



U.S. CONSUMER PRODUCT SAFETY COMMISSION

2008 PERFORMANCE BUDGET REQUEST

Saving Lives and Keeping Families Safe

**Submitted to the Congress
February 2007**

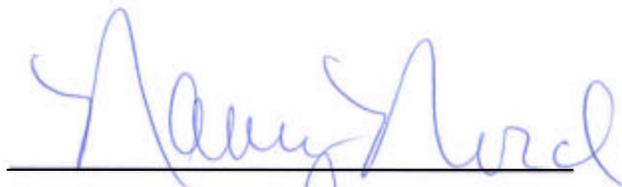
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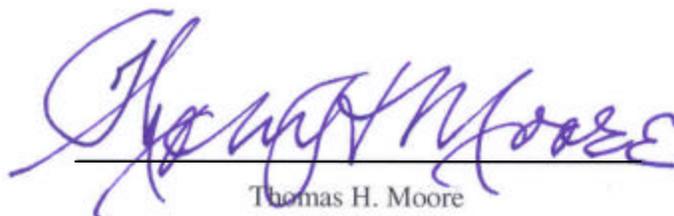
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COMMISSIONERS' TRANSMITTAL STATEMENT

This Performance Budget for Fiscal Year 2008 is submitted by the Commissioners of the U.S. Consumer Product Safety Commission.



Nancy Nord
Acting Chairman



Thomas H. Moore
Commissioner

January 12, 2007

APPROPRIATION LANGUAGE

CONSUMER PRODUCT SAFETY COMMISSION SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-federal officials' contributions to Commission activities, and not to exceed \$500 for official reception and representation expenses, \$63,250,000. (Additional authorizing legislation to be proposed.)

U.S. CONSUMER PRODUCT SAFETY COMMISSION

2008 PERFORMANCE BUDGET OVERVIEW STATEMENT

2008 REQUEST

The U.S. Consumer Product Safety Commission (herein the CPSC or Commission) requests \$63,250,000 for fiscal year 2008. This amount represents a net increase of \$880,000 over the 2007 funding level. Because of projected mandatory cost increases, our funded FTE staffing level will be 401, a decrease of 19 FTEs.

CPSC's Mission and Accomplishments

CPSC's mission is to protect children and families against unreasonable risk of injury and death from over 15,000 types of consumer products. It is the only Federal agency that both identifies and acts on a wide range of product hazards. Our work ensures a uniform level of safety for the nation's families and provides businesses with a national level playing field for domestic and imported consumer products. CPSC addresses consumer product hazards through: the voluntary standards process; consumer information; safety guidelines; cooperative product recalls and corrective actions; and as a last resort, mandatory rulemaking and litigation. We operate advanced hazard identification systems, including a national hospital emergency room injury reporting system and provide safety information to the public through a toll-free telephone hotline, a clearinghouse, and a web site.

The agency's work has contributed substantially to the decline in the rate of deaths and injuries related to hazardous consumer products since CPSC's inception. However, there remain an average of 27,100 deaths and 33.1 million injuries each year related to consumer products under CPSC's jurisdiction. Examples of CPSC's successes in contributing to the reduction of product-related injuries and deaths include:

- A **45 percent reduction** in consumer product-related *residential fire deaths*, from 4,560 in 1980 to an estimated annual average of 2,530 fire deaths from 2001-2003.¹
- A **74 percent reduction** in consumer product-related *electrocutions* from 650 in 1975 to an estimated annual average of 170 deaths from 2001-2003.
- A **47 percent reduction** in consumer product-related *carbon monoxide deaths* from 282 in 1980 to an estimated annual average of 152 deaths for 2000-2002.¹
- An **82 percent reduction** in *poisoning deaths* of children younger than 5 years old from drugs and household chemicals from 216 in 1972 to an estimated annual average of 39 deaths from 2001-2003.
- An **84 percent reduction** in *baby walker injuries* from an estimated 25,700 children younger than 15 months old treated in U.S. hospital emergency rooms in 1992 to an estimated annual average annual 4,100 such injuries from 2001-2003.

¹Estimates generated from 1999 and later are not strictly comparable to estimates before 1999 because of major revisions to the World Health Organization's International Classification of Disease coding system (ICD) and the U.S. Fire Administration's National Fire Incident Reporting System (NFIRS).

- An **89 percent reduction** in *crib-related deaths* from an estimated 200 in 1973 to an estimated annual average of 21.6 deaths for 2001-2003.

Recently, CPSC underwent a six month assessment by OMB using its Program Assessment Rating Tool (PART). This evaluation resulted in a rating for CPSC of “Effective.” This is the highest rating a program can achieve. Programs rated as “Effective” set ambitious goals, achieve results, are well-managed and improve efficiency.

Impact of 2008 Request

Funding for CPSC has remained level for the two previous years resulting in a staff decrease of 31 FTEs in 2006 and 20 FTEs in 2007. A further decrease of 19 staff will result from the 2008 funding request. This is necessary because most of CPSC’s budget is devoted to staffing costs and the proposed President’s request for 2008 does not fully fund projected mandatory staff cost increases after meeting other critical needs.

The reduction in 19 FTEs will be accomplished through attrition. However, it is difficult to predict where this attrition will occur, complicating the management of the reduction and further increasing the potential of a negative impact on programs. The cumulative impact of a third year of staff reductions will be felt across the agency, including CPSC’s core function areas (safety standards, enforcement, consumer outreach) and information technology. With fewer people, some work will be slowed down or deferred in 2008. Further staff reductions may also force reduction of the targets for CPSC’s annual and strategic goals.

2008 REQUEST DETAIL

The Commission’s request for 2008 of \$63,250,000 represents an increase of \$880,000 from 2007. Because of the cost increases described below, the increase of \$880,000 will require a decrease of 19 FTEs.

Staffing Cost Increases

Staff pay and benefit increases. CPSC is a staff intensive organization with nearly 90 percent of its recent funding absorbed by staff compensation and staff-related space rental costs. Our largest cost increase is staff salaries. We estimate that the cost of CPSC’s current staffing level will increase by \$2,167,000. Most of this cost represents the projected 3.0 percent Federal pay increase (\$1,076,000). The increase also includes other costs such as increased Federal Employee Retirement System (FERS) contributions (\$454,000), two extra paid days in 2008 (\$295,000), staff within-grade step increases (\$158,000), career ladder promotions (\$144,000), and health insurance premium increases (\$40,000).

Increasing cost of staff, our most vital resource

Other Cost Increases

Space rent increase. Based on estimates by the General Services Administration and the Department of Homeland Security, we expect an increase of \$50,000 for office space rent (\$24,000) and increased security charges (\$26,000). (Note: We are also proposing a cost savings of \$500,000 in space rent. See “Cost Savings” discussion below.)

Increasing costs for contractual services

Contractual services increases. Annual costs for service contracts are growing faster than CPSC is able to find off-setting savings. Required system startups and enhancements, such as new operating systems for accounting, payroll, personnel, procurement, and e-

travel; IT infrastructure improvements; and building and information technology security enhancements, all have recurring annual maintenance charges or cost increases. The estimated increase for 2008 is \$250,000.

Information Technology Increases

CPSC staff effectiveness relies on Information Technology

A crucial element to maintaining CPSC's effectiveness is an adequate information technology (IT) infrastructure that allows staff increased efficiencