC supports the installation of CO alarms as strongly as it does smoke alarms.

Goal: In 2009, through activities such as using posters, news releases, podcasts, or other similar media instruments, CPSC will continue its CO alarm messaging in connection with a daylight savings time news release recommending that consumers change the batteries in their smoke and CO alarms at least once every year.

Met: Coinciding with daylight savings time in March 2009, staff issued a press release designed to increase carbon monoxide awareness that prominently featured the need for consumers to have working CO alarms. Staff provided information on CO alarms in conjunction with generator safety and other pertinent safety information relevant to storm recovery efforts.

Additionally, there was an article in the January 2009 issue of *The Safety Review*, the Commission's newsletter, featuring CO alarms and a December 2008 audio podcast.

Home Heating



Goal: In 2009, staff will highlight the need for routine maintenance of gas appliances to remind the public of the continuing threat of CO in the home. At the beginning of the home heating season, staff will issue a seasonal warning about CO hazards from home heating equipment. Staff will remind consumers of specific issues including the need to have a routine furnace checkup, which will be completed through activities such as using news releases, audio news releases, publications, or other similar media instruments.

Met: In 2009, as winter arrived marking the beginning of the home heating season, CPSC released a home heating safety podcast highlighting the need for annual routine professional maintenance of fuel burning appliances, including gas appliances to guard against fires and carbon monoxide poisoning. In the podcast, and also in a press release later in the winter season CPSC highlighted the importance of installing smoke and CO alarms, making sure they had fresh batteries, and recommended an annual professional inspection of all fuel-burning appliances.

Portable Gas Generators



During times of power loss, homeowners may be exposed to potentially lethal levels of CO because of usage of portable gas generators to provide power to their homes.

Goal: In 2009, staff will promote generator safety and related rulemaking activities using at least one communication tool such as a news release, a video, a podcast, or safety materials to help reduce generator related deaths and poisonings.

Met: In 2009, CPSC issued a press release coinciding with Daylight Saving Time reminding consumers never to use a generator inside their home in addition to advising them to change smoke and CO alarm batteries.

Natural Disaster Preparedness



Goal: In 2009, staff will use communication tools such as print news releases, audio news releases, or VNRs to address CO poisoning hazards, especially in the aftermath of hurricanes, tornadoes, floods, and/or blizzards.

Met: In 2009, CPSC addressed CO poisoning hazards through the dissemination of print news releases. Also, in anticipation of potentially harsh weather conditions, staff translated CO warning door hanger cards into Spanish to achieve a wider reach to Hispanic communities.

REDUCING PRODUCT HAZARDS: CHILDREN'S AND OTHER HAZARDS

| Total Resources for This Goal (dollars in thousands) | | | | | |
|--|----------|----------|----------|----------|----------|
| Fiscal year | 2005 | 2006 | 2007 | 2008 | 2009 |
| FTEs | 186 | 168 | 169 | 188 | 235 |
| Amount | \$26,143 | \$25,651 | \$26,613 | \$32,572 | \$49,251 |

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; strangulation from window blind cords and clothing drawstrings; unintentional ingestion of toxic household chemicals; and various hazards with infant products such as old or improperly maintained cribs, high chairs, and strollers.

The recently enacted CPSIA and Virginia Graeme Baker Pool and Spa Safety Act (PSSA) legislation gave the Commission new tools to address children's hazards. The PSSA addresses the enhanced safety in requiring the retrofit of the nation's public pools with compliant anti-entrapment drain covers and in certain instances with additional anti-entrapment devices/systems, as well as a comprehensive education initiative to inform the public and pool owners of pool and spa hazards. Additionally, our Import Safety Initiative will also contribute to reductions in Children's and Other hazards. Other sections of this plan discuss these hazards.

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 down stairs and recalled numerous toys and other products that presented 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. Commission action has helped to protect children from exposure to lead in toys, crayons, children's jewelry, mini-blinds, and playground equipment. We have helped reduce children's exposure to hazardous chemicals in art materials and school laboratories. CPSC has worked to improve indoor air quality by reducing emission of pollutants from heating equipment, building materials, and home furnishings.

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, poisoning 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 2003 to 2005, unintentional¹¹ ingestion of drugs and hazardous household products was associated with an annual average of 33 deaths to children under age 5. In 2007, more than an estimated 78,000 children under 5 were treated in hospital emergency rooms.

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 Commission also has been a leader in urging consumers to use safety gear when participating in recreational activities, such as bicycling, all-terrain vehicle riding, and skateboarding.

Electrocution and Shock Hazards



In 2004¹², there were about 60 deaths from consumer product-related electrocutions. In 2007, an estimated 6,000 consumer product-related electric shock injuries were treated in U.S. hospital emergency rooms. Total societal costs in the U.S. associated with electrocutions and electric shock are about \$600 million. The annual estimate of electrocutions has declined substantially since 1975. CPSC's work on ground fault circuit interrupters in hair dryers, power tools, house wiring, and garden equipment has contributed significantly to this decline.

¹¹ Unintentional ingestions are those not supervised or administered by an adult.

¹² 2004 is the latest year for which complete fatality data are available.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|---------------|------|-------|------|------|------|
| Safety Standards | | | | | | |
| 1. Prepare candidates for rulemaking | Goal | 3 | 3 | 5 | 4 | 2 |
| | Actual | 0 | 1 | 4 | 2 | 2 |
| 2. Present recommendations to voluntary standards or code organizations | Goal | 1 | ** | 1 | 2 | 0 |
| | Actual | 1 | 0 | 0 | 4 | 0 |
| 3. Complete data analysis and technical review activities | Goal | 21 | 21 | 22 | 17 | 11 |
| | Actual | 21 | 15 | 17 | 15 | 10 |
| 4. Support voluntary standards and code revisions | Goal | 51 | 52 | 49 | 56 | 36 |
| | Actual | 54 | 49 | 51 | 58 | 36 |
| Compliance | | | | | | |
| 5. Corrective action within 60 business days of preliminary determination (unregulated products) | Goal | ** | ** | 80% | 82% | 80% |
| | Actual | 78% | 93% | 89% | 91% | 91% |
| 6. Corrective action within 35 business days of notice of violation (regulated products) | Goal | ** | ** | 85% | 88% | 80% |
| | Actual | 95% | 91% | 96% | 96% | 96% |
| 7. Monitor existing voluntary standards | Goal | 2 | 2 | 1 | 1 | D* |
| | Actual | 2 | 2 | 1 | 1 | |
| 8. Enforce the Virginia Graeme Baker Pool and Spa Safety Act | Goal | ** | ** | ** | ** | 1 |
| | Actual | | | | | 1 |
| Consumer Information | | | | | | |
| 9. Consumer outreach (in millions) † | Goal | ** | ** | 125 | 450 | 300 |
| | Actual | 87 | 283.6 | 978 | 334 | 550 |
| 10. Conduct public information efforts/ partnerships | Goal | 10 | 8 | 7 | 9 | 10 |
| | Actual | 7 | 9 | 9 | 9 | 10 |
| Virginia Graeme Baker Pool and Spa Safety Act – National Education Campaign | | | | | | |
| 11. Consumer outreach (in millions) | Goal | ** | ** | ** | ** | 60 |
| | Actual | | | | | 80 |
| 12. Conduct public information effort | Goal | ** | ** | ** | ** | 2 |
| | Actual | | | | | 2 |
| 13. Conduct drain entrapment/evisceration hazards public information efforts/partnerships | Goal | ** | ** | ** | ** | 5 |
| | Actual | | | | | 5 |

** No goal established.

* This goal was deferred due to limited resources and higher priority work associated with CPSIA.

† The baseline data for this goal are not strictly comparable to the 2007 or later data due to an improved data capturing capability implemented in 2007.

CPSIA covers Children's hazards. Refer to CPSIA section for a list of other rulemaking, data analysis, and technical review, activities related to Children's hazards.

Safety Standards

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

All Terrain Vehicles (ATVs)

In recent years, there has been a dramatic increase in both the numbers of ATVs in use and the numbers of ATV-related deaths and injuries. According to the staff's latest 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 2005 and 2006, staff conducted a comprehensive review of regulatory and non-regulatory options

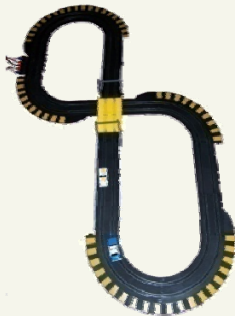


to address ATV hazards. In July 2006, the Commission voted to issue a Notice of Proposed Rulemaking (NPR) and directed the staff to carry out specific research activities, including testing of youth ATVs, conducting a review of in-depth investigation data, and gathering information regarding the appropriate size and speed of youth ATVs. The NPR was published in August 2006. During 2007, staff reviewed the comments submitted in response to the NPR and began the research activities directed by the Commission. In 2008, staff continued work on the research activities.

Goal: *In 2009, staff will provide a status report on youth ATV testing activities.*

Met: In 2009, staff completed the research activities begun in 2008. These included evaluating ATV metrics (e.g., track width, weight, center of gravity, and moment of inertia), vehicle handling, brake performance, maximum speed, tilt table angles, sensitivity to rider lean, as well as a review of speed limiting devices. Staff prepared a draft status report on youth ATV testing activities. The report is in the CPSC clearance process.

Electric Toys



Staff reviewed the Electric Toy regulation in 2004 under the Program for Systematic Review of Commission Regulations. The rule review identified references to obsolete standards and requirements that could potentially be streamlined. In 2008, staff reviewed proposed changes to voluntary standards by Underwriters Laboratories to update the Electric Toy regulation.

Goal: *In 2009, staff will continue to support rulemaking activities or other options, as directed by the Commission.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Infant Cushions

In 2006, the Commission voted to initiate rulemaking that could result in an amendment to the current ban on infant cushions and pillows. In 2008, staff prepared a briefing package for Commission consideration. The Commission voted (2-0) to publish a notice to terminate the existing rulemaking on infant pillows and to publish a Notice of Proposed Rulemaking (NPR) to exempt certain nursing pillows from classification as a banned hazardous substance.

Goal: *In 2009, staff will prepare a final rule briefing package for Commission consideration to exempt certain nursing pillows from the infant cushion ban.*

Met: The staff completed a final rule briefing package and the Commission approved and published a final rule exempting nursing pillows on December 19, 2008. The purpose of nursing

pillows is to provide a place for the mother to rest her arms and to give moldable but firm support to enhance comfort during extended periods while breastfeeding. The Commission's preliminary review showed that when used for their intended purpose—nursing—the risk of infant suffocation on nursing pillows is very low.

2. Prepare and present no recommendations to voluntary standards or code organizations to strengthen or develop voluntary standards or codes.

No children's or other hazards recommendations were planned for 2009.

3. Complete 11 testing, data collection, hazard analysis, or technical review activities to evaluate the need for, or adequacy of, safety standards.

ATV Data Update



Goal: In 2009, staff will prepare the annual ATV death and injury data update report, which began in 1982. The report also includes data on deaths by state, risk of death by year, and injuries distributed by year and age grouping.

Met: Staff completed development of the 2008 Annual Report of ATV-Related Deaths and Injuries in September 2009, as scheduled. The report is currently in the Commission clearance process. Additionally, throughout the year, staff provided updated fatality information for the www.atvsafety.gov Web site.

Bicycle Integrity and Illumination



CPSC last amended the federal bicycle regulation in 1981. This standard does not currently cover changes related to the evolution of bicycle technology that occurred since then. 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 more likely to be killed riding at night as compared to daytime. In 2008, staff received test data from the Federal Highway Administration on LED rear flashers for bicycles.

Goal: In 2009, staff will conduct a comparative evaluation of the LED rear flashers tested and will prepare a report of its assessment of the test data.

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Chemical Toxicity Assessment (2 activities)

Staff will assess potential chemical toxicity associated with a variety of products and hazards by continuing ongoing activities and initiating new activities depending on the identification of emerging hazards. The issues may include: lung injuries and fatalities from aerosol water-proofing products, chronic hazard guidelines updates, stabilizers used in plastics, lead, and indoor air quality.

Goal: In 2009, staff will complete at least 2 risk assessments, technical review activities, or guidance documents.

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation. Work on this project is planned to resume in 2010.

Consumer Opinion Forum



This Web-based Forum provides a venue for CPSC staff to solicit information from consumers who volunteer to respond to staff questions about interactions with consumer products. 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. In 2008, staff prepared a survey questionnaire related to consumer understanding and use of GFCI receptacles. When the survey period closed on October 31, 2008, the Commission had received 343 responses from consumers.

Goal: In 2009, staff will complete analysis of GFCI questionnaires and draft a report of the results.

Exceeded: In 2009, the staff completed an analysis of the GFCI Receptacle survey results and drafted a report that described these results. This report is currently undergoing clearance for public dissemination. In 2009, the staff also prepared a new survey related to Clothes Dryer Maintenance. CPSC has cleared this survey for public dissemination and staff plans to launch the survey in 2010.

Electrocution Data Update



Goal: In 2009, staff will prepare an updated annual report of estimates of the number of consumer product-related electrocutions.

Met: Staff completed a report titled *2005-2006 Electrocutions Associated with Consumer Products* in September 2009. The report is currently in the Commission clearance process.

Globally Harmonized System (GHS) for Labeling



In 2007, staff compared selected portions of the Federal Hazardous Substances Act (FHSA) regulatory requirements to the Globally Harmonized System (GHS) for classification and labeling. This comparison identified some of the technical differences between the FHSA and GHS. A preliminary legal feasibility assessment was also conducted to assess what, if any, changes would be needed to the FHSA should certain provisions of the GHS be adopted and implemented. The staff work indicated that a more complete technical comparison is needed, and a contract to complete a side-by-side comparison of the FHSA and the GHS was initiated in 2008.

Goal: *In 2009, a contractor report on a side-by-side comparison of the FHSA and the GHS will be completed.*

Met: The contractor completed a report, *A Side-by-Side Comparison of GHS and FHSA*, and submitted it to CPSC staff. Staff is currently reviewing the report.

Nanotechnology

There is a growing use of compounds or materials that have been produced using technologies (i.e., nanotechnologies) that directly manipulate matter at the atomic level and fabricate materials that could not have been produced in the past. Nanomaterials are defined as materials/particles that range from 1 to 100 nanometers (nm) in length. Although these materials may have the same chemical composition as non-nanomaterials, these new materials may demonstrate different physical and chemical properties; and they may behave differently in the environment and in the human body. In March 2006, the Woodrow Wilson International Center for Scholars published an inventory of consumer products found on the Internet that were identified by manufacturers as nanotechnology products; products included aerosol household chemicals, apparel, and sports equipment.

In 2007, CPSC staff initiated a contract to review the structure and existing exposure and toxicity of fire retardant (FR) nanomaterials. The contractor completed its review in 2008. Staff also entered into an agreement with the National Institute of Standards and Technology (NIST) for preliminary analysis of FR nanomaterials. Staff continues to participate in several Interagency workgroups and initiatives related to nanomaterials, especially those in consumer products.

Goal: *In 2009, CPSC staff will develop a statement of work to expand the Interagency Agreement with NIST to evaluate the flammability performance and exposure potential of selected nanomaterials used as flame retardants (nano FRs) in foam and barriers. These nano FR-treated barriers and foams may be used in mattresses and upholstered furniture to meet existing and proposed flammability standards.*

Met: Staff signed an IAG with NIST in July 2009 that includes a review of nano FR performance in foam and barriers, and potential releases of these compounds during simulated use conditions.

Nursery Equipment Annual Update



Goal: In 2009, staff will prepare its annual report on nursery product-related injuries and deaths to children age 5 and under.

Exceeded: Staff developed the annual report *Nursery Product-Related Injuries and Deaths Among Children under Age Five*. When the report completes the Commission clearance process, staff will post it to the public Web site.

In accordance with Section 104(b) of the Consumer Product Safety Improvement Act (CPSIA) of 2009, staff also conducted analyses to characterize injury and fatality numbers and hazard patterns associated with infant walkers and bath seats. The memoranda documenting these analyses are available to the public in Notices of Proposed Rulemaking packages.

www.cpsc.gov/LIBRARY/FOIA/FOIA09/brief/bathseats.pdf

www.cpsc.gov/LIBRARY/FOIA/FOIA09/brief/infantwalkers.pdf

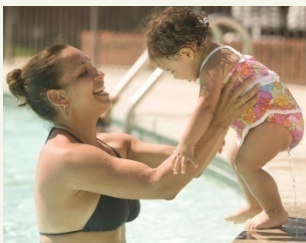
Pediatric Poisoning Annual Update



Goal: In 2009, staff will prepare its annual report on unintentional pediatric poisoning injuries.

Met: In 2009, staff completed and posted to the CPSC Web site the updated annual report *Pediatric Poisoning Fatalities from 1972 through 2006* for children less than five years of age. The report shows that child fatalities have declined substantially since the Poison Prevention Packaging Act became law, from 216 in 1972 to an average of about 29 each year from January 1, 2004, through December 31, 2006.

Pool and Spa Safety



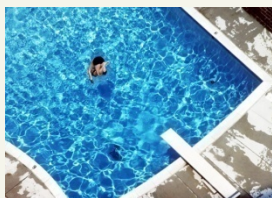
In accordance with the Virginia Graeme Baker Pool and Spa Safety Act, CPSC staff will carry out activities to implement a grant program to provide funding to eligible states for improving and enforcing pool and spa safety. CPSC's 2009 appropriation includes \$2 million to implement the grant program, with funds remaining available for obligation until September 30, 2010.

Goal: In 2009, staff will identify and enter into an agreement with The Centers for Disease Control and Prevention (CDC) to assist CPSC in implementing the grant program. (The CPSC does not currently have an in-house mechanism for awarding, administering, and evaluating results of grant activities.) Along with CDC, staff will determine eligibility criteria for grant applicants, establish application submission and evaluation criteria, and prepare and release a public announcement about the grant program.

Not Met: In 2009, the staff prepared the agreement with CDC to assist CPSC in implementing the grant program. The agreement was signed on October 7, 2009. CPSC staff has begun work on determining the eligibility, application submission, and application evaluation criteria for grant applicants. CDC, with CPSC participation, will prepare the funding opportunity

announcement about the grant program. It is expected that the announcement will be released to the public by December 2009.

Pool Submersion Annual Update



Goal: *In 2009, staff will prepare its annual report on pool submersion incidents involving children age 5 and under.*

Met: In May 2009, staff completed and posted the report entitled *Pool and Spa Submersion: Estimated Injuries and Reported Fatalities, 2009 Report* to the CPSC Web site. There were, on average, 3,100 pool and spa related emergency department-treated submersion injuries each year for 2006 – 2008 and 295 pool and spa related fatalities per year for 2004 – 2006 for children younger than five years of age. Approximately 64 percent of the estimated injuries for 2006 – 2008 and 79 percent of the fatalities for 2004 – 2006 for children younger than five occurred at a residence. The report is at:

www.cpsc.gov/LIBRARY/poolsub2009.pdf

Pool Safety Handbook



In 2006, 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. In 2008, staff completed draft revisions to the handbook and invited comment from the pool and spa safety community.

Goal: *In 2009, staff will review public comments and complete revisions to the handbook.*

Deferred: This project was deferred at the beginning of the year due to higher priority work associated with CPSIA implementation. It was later discontinued since it is superseded by the Virginia Graeme Baker Pool and Spa Safety Act.

Sensitizers



Previous staff work identified the need to update the supplemental definition of “strong sensitizer” due to recent scientific advances and the United Nations Globally Harmonized System for classifying and labeling chemicals. In 2006, staff developed a recommendation regarding CPSC’s supplemental definition to address scientific advances and new risk assessment methods currently under development by federal agencies. In 2007, the staff’s recommendation and analysis was peer reviewed by scientists from other federal agencies. In 2008, external peer review of the staff’s report was completed. Staff revised its report based upon the peer review.

Goal: *In 2009, staff will conduct activities, as directed by the Commission.*

Deferred: This project was deferred due to higher priority work associated with CPSIA implementation.

Table Saws (Blade Guards)



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 consumers at risk for severe injury. In 2007, some new blade guard designs became available for consumers. In 2008, staff began an evaluation to assess if these new designs can reduce blade contact injuries.

Goal: *In 2009, staff will complete testing of new blade guard designs and prepare a draft report of its evaluation.*

Met: In 2009, staff completed testing of a new blade guard system and a blade-contact detection/reaction system and prepared a draft report of its evaluation. The evaluation included a review of basic table saw operations, blade contact scenarios, and traditional blade contact safety equipment. In its evaluation of the new blade guard design and the detection/reaction system, staff included an analysis of system installation, removal, system use, and operability.

Toys Annual Update

Each year, staff prepares an annual report of toy-related deaths and injuries. Forty-six percent of the estimated emergency department treated injuries in 2006 were associated with toy types that do not fit under already established toy product codes and therefore, coders categorize them as "Toys, Not Elsewhere Classified." In 2010, assigned product descriptions will suggest possible updates to the existing toy product codes and will help to inform the design of a future NEISS-based special study to gather more detailed information on the toys involved in incidents that are correctly associated with "Toys, Not Elsewhere Classified."

Goal: *In 2009, staff will prepare its annual update on toy-related deaths and injuries. Staff will assign a product description and hazard type to each incoming record to begin a surveillance task to monitor all incoming incidents associated with toy product codes.*

Met: In 2009, staff completed the annual report *Toy-Related Deaths and Injuries, Calendar Year 2008*. The report is currently in the agency clearance process. Staff will post the final report on CPSC's Web site.

A multidisciplinary team of CPSC staff implemented a toy surveillance process during 2009. On a weekly basis, staff reviewed and assigned hazard classifications and more specific product descriptions to incoming injury and fatality reports associated with toys. Analyses of this surveillance data support recommendations for expanded toy product codes and will help inform the development of a special study of those toy related incidents that do not fit in existing hazard or product categories. Staff also analyzed the frequency and hazard patterns of reported

incidents associated with batteries and toys. A voluntary standards subcommittee is assessing the analytical results to inform decisions about future standards development efforts.

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

Voluntary Standards

Staff participates in the voluntary standards process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries, and/or incidents occurred.

Goal: *In 2008, staff will support the revision of the voluntary standards and/or model codes related to 36 products such as; bassinets and cradles, bath seats, bed rails, bunk beds, toddler beds, bedside sleepers, blind cords, booster seats, changing tables, commercial cribs, full-size cribs, non-full-size cribs and play yards, highchairs, infant bedding and accessories, infant bouncers, infant carriers (frame, hand-held, and soft), infant gates, infant swings, infant slings, infant tubs, infant walkers, phthalates, playground equipment (home, children less than 2 yrs, public), shopping carts, stationary activity centers, strollers, swimming pools/spas (alarms, pools and spas, portable pools, safety vacuum release systems (SVRS)), toys, and youth chairs.*

Met: The staff supported the development or revision of 36 voluntary standards/model codes. The products are:

- Bassinets/cradles
- Bath seats
- Beds
 - Bunk
 - Toddler
- Bed rails
- Bedside sleepers
- Blind cords
- Booster seats
- Changing tables
- Chairs
 - High
 - Youth
- Cribs
 - Commercial
 - Full-size
 - Non-full size and Play yards
- Infant bedding and accessories
- Infant carriers
 - Frame
 - Hand- held
 - Soft
- Infant bouncers
- Infant gates
- Infant swings
- Infant slings
- Infant tubs
- Infant walkers
- Phthalates
- Playground equipment
 - Younger than 2
 - Home
 - Public
- Stationary activity centers
- Shopping carts
- Toys
- Strollers
- Swimming pools and spas
 - Alarms
 - Pools & spas
 - Portable pools
 - Safety vacuum release systems

Compliance

5. *Corrective Action Timeliness (Unregulated Products)*

Each investigation involving a children's and others 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 begins negotiating with the responsible company to obtain a voluntary corrective action. For defects that pose a risk of serious injury, the Compliance Officer seeks 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: *In 2009, staff will negotiate and commence 80 percent of children's and other hazards corrective actions within 60 business days after a firm is notified of the staff's preliminary determination.*

Exceeded: For defective products, staff negotiated a corrective action in 91 percent of cases within 60 business days.

6. *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 staff 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 staff may seek a lesser corrective action, such as stopping sale of the violative products and correction of future production.

Goal: *In 2009, staff will obtain 80 percent of children's and other hazards corrective actions within 35 business days after the LOA is issued.*

Exceeded: Staff successfully negotiated corrective actions in 96 percent of cases within 35 business days after an LOA was issued.

7. *Voluntary Standards Compliance*

Goal: *In 2009, staff will monitor compliance with one existing voluntary standard likely to reduce children's and other hazards.*

Deferred: In 2009, this goal was deferred because of higher priority work relating to CPSIA implementation.

8. *Pool & Spa Safety Act Enforcement*

The Virginia Graeme Baker Pool and Spa Safety Act (PSSA) requires public pools to be equipped with compliant anti-

entrapment drain covers and in certain instances with additional anti-entrapment devices/systems.

Goal: *In 2009, staff will develop and implement a program for enforcement of the new requirements.*

Met: In 2009, staff developed and implemented a multi-faceted program to enforce the new requirements of the Virginia Graeme Baker Pool and Spa Safety Act (PSSA). The program called for staff to inspect facilities in a number of states, with a special emphasis on baby pools, wading pools, and other facilities for youngsters. In addition, the program included inspections of manufacturers of drain covers. Staff also conducted screening inspections of over a thousand separate pools and spas to evaluate compliance with the PSSA. As of September 30, 2009, 81 percent of the pools and 78 percent of the spas that staff inspected or screened met the drain cover requirements of the PSSA. If a pool or spa is found to be in violation of requirements, staff seeks appropriate corrective action.

Consumer Information

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

9. Consumer Outreach

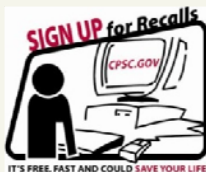
In 2008, about 334 million views of CPSC safety messages related to children and other hazards were received by consumers through TV appearances, video news releases (VNRs), and e-publications through CPSC's Web site.

Goal: *In 2009, 300 million views of CPSC safety messages related to children's and other hazards will be received by consumers through TV appearances and interviews on national television networks, video news releases to national and local television networks, and e-publications through CPSC's Web site.*

Exceeded: In 2009, 550 million viewers were reached with CPSC safety messages related to children's and other hazards including pool safety, toy safety, and CPSIA, through TV appearances, VNRs, and e-publications.

10. Conduct 10 public information efforts to warn the public about other hazards.

Drive to One Million



Our “Drive to One Million” campaign started in 2007. This effort uses several different Commission 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, electronically and free of charge, potentially life-saving information through CPSC's e-mail notification system. Consumers can sign up to receive instant notice of recall information at www.cpsc.gov/cpsclist.aspx. In 2009, we will continue to aim to reach the one million mark of

consumers who registered to receive our recall announcements. Marketing of this program will continue to be driven by promotion of our Drive to One Million logo.

Goal: *In 2009, CPSC will work with the media, consumer-oriented Web sites, and private sector supporters, with each major recall announcement to promote the Drive to One Million program. CPSC will also work with state and local governments to encourage their constituents to register for recall alerts.*

Met: In 2009, messages encouraging consumers to sign up for the “Drive to One Million” campaign were incorporated in all safety materials which were disseminated through mass media, the CPSC Web site, social media, and numerous national events and conferences at which CPSC staff participated. Staff used public and trade events to enlist subscribers by allowing them to sign up on the spot electronically. About 23,000 new subscribers signed up for recall alerts in 2009 bringing the total to over 280,000. Also, CPSC has conducted outreach to large employers in the Mid-Atlantic states with positive responses from: Capitol One, General Dynamics, Marriott Corporation, Pepco, the American Red Cross, and Sprint. These employers have agreed to post messages about the recall alert subscription in company employee e-mail listservs and newsletters. In addition, CPSC field staff shared information about recall alerts during visits to state and local contacts and while participating in state and local events.

ATV Safety



Goal: *In 2009, staff will continue information and education activities begun in 2006 focusing on preventing injuries and deaths to both children and adults from all-terrain vehicles (ATVs). Staff will focus on states and communities affected by injuries and deaths, using grassroots communications, such as public service announcements, CPSC’s ATV Rapid Response Program, and other educational tools. In addition, the multi-faceted Web page www.ATVsafety.gov will continue to be promoted and updated with information for state officials, parents, children, and the press. The ATV Web page received about 213,000 visits in 2008. An educational roundtable/forum on ATV safety may be planned to be held by CPSC for all organizations interested in promoting safe riding practices.*

Met: In 2009, staff conducted ATV outreach by utilizing grassroots communications, such as the Rapid Response program. The media has been receptive to this initiative, which has resulted in numerous interviews with local TV and radio stations as well as newspapers and trade magazines. The ATV Safety Web site had nearly 221,000 visits in 2009.

Baby Safety Month

Goal: *In 2009, CPSC will recognize Baby Safety Month by partnering with one or more organizations that are focused on*



the safety of young children in and around the home. Information and education activities for this effort will include materials such as a new publication, a press release featuring new data, a podcast, a message to National Safety Network (NSN) members, a video, and media interviews.

Met: In 2009, CPSC highlighted baby safety in a variety of ways throughout the year as well as during Baby Safety Month in September. Several national press releases were issued on major baby safety topics including the recall of over five million drop side cribs, baby safety gear, toys, drawstrings, window coverings, and furniture tip-over hazards. Also, CPSC drew attention to baby safety hazards by producing and distributing video news releases through the recalling firms, reaching tens of millions of viewers. In addition, CPSC partnered with Kids In Danger and Safe Kids Worldwide, both non-profit organizations, to disseminate baby safety information through the use of the Neighborhood Safety Network (NSN) poster - *Safe Sleep for Babies*. Moreover, staff updated and disseminated specific publications to emphasize baby safety including “Childproofing Your Home,” and “Baby Safety Checklist.” The Chairman and public affairs staff conducted numerous interviews on baby safety topics through a full spectrum of media: on national television morning shows, such as The Today Show, CBS Early Show, and ABC Good Morning America; through local television networks and evening news broadcasts; with multiple radio stations; print media, including parenting magazines and newspapers; and in on-line publications.

Bicycle/Helmet Safety



Goal: *In 2009, CPSC will communicate with the public about the need to wear helmets and ensure children are safe when riding their bikes and other wheeled toys through public information efforts such as a news release, re-issuance of NSN posters on bike and helmet safety, a podcast, audio news release, PSAs, and/or partnering with agencies such as the National Highway Traffic Safety Administration.*

Met: In 2009, CPSC released bicycle safety and bicycle helmet safety information to the public through national press releases, press conferences, NSN posters, a podcast, and a nationally distributed radio Public Service Announcement (PSA). CPSC highlighted bicycle helmet safety during two press conferences, Holiday Toy Safety in November 2008 and CPSC Back to School Safety in September 2009. Staff distributed information on helmet and bicycle safety tips through two NSN posters. Our partner agency – National Highway Traffic Safety Administration – further facilitated distribution of the NSN posters. Staff distributed a helmet safety radio PSA nationally to 107 radio stations, reaching 90 of the top 100 markets, with audience figures reaching almost 10 million listeners.

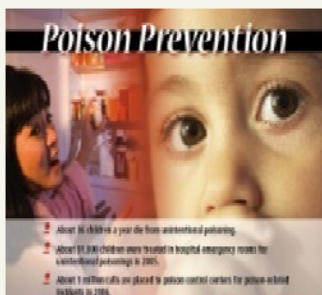
In-Home Drowning Prevention



Goal: *In 2009, we will focus at the end of the summer on addressing the hazard of standing water in places such as buckets and bathtubs to prevent drowning of young children. As part of this effort to reduce in-home drowning, CPSC will use tools such as issuing a news release, conducting media interviews, recording a podcast, distributing a video, or issuing a poster for NSN members.*

Met: In 2009, staff disseminated a press release to all major media contacts warning parents of the hazards bathtubs, bath seats, buckets, and other products present to young children. Staff also produced a video news release (VNR) in English and Spanish using footage that explicitly showed the dangers associated with young children around water containers in and around the home. Staff posted the VNR on CPSC's social media page, *On Safety*, and on YouTube.

Poison Prevention



Goal: *In 2009, during National Poison Prevention Week, CPSC will continue to support the efforts of the Poison Prevention Council by issuing a news release to promote child-resistant packaging and other poison prevention measures. CPSC will conduct activities such as media interviews, a podcast, and a safety message to NSN members.*

Met: During Poison Prevention Week, CPSC warned consumers that 9 out of 10 unintentional poisonings occur in the home. To further promote the poison prevention message, CPSC staff created a podcast with recorded safety tips, participated in the Poison Prevention Week Council's media event at the National Press Club in Washington, DC, and issued a safety message to the Neighborhood Safety Network (NSN). Staff conducted interviews with Reuters Health and Despierta America, a Spanish-language news program on Univision, to bring attention to this matter.

Product Tip-Over

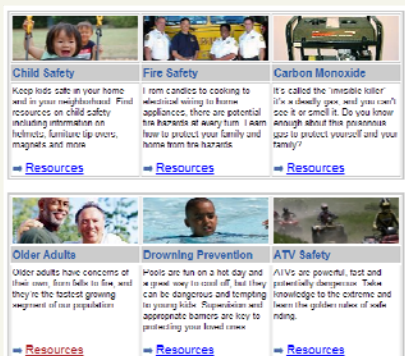


Goal: *In 2009, CPSC will work to alert parents to the dangers of televisions, heavy furniture, and freestanding ovens tipping over and crushing young children. CPSC will communicate this hazard through one or more of the following communication tools: issuance of a video news release (VNR) with new data, podcast, conduct media interviews, or produce a new NSN poster.*

Exceeded: In September 2009, in partnership with Nationwide Children's Hospital of Columbus, Ohio, CPSC launched a multi-media campaign to alert parents to the dangers of televisions, heavy furniture, and freestanding ovens tipping over and crushing young children. The campaign included a powerful PSA featuring the mother of a victim, a doctor from Nationwide Children's Hospital, and a dramatic demonstration of a tipover incident. Also, CPSC staff produced a VNR, a podcast, a poster and a safety alert. Staff featured the campaign on CPSC's new social media site, allowing consumers to view the PSA on YouTube.

Media coverage included an interview on Despierta America on Univision, reaching over 800,000 viewers.

Safety Publication Update



Some of CPSC's electrical, nursery, and mechanical/recreational brochures and product safety alerts (both in print and on the Web site) are aging. That is, they may depict older products that do not comply with more recent standards, contain outdated epidemiological information, and refer to codes and standards that have been revised, or refer to organizations that have changed names. This project will establish a pilot process for regularly updating CPSC safety publications and on-line documents.

Goal: In 2009, staff will update a safety publication addressing hazards to children for a nursery/juvenile product and will establish a pilot process for regularly updating CPSC safety publications and on-line documents addressing hazards to children, fire and electrical hazards, mechanical hazards, sports and recreational hazards, and chemical and combustion hazards.

Exceeded: In 2009, staff updated the *Baby Safety Checklist* and *Childproofing Your Home*, both in English and Spanish. Staff also developed additional materials for water safety, drowning prevention, and furniture tipover safety during the year.

Staff developed a process to review CPSC publications annually. Staff identifies publication candidates for revision; identifies the technical and communication staff with the appropriate expertise; develops a schedule; and works as a team to update the language, photos, and graphics in the publications.

Smart Holiday Shopping / Toy Safety



Every holiday season, staff continues efforts to educate parents and caregivers on the appropriate products for appropriate ages. We will also continue at this time of year to encourage consumers to be aware of the various Web sites that will assist them to identify recalled products. As part of the drive to remove dangerous products from homes, staff will continue to build upon the success of our Web site, www.cpsc.gov, and the www.recalls.gov Web site for notifying consumers about recalled products.

Goal: In 2009, staff will issue communication tools such as a VNR, safety poster, news conference, and other materials to educate the public at the grassroots level.

Met: CPSC launched its annual holiday toy safety press release and press conference in November 2008. CPSC was accompanied by representatives from U.S. Customs and Border Protection and Safe Kids Worldwide at an event in Washington, DC. CPSC reminded parents to be diligent when making holiday shopping choices and provided toy safety tips on selecting gifts, a list of the

top five toy hazards, and disseminated a Holiday Toy Safety NSN poster. Messages emphasized CPSC's Web site, www.cpsc.gov, and www.recalls.gov and encouraged consumers to sign-up to get direct e-mail notifications. Also, CPSC staff conducted local television, radio, on-line, and print media interviews to distribute toy safety information.

Resale Round-Up



Each year, consumers bring to thrift and consignment stores or put out for sale at yard and garage sales previously recalled products, including different types of children's products. Most consumers do so unsuspectingly. With the passage of the Consumer Product Safety Improvement Act of 2008, the list of children's products that should not be re-sold has expanded greatly.

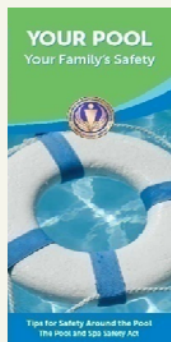
Goal: *As directed in CPSIA, staff will conduct an education campaign to address the issue of reselling previously recalled or recently deemed violative children's products. This initiative will be conducted using tools such as: the issuance of a new Guide for Resellers; in-store educational seminars, held in conjunction with partners; media interviews; posters for thrift or consignment store associations to share with members; downloadable information on www.cpsc.gov; a Webinar; or videos. The goal of the campaign will be to help thrift and consignment stores stay open and stay in compliance with CPSIA.*

Met: In 2009, CPSC launched an outreach campaign to educate thrift and resale storeowners and employees as well as individual resellers of used products both online and at yard sales. CPSC created and distributed the *CPSC Handbook for Resale Stores and Product Resellers*, NSN posters in English and Spanish, an 8-minute instructional video for resale stores, and handbooks with recalled nursery products and toys. CPSC partnered with the Salvation Army, Goodwill, National Association of Retail & Thrift Shops, and Safe Kids Worldwide to help disseminate the literature and videos and to host in-store resale store seminars. CPSC staff and eight states conducted in-store resale safety seminars to help the stores comply with the new law; and 206 resale and consignment stores participated. The seminars are continuing into 2010.

Virginia Graeme Baker Pool and Spa Safety Act – National Education Campaign

In December 2007, the Congress passed and the President signed the Virginia Graeme Baker Pool and Spa Safety Act, which became effective in December of 2008. The Act addresses the hazards of child drowning and drain entrapment. It requires a targeted education campaign that addresses these hazards. The Act also mandates retrofitting the nation's public pools with compliant anti-entrapment drain covers and in certain instances with additional anti-entrapment devices/systems. CPSC is working on achieving high compliance with this new law.

11. Consumer Outreach



Goal: In 2009, 60 million views of CPSC safety messages related to pool and spa safety will be received by consumers and key stakeholders through activities such as: TV appearances and interviews on national and local television networks; public service announcements (PSAs); video news releases (VNRs); and e-publications through CPSC's Web site.

Met: In 2009, CPSC staff participated in numerous print, TV and radio interviews where more than 80 million TV viewers were reached. In addition, CPSC staff co-hosted a pool and spa safety media event with members of Congress, the family of a victim of an entrapment incident, and the American Red Cross. Several National TV interviews, including a Today Show segment featuring the Chairman, were posted on www.poolsafety.gov to help visitors understand the issues surrounding the new safety law. Wal-Mart aired CPSC's "Quickly and Quietly" PSA in hundreds of stores, in July and August of 2009, on their in store TV channel. An article in the May 2009 issue of *The Safety Review* (the Commission's newsletter) informed readers about the dangers of entrapment and the need for new drain covers and other devices at public pools. This newsletter is posted on the CPSC's Web site and e-mailed to the Commission's listserv (300,000 recipients).

12. Public Information and Education Campaign

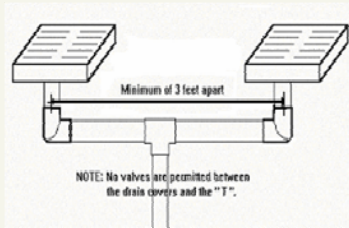


Goal: The Commission will do two of the following to address child drowning and entrapment in residential and public pools: develop a stand-alone Web site for pool and spa owners and operators, the pool and spa industry, state and local health officials, the media, and the public at-large; hold press events; a rapid response program; and expand tool-kit materials for the Neighborhood Safety Network.

Met: In May 2009, staff created a new Web site, www.poolsafety.gov, which serves as the main location for information about the Pool & Spa Safety Act. The site has separate sections of information geared towards different audiences: pool owners and operators, the pool and spa industry, state and local officials, the public, and the media. Also, staff provided the media with safety messages coordinated with reports of drowning incidents, through our Rapid Response system. Rapid Response provides the media with timely educational materials about drowning prevention for use in

follow-up stories when incidents are still in the public's mind. Staff updated the Neighborhood Safety Network page on drowning prevention to include new publications and new data on drowning.

13. Drain Entrapment Hazards Information and Education Efforts



Dual drain schematic showing minimum distance and safety requirements to prevent drain entrapment

Goal: In 2009, the Commission will work on an extensive education effort by using five of the following communication tools: Webinars; conference calls; media interviews; publications; an e-mail listserv; Web-based resources; and responding to public calls and e-mails. These approaches will be used to address questions and concerns regarding the mandates of the Act with respect to entrapment hazards in public pools, CPSC's technical and legal interpretations, how to comply, and the consequences of non-compliance.

Met: In 2009, CPSC staff spoke before three groups of state and local health officials; participated in six industry Webinars, conference calls, and other electronic activities with pool and spa community stakeholders; and developed presentations for industry events and online viewing (a PowerPoint presentation detailing the VGB Act and an update of another presentation). Also, staff prepared and disseminated, to the national media, a press release on the release of two epidemiology reports on entrapment incidents and children's drowning. Staff updated posters on pool safety and created a new brochure, in English and Spanish, for groups and organizations concerned with children's safety, drowning, and entrapment prevention. Staff shared hard copies of these with stakeholders and posted the publications on the Web sites www.cpsc.gov and www.poolsafety.gov. Staff responded to e-mail and telephone messages for information from pool and spa owners, operators, technicians and service representatives, manufacturers of pool products, and many others. Also, staff created a new listserv which includes many state and local officials and other pool and spa stakeholders. Subscribers can join the listserv from the www.poolsafety.gov Web site.

IDENTIFYING PRODUCT HAZARDS

| Total Resources for This Goal (dollars in thousands) | | | | | |
|--|----------|----------|----------|----------|----------|
| Fiscal year | 2005 | 2006 | 2007 | 2008 | 2009 |
| FTEs | 85 | 80 | 71 | 82 | 86 |
| Amount | \$10,600 | \$11,361 | \$10,840 | \$17,447 | \$25,668 |

This program provides the information needed to assess product hazards and develop injury reduction strategies. 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.



CPSIA directed the Commission to modernize its IT systems and develop a database searchable by the public. This modernization is essential to meet our demanding workload as we work to monitor the safety of products from across the globe. In response to that mandate, the Commission is developing a single, integrated web-based environment – the Consumer Product Safety Risk Management System (CPSRMS) – that will allow increased public access to consumer product safety information. The CPSRMS is an example of the Commission's efforts to alter the way we approach early warning detection by creating a single data source and resolving issues of siloed systems with disparate data.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------|-------|-------|-------|-------|-------|
| Data Collection Activities | | | | | | |
| 1. Evaluate, train and audit each hospital in the NEISS sample | Goal | 100% | 95% | 95% | 95% | 98% |
| | Actual | 99% | 100% | 99% | 100% | 100% |
| 2. Capture the product-related cases | Goal | 90% | 90% | 90% | 90% | 90% |
| | Actual | 92% | 91% | 91% | 91% | 88% |
| 3. Complete headquarters telephone investigations in less than 45 business days | Goal | 90% | 90% | 90% | 90% | 98% |
| | Actual | 99% | 100% | 99% | 99% | 99% |
| 4. Complete fire investigations as on-site or other in less than 45 business days | Goal | ** | ** | 95% | 95% | 95% |
| | Actual | 97% | 95% | 98% | 98% | 98% |
| 5. Complete non-fire investigations as on-site or other in less than 45 business days | Goal | ** | ** | 93% | 93% | 93% |
| | Actual | 97% | 93% | 96% | 95% | 97% |
| 6. Maintain the number of establishment inspections by field staff | Goal | ** | ** | 400 | 400 | 400 |
| | Actual | 274 | 320 | 493 | 463 | 454 |
| 7. Sustain the number of incident reports collected from medical examiners and coroners | Goal | 3,600 | 4,160 | 3,900 | 4,500 | 4,500 |
| | Actual | 4,428 | 4,843 | 4,724 | 4,606 | 4,358 |
| 8. Sustain the number of incident reports collected from news clips | Goal | 7,000 | 8,100 | 7,300 | 7,800 | 7,200 |
| | Actual | 8,766 | 8,634 | 8,612 | 7,402 | 7,528 |
| Data Analysis Activities | | | | | | |
| 9. Early Warning System | Goal | ** | ** | ** | 1 | 1 |
| | Actual | | | | 1 | 1 |
| 10. Conduct special economic studies | Goal | 8 | 8 | 8 | 8 | D* |
| | Actual | 8 | 11 | 9 | 10 | |

** No goal established.

* This goal was deferred due to limited resources and higher priority work associated with CPSIA.

Data Collection Activities

Maintain the quality of injury data through:

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: In 2009, staff will conduct at least one evaluation visit at 98 percent of the hospitals in the NEISS sample.

Met: Staff visited 100 percent of the hospitals in the NEISS sample at least once to complete evaluations, training, and audits.

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: In 2009, the results of the audits in each hospital will indicate that NEISS hospitals are reporting over 90 percent of the product-related cases.

Not Met: Based on evaluation visits conducted in 2009, we captured about 88% of all product-related cases in each hospital.

We have revised our method of calculating the capture rate this year to make it more representative of the universe of cases captured through NEISS. The reduction in the NEISS capture rate is due in part to this change and to more rigorous application of reporting rules when staff conducts NEISS audits. There are also a few hospitals that are not performing well. In the future, CPSC staff will conduct follow-up visits to hospitals that have unacceptable capture rates. In these hospitals, if careful monitoring, feedback, and training fail to resolve the problem, we will take additional steps such as replacing the coder or even replacing the hospital.

Identify and investigate product hazards in the field:

3. Telephone Investigations (Headquarters)



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

Goal: In 2009, staff will complete at least 98 percent of investigations in fewer than 45 business days.

Met: For investigations conducted in 2009, staff completed over 99 percent within 45 days.

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

On-site and other fire investigations by the field staff provide valuable information on cases of interest to CPSC compliance officers and analysts. Analysts must receive this data as quickly as possible to support hazard reduction activities.

Goal: *In 2009, 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.*

Exceeded: Staff 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*

On-site and other non-fire investigations by the field staff provide valuable information on cases of interest to CPSC compliance officers and analysts. Analysts must receive this data as quickly as possible to support hazard reduction activities.

Goal: *In 2009, 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.*

Exceeded: Staff completed 97 percent of on-site and other non-fire investigations (not including telephone investigations) in less than 45 business days.

6. *Establishment Inspections*

The primary purpose of an on-site field inspection of a manufacturing facility, importer, distributor, or a retailer is to gain first-hand knowledge of a particular product or product type to determine whether it complies with federal regulations or contains a defect that could create a substantial product hazard.

Goal: *In 2009, field staff will conduct 400 establishment inspections.*

Met: Staff completed 454 inspections of firms to determine compliance with CPSC laws and regulations.

7. *Medical Examiner and Coroner Reports*



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

Goal: *In 2009, staff will obtain 4,500 medical examiner/coroner reports.*

Not Met: In 2009, staff obtained 4,358 medical examiner/coroner reports, which is 97 percent of the target. Staff turnover and vacancies in 2009 reduced the time devoted to contacting individual medical examiners and coroners to encourage Medical

Examiners and Coroners Alert Project (MECAP) reporting. Staff attended the National Association of Medical Examiners annual meeting as an exhibitor to promote MECAP. Since the meeting occurred in September benefits should be realized next year.

8. News Clips



CPSC relies on clips from newspapers in all 50 states to identify incidents. There are two sources of News clips: (1) news reports purchased under clipping service contracts; and (2) news reports obtained from the Internet and other sources by staff. News 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: *In 2009, staff will obtain 7,200 incident reports from news clips.*

Met: In 2009, staff obtained 7,528 incident reports from news clips.

Data Analysis Activities

9. Risk Management System Early Warning System

In 2008, staff developed and implemented processes and procedures for the pilot Early Warning System (EWS) that focuses on products found in the sleeping environments of children: cribs, bassinets, and play yards (play pens). A multi-disciplinary team of subject matter experts (SMEs) meets weekly to evaluate and characterize the hazard scenarios and failure modes of product-associated incidents received during the previous week. An electronic database captures the hazard scenarios, failure modes, investigative status, and compliance disposition of each incident.

Goal: *In 2009, staff will apply the EWS processes and procedures for products found in the sleeping environment of children by automating extractions of product-related records that have been coded with respect to hazard scenario and investigation status. Staff will develop enhanced IT functions and features for the process. These enhancements will be provided in a collaborative electronic work environment that will facilitate the electronic extraction and collation of weekly reported incidents from across data sources and append them to the master file. Additional enhancements will allow the SME team to electronically track and update case status, assess hazard patterns and scenarios using filtering criteria, conduct searches, and issue alerts.*

Met: In 2009, a prototype system was developed and deployed to replace the existing electronic database. The prototype automates data extraction processes and provides enhanced electronic

collaboration for the EWS team. Improvements to the prototype system will continue in 2010 as part of CPSRMS project.

10. *Special Economic Studies*

Staff conducts economic studies to develop hazard exposure data; to provide injury cost estimates; to develop estimates of product life and numbers of products in use; and to determine 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/models are current and adequate for CPSC staff use.

Goal: *In 2009, staff will complete 8 economic studies.*

Deferred: In 2009, this project was deferred due to other Commission priorities. Work in 2010 will focus on two economic studies:

The first is an Input-Output Study to estimate the impacts of CPSC on Gross Domestic Product through its reduction in injuries to workers and their dependents. These reductions, in turn, reduce labor and fringe benefit costs to employers.

The second study, the Brain Injury Project, will seek improved information on carbon monoxide injuries for all ages, lead poisoning injuries for children, and submersion injuries for children. The objective of this study is to develop better estimates of the incidence of different severity levels for the three injuries and to provide stand-alone measures of the societal costs of these injuries at different severity levels in terms of cost-of-illness measures.

SERVICE AND MANAGEMENT GOALS: INDUSTRY SERVICES¹³



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.

THE PROGRAM

CPSC's Compliance function ensures that firms comply with the laws, regulations, and safety standards that protect consumers from hazardous and defective products. When staff find a violation of a safety standard or identify a defective product, we work cooperatively and quickly with industry to obtain an appropriate corrective action that can include recall of the hazardous product.

We administer two programs to assist industry: the Fast Track Product Recall (Fast Track) and Small Business Ombudsman programs. Under the Fast Track program, a firm that reports a hazardous product and recalls it quickly avoids a CPSC staff preliminary determination that its product is defective and presents a substantial risk of injury. Other advantages of this program for industry include reductions in paperwork and legal expenses related to voluntary recalls. For CPSC, advantages of this program include removing hazardous products from consumers and the marketplace more quickly and a reduction in staff time to process the recall.

Through 2008, over 1,500 firms have participated in the program, resulting in nearly 3,000 product recalls involving over 300 million product units. Both government and private organizations cite Fast Track as an outstanding program.

With the Small Business Ombudsman program, we help small businesses comply more easily with product safety guidelines to manufacture safer products. We assist by frequently updating the small business Web page (www.cpsc.gov/businfo/smbus.html) on our Web site and providing as much information as possible on the requirements to small business.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|---------------|------|------|------|------|------|
| 1. Initiate a Fast Track recall within 20 days | Goal | 95% | 90% | 90% | 90% | 90% |
| | Actual | 94% | 98% | 95% | 96% | 93% |
| 2. Provide industry guidance | Goal | 5 | 5 | 5 | 5 | 10 |
| | Actual | 8 | 8 | 5 | 6 | 11 |
| 3. Develop responses to frequently asked questions | Goal | ** | ** | ** | ** | 85 |
| | Actual | | | | | 88 |

** No goal established.

¹³ Resources for this effort are included in the two major programs, *Reducing Product Hazards to Children and Families* and *Identifying Product Hazards*, which this activity supports.

1. *Fast Track Timeliness*



Goal: In 2008, staff will complete a technical review and initiate a recall within 20 days 90 percent of the time for the Fast Track Program.

Met: In 2009, staff initiated Fast Track recalls within 20 business days 93 percent of the time.

2. *Industry Guidance*

The new CPSIA, enacted in August 2008, greatly expanded our authorities to regulate safety in consumer products. Staff is developing guidance to facilitate industry transition to the new legislation.

Goal: In 2009, staff will develop 10 advisory opinions or guidance documents concerning the application of CPSIA to current industry practices.

Met: In 2009, staff completed 11 guidance documents or advisory opinions on the application of CPSIA to current industry practices. The staff wrote six general counsel advisory opinions, two guidance documents for General Certification as to Conformity and Statement of Commission Enforcement Policy on Section 101 Lead Limits (effective February 10, 2009); and three stays of enforcement for two products under the lead rule and for accreditation requirements for certain children's products.

3. *Frequently asked questions*



The new CPSIA, enacted in August 2008, greatly expanded our authorities to regulate safety in consumer products. Staff is developing responses to over 3,000 e-mail requests for guidance.

Goal: In 2009, staff will identify at least 85 frequently asked questions about CPSIA, then develop and post responses on CPSC's Web site.

Exceeded: In 2009, staff prepared 88 "frequently asked questions" (FAQs) pertaining to CPSIA and updated the answers as needed. Staff posted the list on the Commission's Web site. Staff also assisted in creating several documents with advice on CPSIA targeted to resellers and thrift shops, which supplement the frequently asked questions and formal guidance documents (submitted to the Commission for approval) on phthalates and tracking labels requirements of CPSIA. The Web page for CPSIA FAQs is at:

www.cpsc.gov/about/cpsia/faq/faqs.html

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 at 90 percent or better through the year 2010.

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 Commission'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) 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 screenshot shows the CPSC website interface. At the top is the CPSC logo and the text "U.S. Consumer Product Safety Commission". Below this is a navigation bar with links for "Consumer Safety", "About CPSC", "Library - FOIA", and "Business". A search bar is located on the left. The main content area features a "Consumer Product Safety Improvement Act" banner, followed by sections for "Recalls and Product Safety News", "Neighborhood Safety Network", "Product Safety Standards", and "CPSC Publications". A "Recent Recalls" section lists items like "Computer AC Adapters" and "Halloween Flashlights". A "What's Hot" section lists recent news items. On the right side, there are social media links for YouTube, Twitter, Podcast, and Flickr, along with a "Share" button and a "Put CPSC Recalls on Your Web Site" button. At the bottom, there are links for "Additional Web Sites Maintained by CPSC" such as PoolSafety.gov and Recalls.gov, and "CPSC Info Centers" like Resale/Thrift Stores and Drywall/Cribs Generators. The footer contains a "Site Map | Text Version | Inspector General | NO FEAR | Accessibility | Privacy/Security" and maintenance information.

The National Injury Information Clearinghouse provides data to the public in response to about 1400 requests each year. It also alerts manufacturers to potential hazards associated with their products, providing them with consumer complaints, reported incidents, and incident 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 | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------|------|------|------|------|----------------|
| CPSC Web site | | | | | | |
| 1. CPSC Web site visits (in millions) | Goal | 11.0 | 18.0 | 25.0 | 38.8 | 40.0 |
| | Actual | 13.7 | 20.3 | 32.3 | 40.5 | 39.8 |
| Hotline Services (1-800-638-CPSC) | | | | | | |
| 2. Respond to voicemail messages the next business day | Goal | 85% | 85% | 85% | 95% | 98% |
| | Actual | 86% | 89% | 99% | 100% | 99% |
| 3. Process incident reports within 8 working hours | Goal | 95% | 95% | 100% | 95% | 99% |
| | Actual | 100% | 100% | 100% | 100% | 100% |
| National Injury Information Clearinghouse | | | | | | |
| 4. Mail incident information for verification to consumers within 2 business days | Goal | 95% | 95% | 95% | 95% | 95% |
| | Actual | 95% | 100% | 98% | 97% | 97% |
| 5. Provide manufacturers with verified incidents and investigations within 48 business days | Goal | 90% | 90% | 90% | 95% | 95% |
| | Actual | 95% | 96% | 97% | 100% | 100% |
| 6. Provide responses to requests within 7 business days | Goal | 95%* | 95% | 95% | 80% | 80% |
| | Actual | 99% | 98% | 82% | 63% | 42% |
| State Partners Program | | | | | | |
| 7. Conduct product safety activities within 90 days or less | Goal | ** | ** | 88% | 95% | 95% |
| | Actual | 87% | 95% | 99% | 100% | 96% |
| 8. Host state caucus training sessions | Goal | ** | ** | 1 | 1 | D [†] |
| | Actual | 0 | 0 | 1 | 1 | |

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

**No goal established.

† This goal was deferred due to limited resources and higher priority work associated with CPSIA.

CPSC Web site

1. Web site visits

CPSC's Web site (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 Commission's public meeting calendar. Over time, staff added new features, 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 visits to the Web site has grown rapidly from about 11.9 million visits in 2004 to about 40.5 million visits in 2008. 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 2009, we will have 40 million visits to CPSC's Web site.

Not Met: CPSC fell just short of 40 million visits to the CPSC Web site with 39.8 million visits. In general, visits to the CPSC Web site tend to be associated with the number of recalls issued each year. The fewer recalls issued in 2009 compared to 2008

were, in part, offset by visitor interests in CPSIA. On October 2, 2009, there were 40 million visits to our Web site.

Hotline Services (1-800-638-2772)

2. Voicemail

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 2008, we received 3,950 messages from the public through voicemail.

Goal: *In 2009, hotline staff will respond to voicemail messages the next business day 98 percent of the time.*

Met: In 2009, the hotline staff received 4,619 messages from the public through voicemail and responded to them the next business day 99 percent of the time. The hotline experienced an increase of calls from about 50,000 calls to about 60,000 calls annually.

3. Incident Reports

Consumers may make a complaint of an unsafe product or product-related injury through the hotline. In 2008, hotline staff processed 3,936 complaints about consumer products, and 100 percent were completed within eight working hours. We use these complaints to look for emerging hazards and to support studies of specific product hazards.

Goal: *In 2009, hotline staff will process product incident reports within eight working hours 99 percent of the time.*

Met: In 2009, hotline staff recorded 3,315 incident reports. The staff processed these reports (calls and e-mails) within eight hours of receipt 100 percent of the time.

National Injury Information Clearinghouse

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 2008, we sent nearly 13,200 reports to consumers for verification and 97 percent were completed within two business days.

Goal: *In 2009, staff will mail incident report verification information to consumers within two business days 95 percent of the time.*

Exceeded: In 2009, staff sent 15,494 confirmations for verification and 97 percent were completed with two business days or less.

5. *Manufacturer Mailing*

CPSC's field staff sends incidents from consumers and investigation reports to manufacturers whose products are named in these reports. Staff also reviews consumer verification information and manufacturer responses electronically. In 2008, we mailed about 14,300 reports to manufacturers and 100 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: *In 2009, 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 95 percent of the time.*

Exceeded: In 2009, staff mailed 15,182 reports to manufacturers and 100 percent were completed within 48 business days or less.

6. *Information Requests*

The Clearinghouse provides the public with technical information relating to the prevention of death and injury associated with consumer products. Technical information specialists assigned to respond to requests for injury data search Commission databases and publications to tailor responses to each customer's needs. Most of the about 1,400 requests received in 2008 were completed within seven business days. Since 2006, goal definition and targets have been adjusted because of reprioritization of resources.

Goal: *In 2009, staff will provide responses to requests for information within seven business days 80 percent of the time.*

Not Met: In 2009, 1,205 information requests were completed, but staff was only able to respond to 42 percent of the information requests within seven business days or less due to the loss of staff who process the requests. We hired new staff and expect to meet this goal in 2010.

State Partners Program

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 checks of recall compliance, inspections, and injury investigations to support CPSC priorities.

Goal: *In 2009, staff will conduct 95 percent of product safety activities within 90 days or less of assignment.*

Met: In 2009, state partners conducted 951 product safety activities, including recall checks and inspections, and completed 96 percent within 90 days or less.

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: *In 2009, staff will host one annual training session for state and local officials.*

Deferred: In 2009, this goal was deferred because of higher priority work relating to CPSIA implementation. The state caucus meetings will be held in 2010 and 2011.

MANAGEMENT SERVICES



The Commission has chosen goals in related areas of management such as: human capital management, financial management, and information technology.

ANNUAL GOALS AND RESULTS

| Annual Goals Summary | | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------|------|------|------|------|------|
| Strategic Management of Human Capital | | | | | | |
| 1. Modify the appraisal system | Goal | 1 | 1 | 0 | 1 | 1 |
| | Actual | 1 | 0 | 0 | 1 | 1 |
| 2. Identify skill gaps and develop training plans | Goal | 1 | 1 | 1 | 1 | 1 |
| | Actual | 0 | 0 | 1 | 1 | 1 |
| 3. Maintain the recruitment process time (days) | Goal | 62 | 62 | 62 | 62 | 62 |
| | Actual | 61 | 61 | 49 | 62 | 59 |
| 4. Conduct training for managers in human resource management | Goal | 1 | 2 | 2 | 6 | 6 |
| | Actual | 2 | 4 | 6 | 7 | 7 |
| 5. Conduct focus groups/On-line surveys of new employees | Goal | 2 | 1 | 1 | 1 | 1 |
| | Actual | 2 | 1 | 2 | 1 | 1 |
| 6. Target recruitment efforts to organizations serving under-represented populations | Goal | 12 | 12 | 8 | 10 | 11 |
| | Actual | 14 | 14 | 11 | 15 | 14 |
| 7. Conduct training sessions for managers and employees in EEO/AEP responsibilities | Goal | 3 | 3 | 3 | 5 | 5 |
| | Actual | 10 | 4 | 6 | 7 | 7 |
| 8. Promote representation of under-represented groups and individuals with disabilities | Goal | 5 | 5 | 5 | 5 | 5 |
| | Actual | 13 | 10 | 6 | 6 | 8 |
| Competitive Sourcing | | | | | | |
| 9. Review and revise the annual FAIR Act Inventory as appropriate | Goal | 1 | 1 | 1 | 1 | 1 |
| | Actual | 1 | 1 | 1 | 1 | 1 |
| Improved Financial Performance | | | | | | |
| 10. Monitor financial management systems that meet federal requirements and standards | Goal | 1 | 1 | 1 | 1 | 1 |
| | Actual | 1 | 1 | 1 | 1 | 1 |
| 11. Financial management system replacement and implementation | Goal | ** | ** | 1 | 1 | 1 |
| | Actual | | | 1 | 1 | 1 |
| 12. Reduce or maintain the number of business days after month-end to produce monthly financial reports | Goal | 3 | 3 | 3 | 3 | 3 |
| | Actual | 3 | 3 | 3 | 3 | 3 |
| Expanded Electronic Government | | | | | | |
| 13. Implement Web-based application to improve government-to-business communication | Goal | 1 | 1 | 1 | 0 | 1 |
| | Actual | 1 | 0 | 0 | 0 | 0 |
| 14. Develop and implement technology to improve access and transfer of information government-to-government | Goal | 1 | 1 | 1 | 1 | 1 |
| | Actual | 1 | 1 | 1 | 1 | 0 |
| 15. Improve internal efficiency and effectiveness | Goal | 1 | 1 | 1 | 1 | 1 |
| | Actual | 3 | 6 | 0 | 1 | 1 |
| Budget and Performance Integration | | | | | | |
| 16. Perform program evaluations | Goal | 8 | 6 | 4 | 4 | 3 |
| | Actual | 6 | 6 | 4 | 4 | 3 |

**No goal established.

Strategic Management of Human Capital

1. *Appraisal System*

We revised CPSC's Senior Executive Service (SES) Performance Management System performance elements and standards in 2004 to include measures of success in meeting Commission 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 and began implementing the modified elements and standards for the remainder of the employees. In 2008, we fully implemented the modified elements and standards for the remainder of the employees incorporating results-based performance measures with a direct link to CPSC's strategic goals.

Goal: *In 2009, staff will monitor the use of the performance elements and standards for the remainder of the employees and assess program performance.*

Met: In 2009, staff assessed the appraisal system by using the Performance Appraisal Assessment Tool for the SES and General Schedule (GS) appraisal systems. The GS appraisals used the modified performance element standards. Staff recommended improvements to the appraisal systems and will implement the changes in 2010.

2. *Skills Analyses*

In 2004, we developed competencies for some of our mission critical positions. 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, staff completed skill gap analysis for occupations in Human Resources and Information Technology. In 2008, staff completed a formal skill gap analysis and training plans for all of our engineering occupational series.

Goal: *In 2009, we will continue to identify skill gaps and develop training plans for all mission critical positions. We will develop a succession plan to ensure continued development of current employees as well as targeted recruitment for mission critical positions.*

Met: In 2009, staff continued identification of skill gaps and developed training plans for mission critical positions for the 1800 series positions in our Office of Compliance and Field Operations. Also, a skill gap analysis was completed for some positions within the Commission which included a succession plan in each analysis. Staff implemented the plan with targeted recruitment for entry-level technical positions and from other federal agencies for new mission-critical positions to the CPSC.

3. *Recruitment Time*

The recruitment process time is calculated as the difference in the number of days between the recruitment request and the candidate selection date. In 2007, staff implemented an automated

applicant intake system to improve efficiency of the staffing process, reducing the average recruitment processing time to 49 days in 2007 from the 2006 average of 61 days and well below the 2002 government average of 102 days. In 2008, the average recruitment time increased to 62 days due to a significant increase in hiring combined with unfilled vacancies in the human resources office.

Goal: *In 2009, staff will maintain the 62-day recruitment process time.*

Met: In 2009, staff reduced the recruitment process time to 59 days.

4. Human Resource Training

In 2008, staff conducted seven training sessions for managers and supervisors in human resource management. This included topics such as leave management, automated hiring systems, and other human resource procedures.

Goal: *In 2009, staff will conduct six essential management training sessions on human resource management topics, such as performance management, staffing and recruitment, position management, and other human resource policies.*

Met: In 2009, staff held seven training sessions on the management of human resources. Topics included: diversity in recruitment, behavioral interviewing, utilizing the Employee Assistance Program for subordinates, Strengthsfinder, and Strategic Onboarding

5. Focus Group/On-line Survey

In 2008, staff conducted two focus groups to survey new employees on the recruitment and orientation process to learn from their experience and determine how to improve our services in the future.

Goal: *In 2009, staff will implement recommendations from the focus groups and continue to assess the recruitment process through an on-line survey for all new employees as well as an applicant survey through our on-line applicant intake system.*

Met: In 2009, staff conducted an online survey for new employees and received positive feedback on the automated applicant intake system. A new fax imaging system was implemented to provide applicants an opportunity to upload required supporting application materials to an automated fax imaging line or directly to the system. The system surveyed all applicants during the application process regarding the ease of use of the automated applicant intake system. Ninety-eight percent of applicants said the instructions for the system were “easy to understand and follow” and 95 percent reported they got into the system with “no difficulty.”

6. Target Recruitment

Goal: *In 2009, staff will target 11 recruitment efforts to organizations serving under-represented populations.*

Exceeded: In 2009, staff conducted outreach activities on 14 recruitment efforts including the positions of property manager, product safety investigator, physiologist, toxicologist, deputy director of Hazard Identification and Reduction, mechanical engineer, electrical engineer, fire protection engineer, engineering psychologist, chemist, and mathematical statistician. Staff also participated in five job fairs including the Hispanic Association of Colleges and Universities, Partnership for Public Service, and recruitment fairs at University of Maryland University College. Resumes were accepted and sent to appropriate selecting officials. In an effort to fill Engineering and Laboratory summer hire needs, CPSC participated in the Blacks in Government Career Fair as well as using the Workforce Recruitment Program for College Students with Disabilities.

7. EEO/AEP Training

Goal: *In 2009, staff will conduct five training sessions for CPSC managers and employees about their Equal Employment Opportunity/Affirmative Employment Plan responsibilities.*

Exceeded: In 2009, staff conducted seven training sessions. They were titled:

- Americans with Disabilities Act of 2009,
- Ebbing the Tide of Reprisal Complaints,
- How to Stay Out of Legal Hot Water,
- Demystifying EEO (for Employees),
- Managers Role in the EEO Process,
- Workplace Harassment Webinar, and
- Conflict Resolution.

8. Promote Representation

Goal: *In 2009, staff will promote representation of under-represented groups and individuals with disabilities with at least five initiatives. Examples of these new initiatives are mentoring programs, summer volunteer program, employee training programs, and disability and diversity awareness programs.*

Exceeded: In 2009, staff engaged in eight initiatives to promote underrepresented groups. CPSC has a partnership with the Bethesda-Chevy Chase (BCC) High School and provides mentoring and tutoring to high risk students. In April, staff participated in two Career Day activities with BCC and Sligo Creek Middle School (presenting to eight separate classes). CPSC participated in conferences at La Raza, Urban League, Blacks in Government and Perspectives of People with Disabilities. Also staff participated in a Web-cast entitled *Hiring Individuals with Disabilities, Best Practices*.

Competitive Sourcing

9. FAIR Act Inventories

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

We currently contract out most of our commercial services. For example, CPSC contracts out mail and driver services, laborer services, and copy and library services. We also contract out 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. Moreover, we contract out specialized commercial reviews, such as bankruptcy experts, during the course of our investigations. We also contract out operations of various major administrative systems such as payroll, finance, human resources, and procurement. These contracts represent at least another 7 FTEs for an equivalent of 50 FTEs currently contracted out.

In our 2008 inventory, CPSC 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).

Goal: *In 2009, we will review and revise the FAIR Act inventory, as appropriate.*

Met: We completed and submitted the inventory to OMB as required by June 30.

Improved Financial Performance

10. 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. In 2008, CPSC continued to monitor the system to ensure continued compliance with all applicable federal regulations and standards. This will be documented in annual staff letters of assurance.

Goal: *In 2009, staff will continue to monitor the system for compliance.*

Met: In 2009, staff monitored the system by performing various system and program reviews to ensure compliance with federal regulations and standards. The Division of Financial Services'

annual letter of assurance documents system reviews to support compliance. An independent auditor issued an opinion on the FFS application for 2009 and found full compliance with all regulations and that FFS had no material weaknesses.

11. Financial Management Systems Replacement

In 2007, staff evaluated new financial systems for a replacement system as NBC is dropping support of FFS in 2010. In 2008, staff signed a contract for replacing the NBC system with a system provided by the Department of Transportation. Implementation is expected to be completed in 2010.

Goal: *In 2009, staff will begin implementing the new system.*

Met: In 2009, staff worked throughout the year with the new provider. Weekly meetings, file extracts, and conversions to reformat were utilized to transition the FFS system to the new Delphi system. The planned implementation completion date is November 2009.

12. Information Timeliness

Currently, staff provides monthly financial reports electronically throughout the Commission by the third business day after the close of the month. This provides electronic on-demand access to financial information.

Goal: *In 2009, staff will maintain the third business day delivery of reports to Commission staff.*

Met: In 2009, staff made monthly financial reports available to Commission staff by the third business day after the close of each month. All report recipients received an e-mail notification on the electronic accessibility of their reports immediately after month-end close.

Expanded Electronic Government

13. Government-to-Business (G2B)

Government-to-Business initiatives 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. Section 102 of CPSIA requires mandatory third party testing for certain children's products. The new legislation imposes, on a rolling schedule, additional third-party testing requirements for all consumer products primarily intended for children 12 years of age or younger. Every domestic manufacturer or importer of a children's product subject to those requirements must have its product tested by an accredited independent testing lab and, based on the testing, must issue a certificate that the product meets all applicable CPSC requirements. The CPSC must maintain on its Web site an up-to-date list of those accredited labs that CPSC has accepted.

Goal: *In 2009, staff will develop an electronic system for Lab Accreditation processing and approval.*

Not Met: The new lab accreditation system was not implemented in 2009 because of staff resource issues. The new lab accreditation system is expected to be implemented in November 2009.

14. Government-to-Government (G2G)

The Homeland Security Presidential Directive 12 (HSPD-12) issued in 2004 mandates the implementation of a common identification standard for federal employees and contractors. Its purpose is to enhance security, increase Government efficiency, reduce identity fraud, and protect personal privacy by establishing a mandatory, Government-wide standard for secure and reliable forms of identification issued by the federal government to its employees and contractors. CPSC is using the General Services Administration (GSA) shared services provider contract to meet the HSPD-12 deadlines.

Goal: In 2009, staff will participate in a pilot program with GSA to transmit electronic fingerprint data to OPM for background checks connected with HSPD-12.

Not Met: In 2009, GSA had not enabled this feature for the CPSC. CPSC is actively working with them to enable this functionality and it should be available in the first fiscal quarter of 2010.

15. 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. In 2007, we installed a new Freedom of Information Act (FOIA) Case Management system. It is expected to yield many operational and workflow improvements in the years to come. In 2008, we implemented a Web-based application for FOIA case management that will improve case management and reduce time spent searching for records in electronic form.

Goal: In 2009, we will complete the roll-out of this application across the agency.

Met: In 2009, staff throughout the Commission used FOIAXpress, an application that automates FOIA compliance and processes and covers all the program offices. This system has also enabled staff to forward requests directly to the CPSC's congressional relations, budget/finance, and public affairs offices.

Budget and Performance Integration

16. 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; (4) combining the performance plan and budget request; (5) realigning our budget programs to match our strategic goals; and (6) incorporating the Office of Financial Management, Planning and Evaluation work under the direction of 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 Commission 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 2009, staff will perform evaluations of fire-related deaths, fireworks-related deaths, and CO poisoning deaths associated with all consumer products.*

Met: Staff prepared the following program evaluation reports:

- *2006 Residential Fire Loss Estimates Report, August 2009* (www.cpsc.gov/LIBRARY/fire06.pdf)
- *2008 Fireworks Annual Report, June 2009* (www.cpsc.gov/LIBRARY/2008fwreport.pdf)
- *Non-Fire Carbon Monoxide Deaths Associated with the Use of Consumer Products, 2006 Annual Estimates* (www.cpsc.gov/LIBRARY/co09.pdf)

PROGRAM EVALUATIONS

This section provides a summary of the evaluations we identified in our 2009 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. Staff will conduct evaluations at the product level 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 2009, the CPSC staff updated its report on fire-related (non-arson) deaths, injuries, and dollar losses from 2004 through 2006. 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 2004 through 2006, 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 143,300 cooking equipment-related fires during 2004-2006 accounted for 37.3 percent of total residential fires for the same period. The corresponding death estimates averaged around 195, which is 7.5 percent of total deaths annually. The injury estimates averaged 3,350 injuries, which is 26.3 percent of the estimated annual average of the total number of injuries for the same period.

Heating and cooling equipment fires constituted the second largest share of total residential fires. The estimated annual average of 56,500 fires for the years 2004-2006 was 14.7 percent of the average annual estimate of total residential fires during the same period. The death estimates averaged around 260, which is 9.9 percent of total deaths annually. The corresponding injury estimates for the three years averaged 980 injuries. This accounts for 7.7 percent of the annual average estimate of total injuries during 2004-2006.

In the category of item first ignited, upholstered furniture ignition was involved in the greatest number of deaths. From 2004 through 2006, an estimated annual average of 530 deaths was associated with these fires. This constitutes 20.7 percent of the estimated annual average of total deaths associated with residential structure fires for the same period.

By heat source, smoking materials were the largest contributor to deaths and resulted in an annual average of 640 deaths from 2004-2006. This accounts for 24.6 percent of the estimated annual average of total residential fire deaths.

Tracking of fireworks-related deaths

In 2009, CPSC staff completed an analysis of data on fireworks-related injuries and deaths during 2008. Staff conducted a special study between June 20, 2008 and July 20, 2008 based on more detailed analyses of injuries including the type of injury and the firework involved, and the characteristics of the victim. About two-thirds of the annual fireworks-related injuries for 2008 occurred during that period. Following are some findings from the report as well as results from the special study.

CPSC staff has reports of seven fireworks-related deaths during 2008. Two people were killed in incidents involving aerial and display fireworks. One person died in a fire where a firework was the ignition source. Three people were killed in incidents involving homemade fireworks. One person, on oxygen, suffered serious burns when a firecracker exploded near his face. He died 18 days later in the hospital. CPSC staff has reports of 11 fireworks-related deaths in 2007.

Fireworks were involved in an estimated 7,000 injuries treated in U.S. hospital emergency departments during calendar year 2008. This is 2,800 fewer injuries than in 2007, which was estimated at 9,800 injuries.

The special study estimated 5,000 fireworks-related injuries during the one-month period between June 20, 2008 and July 20, 2008. Children under 15 accounted for 40 percent of the estimated injuries during this one-month period.

The special study showed that among different types of fireworks, firecrackers were associated with the greatest number of estimated injuries at 900. There were an estimated 800 injuries associated with sparklers and 300 associated with bottle rockets.

B. Reducing CO Poisoning Deaths

Tracking of CO deaths associated with all consumer products

In 2009, 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 2004 through 2006. From 2004-2006, there was an estimated yearly average of 181 unintentional non-fire CO poisoning deaths associated with consumer products; the estimate in 2006 was 180. 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 findings listed in the report.

Engine-driven tools were associated with the largest percentage of non-fire CO poisoning fatalities in 2006 at 58 percent. Heating

system-related CO fatalities were associated with 28 percent of all consumer product-related CO poisoning fatalities.

The estimated number of generator-related CO fatalities doubled in 2005 and 2006 from the two prior years with an estimated 182 fatalities combined in 2005 and 2006 compared to an estimated 96 in 2003 and 2004. Nearly half of the generator related CO fatalities in 2005 were associated with power outages caused by weather conditions. In 2006, only 19 percent of the generator-related CO fatalities were associated with severe weather-caused power outages. Non-weather related CO fatalities associated with the use of generators increased by 53 percent (32 to 49) from 2004 to 2005, and another 41 percent (49 to 69) from 2005 to 2006.

In 2006, adults between 25 and 44 represented 34 percent of the estimated number of CO poisoning deaths while adults between 45 and 64 years of age represented another 32 percent. Adults 25 years of age and older represented 85 percent and three percent of the estimated CO fatalities were children under 15 years old.

CONSUMER PRODUCT SAFETY COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2009 (CY) AND 2008 (PY)
(IN DOLLARS)

| Assets: | 2009 | 2008 |
|---|----------------------|----------------------|
| Intragovernmental Assets: | | |
| Fund Balance with Treasury (Note 2) | \$ 57,346,015 | \$ 29,949,900 |
| Advances To Others | - | - |
| Accounts Receivable (Note 3) | 2,188,171 | 781,784 |
| Equipment (Note 4) | 3,068,556 | 2,694,010 |
| Total Assets | \$ 62,602,742 | \$ 33,425,694 |
| | | |
| Liabilities: | | |
| Intragovernmental Liabilities: (Note 5) | | |
| Accrued Benefits | \$ 6,967,920 | \$ 5,981,900 |
| Accounts Payable | 149,601 | 182,625 |
| Actuarial Federal Employees' Compensation Act Liabilities | 342,040 | 361,600 |
| Imputed Financing Sources | 3,024,280 | 3,024,280 |
| Unemployment Insurance | 22 | 5,167 |
| Other Liabilities | 9,964,440 | 4,378,360 |
| Total Liabilities | 20,448,303 | 13,933,932 |
| | | |
| Net Position: | | |
| Unexpended Appropriations | 46,472,263 | 23,840,212 |
| Cumulative Results of Operations | (4,317,824) | (4,348,450) |
| Total Net Position | 42,154,439 | 19,491,762 |
| | | |
| Total Liabilities and Net Position | \$ 62,602,742 | \$ 33,425,694 |

CONSUMER PRODUCT SAFETY COMMISSION
STATEMENT OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2009 (CY) AND 2008 (PY)
(IN DOLLARS)

| Net Cost of Operations: | 2009 | 2008 |
|--|---------------------|---------------------|
| Program Costs | \$92,048,973 | \$76,819,783 |
| Less: Earned Revenue | (2,777,337) | (2,861,433) |
| Total Net Cost of Operations (Note 6) | \$89,271,636 | \$73,958,350 |

CONSUMER PRODUCT SAFETY COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2009 (CY) AND 2008 (PY)
(IN DOLLARS)

| | 2009 | 2008 |
|---|-----------------------|-----------------------|
| Cumulative Results of Operations: | | |
| Beginning Balances | \$ (4,348,450) | \$ (4,630,590) |
| Budgetary Financing sources: | | |
| Reimbursement Received | (2,796,804) | (2,871,108) |
| Accounts Receivable | 22 | (2,709) |
| Advance | - | (688) |
| Donated Revenue | 37,715 | 22,573 |
| Appropriations Used | 85,016,493 | 70,097,502 |
| Decrease prior year unfunded cost | 4,020,556 | 3,970,640 |
| Other Financing Sources(Non-Exchange): | | |
| Imputed Financing | 3,024,280 | 3,024,280 |
| Total Financing Sources | 89,302,262 | 74,240,490 |
| Net Cost of Operations | (89,271,636) | (73,958,350) |
| Net Change | 30,626 | 282,140 |
| Cumulative Results of Operations | \$ (4,317,824) | \$ (4,348,450) |
| Unexpended Appropriations: | | |
| Beginning Balance | \$ 23,840,212 | \$ 11,470,383 |
| Budgetary Financing Sources: | | |
| Appropriations Received | 105,404,000 | 80,000,000 |
| Reimbursement Received | 2,796,804 | 2,871,108 |
| Donated Revenue | (37,715) | (22,573) |
| Appropriations Used | (85,016,493) | (70,097,502) |
| Cancellation of expired year | (514,545) | (381,204) |
| Total Budgetary Financing Sources | 22,632,051 | 12,369,829 |
| Total Unexpended Appropriations | \$ 46,472,263 | \$ 23,840,212 |
| Net Position | \$ 42,154,439 | \$ 19,491,762 |

CONSUMER PRODUCT SAFETY COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2009 (CY) AND 2008 (PY)
(IN DOLLARS)

| Budgetary Resources: | 2009 | 2008 |
|---|----------------------|----------------------|
| Budget authority: | | |
| Unobligated balances-brought forward, October 1 | \$ 762,679 | \$ 990,491 |
| Recoveries of prior year unpaid obligations | 1,438,148 | 1,379,620 |
| Appropriation | 105,404,000 | 80,000,000 |
| Spending authority from offsetting collections | 2,777,337 | 2,861,434 |
| Cancellation of expired year | (514,545) | (381,204) |
| Permanently not available | - | - |
| Total Budgetary Resources | \$109,867,619 | \$ 84,850,341 |
| Status of Budgetary Resources: | | |
| Direct | 98,196,905 | 81,216,554 |
| Reimbursable | 2,796,804 | 2,871,108 |
| Unobligated balances currently available | 8,080,109 | 114,246 |
| Unobligated balances not available | 793,801 | 648,433 |
| Total Status of Budgetary Resources | \$109,867,619 | \$ 84,850,341 |
| Change in Obligated Balances: | | |
| Unpaid obligated balance, brought forward, October 1 | 25,588,269 | 12,494,569 |
| Obligations incurred | 100,993,709 | 84,087,662 |
| Gross outlays | (84,450,394) | (69,614,342) |
| Recoveries of prior year unpaid obligations, actual | (1,438,148) | (1,379,620) |
| Unpaid obligated balance, net-end of period (Note 7) | \$ 40,693,436 | \$ 25,588,269 |
| Net Outlays | | |
| Gross outlays | 84,450,394 | 69,614,342 |
| Less: Offsetting collections | (2,777,337) | (2,861,434) |
| Less: Distributed offsetting receipts | (61,749) | (40,534) |
| Total Net Outlays | \$ 81,611,308 | \$ 66,712,374 |

CONSUMER PRODUCT SAFETY COMMISSION
STATEMENT OF CUSTODIAL ACTIVITY
FOR THE YEARS ENDED SEPTEMBER 30, 2009 (CY) AND 2008 (CY)
(IN DOLLARS)

| Gross Revenue Activity | 2009 | 2008 |
|--|------------------|------------------|
| Sources of Cash Collections: | | |
| Civil Penalties and Fines | \$ 7,716,919 | \$ 3,558,418 |
| FOIA and Misc collections | 61,749 | 40,534 |
| Fees Collected-DOJ | 29,905 | 35,518 |
| Total Custodial Revenue | 7,808,573 | 3,634,470 |
| Disposition of Revenue Collected: | | |
| Amounts to be Transferred to: | | |
| Treasury General Fund | 7,778,668 | 3,598,952 |
| Retained by Justice Department-Fees | 29,905 | 35,518 |
| Net Custodial Activity | \$ - | \$ - |

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 five 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 (as amended) authorizes CPSC to:

- Develop voluntary standards
- Issue and enforce mandatory standards
- Obtain recall of products or arranging for their repair
- Conduct research on potential product hazards
- Inform and educate consumers responding to industry and 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 2009. Currently, 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.

CPSC's cash receipts and disbursements are processed by the U.S. Treasury. Funds with U.S. Treasury represent obligated and unobligated balances available to finance allowable expenditures and restricted balances, including amounts related to expired authority and amounts not available for use by CPSC.

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.

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 5.

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 \$16,500 for 2009 but do not receive a matching contribution from the CPSC. FERS participating employees may contribute up to \$16,500 for 2009. 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 (FEGLIP). 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.

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 \$2.8 million in 2009. 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.

Appropriations (Financing Source) – The CPSC receives financing sources through direct appropriation from the general fund of the Treasury to support its operations. Appropriations available for 2009 were \$97,404,000 (annual); FY 2009-2010 \$2,000,000; and FY 2009-2011 \$6,000,000.

Estimates and Assumptions

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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, Department of Transportation 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 2009

| | Entity | Non-Entity | Total |
|------------------------|---------------------|--------------------|---------------------|
| General Funds | \$49,567,347 | | \$49,567,347 |
| Miscellaneous Receipts | | \$61,749 | \$61,749 |
| Fines and Penalties | | \$7,716,919 | \$7,716,919 |
| Total | \$49,567,347 | \$7,778,668 | \$57,346,015 |

Status of Fund Balance with Treasury:

| | Not Available | Obligated | Unobligated Available | Total |
|------------------------|--------------------|---------------------|-----------------------|---------------------|
| Entity | \$793,801 | \$40,693,437 | \$8,080,109 | \$49,567,347 |
| Non-Entity: | | | | |
| Miscellaneous Receipts | \$61,749 | | | \$61,749 |
| Fines and Penalties | \$7,716,919 | | | \$7,716,919 |
| Total | \$8,572,469 | \$40,693,437 | \$8,080,109 | \$57,346,015 |

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 \$61,749 and \$7,716,919, respectively, are not available to CPSC activities and are classified as non-entity assets. A corresponding liability is also recorded on the balance sheet.

**Fund Balance with Treasury
Fiscal Year 2008**

| | Entity | Non-Entity | Total |
|------------------------|---------------|-------------------|--------------|
| General Funds | \$26,350,948 | | \$26,350,948 |
| Miscellaneous Receipts | | \$40,534 | \$40,534 |
| Fines and Penalties | | \$3,558,418 | \$3,558,418 |
| Total | \$26,350,948 | \$3,598,952 | \$29,949,900 |

Status of Fund Balance with Treasury:

| | Not Available | Obligated | Unobligated Available | Total |
|------------------------|----------------------|------------------|------------------------------|--------------|
| Entity | \$648,433 | \$25,588,269 | \$114,246 | \$26,350,948 |
| Non-Entity: | | | | |
| Miscellaneous Receipts | \$40,534 | | | \$40,534 |
| Fines and Penalties | \$3,558,418 | | | \$3,558,418 |
| Total | \$4,247,385 | \$25,588,269 | \$114,246 | \$29,949,900 |

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 \$40,534 and \$3,558,418, 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 – Accounts Receivable

Fiscal Year 2009

The CPSC's entity receivable is \$2,399. 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 in the total amount of \$2,185,772.

Accounts Receivable

Fiscal Year 2008

Entity accounts receivables for FY 2008 was \$2,376. Non-entity accounts receivable was \$779,408. CPSC does not retain these non entity receipts.

Note 4 – Property, Plant & Equipment (PP&E)**Fiscal Year 2009**

| Classes of PP&E | Acquisition Cost | Accumulated Depreciation | Net Book Value | Service Life in Years |
|-----------------|--------------------|--------------------------|--------------------|-----------------------|
| Equipment | \$6,339,781 | (\$3,478,791) | \$2,860,990 | 5-12 |
| ADP Software | \$965,260 | (\$757,694) | \$207,566 | 5 |
| Total | \$7,305,041 | (\$4,236,485) | \$3,068,556 | |

Property**Fiscal Year 2008**

| Classes of PP&E | Acquisition Cost | Accumulated Depreciation | Net Book Value | Service Life in Years |
|-----------------|--------------------|--------------------------|--------------------|-----------------------|
| Equipment | \$6,048,626 | (\$3,653,507) | \$2,395,119 | 5-12 |
| ADP Software | \$901,506 | (\$602,615) | \$298,891 | 5 |
| Total | \$6,950,132 | (\$4,256,122) | \$2,694,010 | |

Note 5 – 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 9-30-09. CPSC maintains these accounts in a custodial capacity.

| | | |
|---|---------------------|---------------------|
| Liabilities Covered by Budgetary Resources: | 2009 | 2008 |
| Accrued Benefits | \$2,945,483 | \$2,328,111 |
| Accounts Payable | 149,601 | 182,625 |
| Total Liabilities Covered by Budgetary Resources | 3,095,084 | 2,510,736 |
| Liabilities Not Covered by Budgetary Resources | | |
| Actuarial Federal Employees' Compensation Act Liabilities | 342,040 | 361,600 |
| Accrued Annual Leave | 4,022,437 | 3,653,789 |
| Imputed Financing Sources | 3,024,280 | 3,024,280 |
| Unemployment Insurance | 22 | 5,167 |
| Other Liabilities (Note5) | 9,964,440 | 4,378,360 |
| Total Liabilities not Covered by Budgetary Resources | 17,353,219 | 11,423,196 |
| Total Liabilities | <u>\$20,448,303</u> | <u>\$13,933,932</u> |

Note 6 – Reconciliation of Net Cost of Operations to Budget

FOR THE YEARS ENDED SEPTEMBER 30, 2009 (CY) AND 2008 (PY)

(in dollars)

| | 2009 | 2008 |
|---|---------------------|----------------------|
| Resources Used to Finance Activities | | |
| Budgetary Resources Obligated | | |
| Obligations incurred | \$100,993,709 | \$84,087,662 |
| Less: Collections | (2,777,337) | (2,861,433) |
| Less: Adjustment-downward | (1,438,148) | (1,379,620) |
| Obligations net of offsetting collections and recoveries | 96,778,224 | 79,846,609 |
| Less: Offsetting receipts | (61,749) | (40,534) |
| Net Obligations | 96,716,475 | 79,806,075 |
| Other Resources | | |
| Obligations-Beginning of the Period | 25,588,269 | 12,494,570 |
| Imputed Financing Sources | 3,024,280 | 3,024,280 |
| Total Resources Used to Finance Activities | 125,329,024 | 95,324,925 |
| | | |
| Resources Used to finance items not Part of the Net Cost of Operations | | |
| Changes in Undelivered Orders | (37,598,353) | (23,077,533) |
| Other/Accrual/Accounts Payable prior year | (2,510,736) | (2,014,678) |
| Offsetting receipts | 61,749 | 40,534 |
| Resources that finance the acquisition of assets | (354,910) | 1,914,959 |
| Total resources used to finance items not part of the net cost of operations | (40,402,250) | (23,136,718) |
| Total Resources Used to Finance the Net Cost of Operations | \$84,926,774 | \$ 72,188,207 |
| | | |
| Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period: | | |
| Components Requiring Resources in Future Periods: | | |
| Actuarial Federal Employees' Compensation Act Liabilities | 342,040 | 361,600 |
| Unfunded Annual Leave | 4,022,437 | 3,653,789 |
| Unemployment Insurance | 22 | 5,167 |
| Total components of Net Cost of Operations that will Require Resources in the Future Period | 4,364,499 | 4,020,556 |
| Components not Requiring or Generating Resources: | | |
| Depreciation | (19,637) | (2,250,413) |
| Total Components of Net Cost of operations that will not Require or Generate Resources in the Current Period | 4,344,862 | 1,770,143 |
| Net Cost of Operations | <u>\$89,271,636</u> | <u>\$ 73,958,350</u> |

Note 7 – Unpaid Undelivered Orders, net - end of period

| | 2009 | 2008 |
|---------------------------------|--------------|--------------|
| Total Unpaid Undelivered Orders | \$40,693,436 | \$25,588,269 |

Note 8 – Commitments and Contingencies

CPSC may face reasonably possible claims estimated at \$252,197 from 8 claims placed under the Federal Torts Claim Act and the Equal Employment Opportunity Act.

Note 9 – Analysis of Material Differences – FY 2009

| | Budgetary Resources | Obligations Incurred | Net Outlays |
|--|----------------------------|-----------------------------|---------------------|
| Combined Statement of Budgetary Resources | \$109,867,619 | \$100,993,710 | \$81,611,308 |
| SF 133, Report on Budget Execution and Budgetary Resources | \$109,867,619 | \$100,993,710 | \$81,673,057 |

CPSC does not have any material differences between the Statement of Budgetary Resources and SF 133 as of 9/30/2009. The \$61,749 represents the distributed offsetting receipts reported on the Combined Statement of Budgetary Resources but is not required to be reported on the SF 133.

Analysis of Material Differences – FY 2008

| | Budgetary Resources | Obligations Incurred | Net Outlays |
|--|----------------------------|-----------------------------|---------------------|
| Combined Statement of Budgetary Resources | \$84,850,341 | \$84,087,662 | \$66,712,375 |
| Difference | | | 40,534 |
| SF 133, Report on Budget Execution and Budgetary Resources | \$84,850,341 | \$84,087,662 | \$66,752,909 |

The \$40,534 represents the distributed offsetting receipts reported on the Combined Statement of Budgetary Resources but is not required to be reported on the SF 133.

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.

OFFICE OF THE INSPECTOR GENERAL AUDIT REPORT CONSUMER PRODUCT SAFETY COMMISSION'S FISCAL YEAR (FY) 2009 FINANCIAL STATEMENTS

Chairman Tenenbaum:

In accordance with the Accountability of Tax Dollars Act of 2002, we are responsible for conducting audits of the financial statements of the U.S. Consumer Product Safety Commission. In our audits of the Commission for fiscal years 2009 and 2008, we found

- the financial statements are presented fairly, in all material respects, in conformity with the U.S. generally accepted accounting principles,
- no material weakness in internal control over financial reporting (including safeguarding assets) and compliance with laws and regulations,
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) our conclusions on Management's Discussion and Analysis, and other supplementary information, (3) our audit objectives, scope, and methodology, and (4) agency comments and our evaluation.

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, the Commission's assets, liabilities, net position as of September 30, 2009 and 2008; and net costs; changes in net position; budgetary resources; and custodial activity for the years ended September 30, 2009 and 2008.

Opinion on Internal Control

The Commission maintained, in all material respects, effective internal control over financial reporting (including safeguarding assets) and compliance as of September 30, 2009 that 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*; OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*; the Government Accountability Office (GAO), *Government Auditing Standards*; and the GAO/President's Council on Integrity and Efficiency (PCIE), *Financial Audit Manual*.

Compliance with Laws and Regulations

Our tests of the Commission's compliance with selected provisions of laws and regulations for fiscal year 2009 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

The Commission's Management 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 the Commission's officials. On the basis of this limited work, we found no material inconsistencies with the financial statements, U.S. generally accepted accounting principles, or OMB guidance.

Objectives, Scope, and Methodology:

The Commission's management is responsible for (1) preparing the financial statements in conformity with U.S. 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; and (3) complying with applicable laws and regulations.

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

- **Financial Reporting:** Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with U.S. 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 (1) laws governing the use of budget authority, (2) other laws and regulations that could have a direct and material effect on the financial statements, and (3) any other laws, regulations, and government-wide policies identified by OMB audit guidance.

We are also responsible for (1) 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 (2) performing limited procedures with respect to certain other information appearing in the Annual Financial Statement.

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the entity and its operation, including its internal control related to financial reporting (including safeguarding assets), compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act;
- tested compliance with selected provisions of the following laws and regulations.

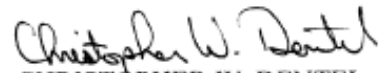
We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over 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 Commission. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the Commission's financial statements for the fiscal year ended September 30, 2009. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Agency Comments and Our Evaluation

In commenting on a draft of this report (see appendix 1), the Commission's management concurred with the facts and conclusions cited in our report.



CHRISTOPHER W. DENTEL
Inspector General
Consumer Product Safety Commission

November 13, 2009

MANAGEMENT'S RESPONSE

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

Memorandum

Date: November 12, 2009

TO : Christopher Dentel
Inspector General

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

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

SUBJECT : Audit of FY 2009 Financial Statements

The audit report prepared by the Office of the Inspector General regarding CPSC's Financial Statements for Fiscal Year 2009 has been reviewed by the Division of Financial Services. The Finance Division concurs with the findings and opinions expressed in the report.

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 all relate to the implementation of the Consumer Product Safety Improvement Act (CPSIA) of 2008:

Management and Cultural Changes

Strategic Planning

Management of Human Capital

Capital Improvements

Background: In implementing the CPSIA the CPSC faces challenges created by both the requirement that it promulgate rules within mandatory timelines and the complex scientific, technical, and procedural issues surrounding said rules. For example, the first in a series of rules dealing with laboratory accreditation (not a subject traditionally within CPSC jurisdiction) needed to be promulgated within 30 days of the enactment of the CPSIA. A rule dealing with advertising (also not a subject traditionally within CPSC jurisdiction) needed to be issued within 60 days of enactment. In order to be timely completed, work on rules dealing with the testing and certification of products, procedural issues relating to the lead content requirement, mandatory standards for ATV's and toys, and a number of other technical issues needed to be initiated shortly after enactment of the CPSIA. The pace of required rulemaking will remain high throughout the foreseeable future, as not later than one year after the date of enactment of the CPSIA, the agency is required by the Act to promulgate standards for no fewer than two categories of durable infant or toddler products every 6 months thereafter, beginning with the product categories that the Commission determines to be of highest priority, until the Commission has promulgated standards for all such product categories.¹

The CPSIA expanded both the authority and the responsibilities of the CPSC. It established an aggressive regulatory agenda and set deadlines to ensure that results were achieved in a timely fashion. The aggressiveness of the CPSIA has had both positive and negative effects on the agency. It has spurred on a greater degree of regulatory activity than would have existed without the passage of the act. At the same time, it established implementation timelines that required the CPSC to move at a pace that the agency has not always been able to accommodate. Given some of the criticisms the agency has received in the past it is understandable that Congress

¹ The product categories include full-size and nonfull-size cribs; toddler beds; high chairs, booster chairs, and hook-on chairs; bath seats; gates and other enclosures for confining a child; play yards; stationary activity centers; infant carriers; strollers; walkers; swings; and bassinets and cradles.

would desire to speed-up the rule making process. However, the implementation timelines established by the CPSIA failed to include time for several necessary steps in the rule making process. For example, no time was provided for interpreting the CPSIA and providing training to CPSC employees on the content of the CPSIA. This led to the CPSC attempting to interpret various provisions of the CPSIA (What is a “children’s product?” Are provisions of the CPSIA retroactively applicable? Etc.) at the same time it was attempting to develop rules to implement the CPSIA.

It would not be reasonable to expect the CPSC to take on the new challenges presented by the CPSIA with the same levels of funding and manning it has historically had. Nor did Congress expect this of the agency. However, as detailed below, the infusion of personnel (FTEs) and funding authorized by Congress has presented its own challenges to the agency.

In order to provide the resources necessary to meet these new responsibilities and to enforce the newly created requirements, the CPSIA authorizes increased funding levels for the CPSC annually culminating in an authorization level of \$136 million in FY2014. However, there is no guarantee that the funds authorized will ever actually be appropriated. This puts the agency in a position where its new responsibilities are in large measure fixed², but the level of resources it will have to draw on to meet these responsibilities is unknown.

Management and Cultural Changes: Changes in the mission, size, and funding of the CPSC, largely driven by the needs of implementing and enforcing the CPSIA, necessitate changes in the management and culture of the agency. As noted above, the agency is now required to perform many of its functions in a much more expeditious manner than in the recent past. Additionally, as additional staff is added, management must adjust to the challenges inherent in managing a larger, and more geographically separated, work force³. A more formal style of management that promotes accountability and delegation of duties will need to be adopted.

Given the size of the agency, it has historically not only been feasible for senior managers at the CPSC to become directly involved in ongoing projects at the agency, it has been common practice. Senior managers have functioned as technical experts and done “hands-on” work in addition to carrying out their supervisory duties. This may or may not have been advantageous in the past, but given the new responsibilities and expanding size of the CPSC it is not currently an efficient way to manage the agency. A corollary of the above is that managers below the senior staff level will have to be given greater responsibilities and autonomy than they have historically received. This will in turn mean that they will need to be held accountable for achieving results.

Strategic Planning: The agency’s strategic plan, last issued in 2003, needs to be updated. To be fair, the agency’s efforts in this area were hurt by the lack of a “permanent” as opposed to an “acting” Chairman and the prolong period of time in which the agency had no quorum of commissioners.

² Some, but not all, of the new requirements are predicated on Congress appropriating adequate funding.

³ Many of the new hires will work at geographically separate locations rather than at the CPSC’s Headquarters building.

To provide better long-term planning in general and to account for the new authorities granted by the CPSIA, the CPSC needs to create a new detailed and comprehensive agency wide Strategic Plan. In doing so, the CPSC will need to make decisions regarding how recent fundamental changes in its mission and the consumer product market place will impact its organization and resource allocation. For example, what impact will the fact that an ever increasing percentage of consumer products are imported rather than manufactured domestically have on the agency? What, if any, percentage of agency resources formerly dedicated to regulating domestic manufacturers should be shifted to the Office of International Programs and Intergovernmental Affairs to promote its work with foreign governments in bilateral and multilateral environments? What will be the long term structural effects on the agency of recent legislation that has altered the jurisdiction and mission of the agency?⁴ For example, as noted by the GAO in a recent audit, the new Strategic Plan will need to take into account the agency's statutorily driven enhanced surveillance of the marketplace and at U.S. ports and will need to reflect agency determinations, not yet made, regarding whether these new and growing operational mission requirements are adequately supported by the current, or currently projected, analytical and laboratory staff.

The new leadership at the agency appears to be fully cognizant of this challenge and gives every indication of attempting to meet it head-on. However, their efforts in this area are complicated by the agency's lack of recent experience at preparing strategic plans. In order to meet this need, the agency has begun the process of securing contract support to assist the agency in the preparation of a new Strategic Plan.

Management of Human Capital: In order to meet the responsibilities set out for it in the CPSIA the CPSC needs to expand the size of its work force dramatically. However, due to a lack of time and resources, no formal skill gap analysis has been performed for the agency as a whole to fine tune these manpower decisions⁵. In the future, a determination should be made regarding what positions are mission critical in implementing the CPSIA as a whole, a skill gap analysis should then be performed, and training and hiring plans developed based on the results of this analysis. Although to date no formal skill gap analysis has been initiated, the agency has hired a Human Capital Specialist and she is developing a CPSC Human Capital Plan and implementing a Human Capital Accountability system for the agency.

The CPSIA's drafters clearly contemplated that new employees would be hired by the CPSC to implement the CPSIA. However, the deadlines they developed did not take into account either the seven month delay in the provision of funding which occurred or the amount of time that would be required to train the new employees after they had been hired. In addition to the delays ordinarily associated with the federal personnel process was added the fact that the hiring process could not commence until there were funds available to sustain the hiring action.

Although training costs are ubiquitous to all Federal agencies, as a small agency the CPSC faces

⁴ In addition to the CPSIA, the Virginia Graeme Baker Pool Act and the Children's Gasoline Burn Prevention Act were recently passed and presented the agency with similar, although less broad, challenges.

⁵ A skill gap analysis analyzes the gaps between the current workforce's skills and the competencies projected to be needed to fulfill future mission requirements. A skill gap analysis was completed for one occupational category (1800 series) of employees and a contract awarded to perform a skill gap analysis on another (0343 series). Additionally, senior agency managers did meet during FY 09 to determine on an informal basis what hiring actions should be taken during FY 09.

several unique challenges when it attempts to utilize its increased resources. For example, because of the size and culture of the CPSC, senior managers carry out a greater variety of duties than senior managers at other Federal agencies. The majority of supervisors at the CPSC are “working supervisors;” not only are they responsible for providing leadership, technical expertise, and carrying out the hiring actions in question, they also have “hands-on” technical duties and are in many cases responsible for providing on-the-job training to new employees. Therefore, the hiring of new employees to implement the CPSIA creates a surge in the workload of the same senior managers who are charged with overseeing the implementation of the CPSIA. In order to help meet its training needs, the CPSC did implement training plans and utilize on-site training sessions during FY 09 in each of the competencies that are generic to many positions at CPSC (i.e. oral and written communication, technology skills, negotiating, teamwork, etc.) They also held management and supervisory training sessions.

Much of the agency’s recent efforts in the Human Resources area have been focused on meeting the requirements of the SWAT Management Initiatives from OPM/OMB. These include: hiring reform initiatives, Employee Wellness Programs and Improving Employee satisfaction.

Capital Improvements

In the recent past, the CPSC 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 capital expenses while reshaping the workforce to better deal with the limited resources available. At the time these actions were taken, the agency anticipated facing both short and long term organizational and personnel challenges created by further reductions in funding and staff. Instead, the agency now finds itself growing. This growth is clearly needed to meet its new mission requirements, but brings with it additional logistical challenges.

The CPSIA calls for upgrades of the Commission’s information technology architecture and systems and the development of database of publicly available information on incidents involving injury or death required under section 6A of the Consumer Product Safety Act, as added by section 212 of the CPSIA. The CPSIA also calls for the agency to transmit to the appropriate Congressional committees a detailed plan for establishing and maintaining the database, including plans for the operation, content, maintenance, and functionality of the database. Congress clearly intended that the database be more than a mere repository of injury information. The plan the CPSC was required to prepare had to detail the integration of the database into the Commission’s overall information technology improvement objectives and plans. The plan submitted under this subsection was required to include a detailed implementation schedule for the database and plans for a public awareness campaign to be conducted by the Commission to increase consumer awareness of the database. OMB placed additional requirements on the agency relating to the plan for the database which had to be met before OMB would release funding for the database.

Although the CPSC did produce a plan for establishing and maintaining the data base that was acceptable to OMB it was unable to do so until nearly the end of the fiscal year. It remains to be seen how effectively the CPSC will be able to implement this plan.

The CPSC has determined that its existing laboratory facility is inadequate. In order to overcome the agency's lack of experience at procuring real property a determination was made to utilize the services of the General Services Administration (GSA). Although ultimate responsibility for the acquisition and utilization of the new laboratory facility continues to reside in the CPSC; GSA was used to provide the technical component of the acquisition of the laboratory facility. A lease has been signed and preparations are underway for occupying the facility by the fall of 2010. An assessment of the efficiency of this process and the functionality of the facility, once it becomes operational, still needs to be performed.

In addition to the specialized (laboratory and IT) capital improvement projects previously mentioned, the agency also needs additional office space for the new employees (and onsite contractors) necessary to implement the CPSIA. The bulk of the space currently occupied by the CPSC is leased office space in Bethesda, MD. The agency has leased additional space in the office building it occupies to help house the new hires. However, it remains to be seen if the leased space will be adequate to the agency's needs.

SUMMARY OF 2009 FINANCIAL STATEMENT AUDIT

Table 1: Summary of Financial Statement Audit

| | | | | | |
|----------------------------------|------------------------------|------------|-----------------|---------------------|---------------------------|
| Audit Opinion | Unqualified | | | | |
| Restatement | No | | | | |
| | Beginning Balance | New | Resolved | Consolidated | Ending Balance |
| Material Weaknesses | 0 | 0 | 0 | 0 | 0 |
| Total Material Weaknesses | 0 | 0 | 0 | 0 | 0 |

Table 2: Summary of Management Assurances
Effectiveness of Internal Control Over Financial Reporting (FMFIA Para.2)

| | | | | | | |
|----------------------------------|------------------------------|------------|-----------------|---------------------|-------------------|---------------------------|
| Statement of Assurance | Unqualified | | | | | |
| | Beginning Balance | New | Resolved | Consolidated | Reassessed | Ending Balance |
| Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |

Effectiveness of Internal Control Over Operations (FMFIA Para.2)

| | | | | | | |
|----------------------------------|------------------------------|------------|-----------------|---------------------|-------------------|---------------------------|
| Statement of Assurance | Unqualified | | | | | |
| | Beginning Balance | New | Resolved | Consolidated | Reassessed | Ending Balance |
| Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |

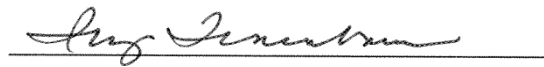
Conformance with Financial Management System Requirements (FMFIA Para.4)

| | | | | | | |
|----------------------------------|---|------------|-----------------|---------------------|-------------------|---------------------------|
| Statement of Assurance | Systems conform to financial management system requirements | | | | | |
| | Beginning Balance | New | Resolved | Consolidated | Reassessed | Ending Balance |
| Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Material Weaknesses | 0 | 0 | 0 | 0 | 0 | 0 |

MANAGEMENT ASSURANCES

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORTING

In 2009, 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 2009 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. The Inspector General's 2009 audit resulted in a clean opinion for the agency's financial management. Finally, I believe that the performance data contained in this report are complete and reliable.



Inez Tenebaum
Chairman

November 16, 2009

ACRONYMS

| | |
|--------|--|
| ACE | Automated Commercial Environment |
| ANPR | Advance Notice of Proposed Rulemaking |
| ANSI | American National Standards Institute |
| AQSIQ | General Administration for Quality Supervision, Inspection, and Quarantine |
| ASTM | ASTM International, formerly American Society for Testing and Materials |
| ATV | All-Terrain Vehicle |
| CBP | Customs and Border Protection |
| CDC | Centers for Disease Control and Prevention |
| CCA | Compliance Corrective Actions |
| CFR | Code of Federal Regulations |
| CHAP | Chronic Hazard Advisory Panel |
| CO | Carbon Monoxide |
| CPSC | Consumer Product Safety Commission |
| CPSIA | Consumer Product Safety Improvement Act |
| CPSRMS | Consumer Product Safety Risk Management System |
| EWS | Early Warning System |
| FAIR | Federal Activities Inventory Reform |
| FFS | Federal Financial System |
| FHSA | Federal Hazardous Substances Act |
| FOIA | Freedom of Information Act |
| FTE | Full-Time Equivalent |
| GFCI | Ground Fault Circuit Interrupt |
| GSA | General Services Administration |
| GHS | Globally Harmonized System |
| IAG | Interagency Agreement |
| IFS | Integrated Field System |
| IEC | International Standards Organization |
| ISO | International Electrotechnical Commission |
| ITC | International Trade Commission |
| LOA | Letter of Advice |
| NBC | Department of Interior's National Business Center |
| NEC | National Electrical Code |
| NEISS | National Electronic Injury Surveillance System |
| NFIRS | National Fire Incident Reporting System |
| NIST | National Institute of Standards and Technology |
| NPR | Notice of Proposed Rulemaking |
| NSN | Neighborhood Safety Network |
| OMB | Office of Management and Budget |
| PPPA | Poison Prevention Packaging Act |
| PMO | Program Management Office |
| PSSA | Virginia Graeme Baker Pool and Spa Safety Act |
| SES | Senior Executive Service |
| SME | Subject Matter Expert |
| SOW | Statement of Work |
| SVIA | Specialty Vehicle Institute of America |
| SVRS | Suction Vacuum Release Systems |
| SRM | Standard Reference Material |
| USFA | United States Fire Administration |
| VNR | Video News Release |
| 2009 | Years mentioned refer to fiscal years except for deaths, injuries, and associated property losses, which are on a calendar year basis. |



U.S. CONSUMER PRODUCT SAFETY COMMISSION
BETHESDA, MD 20814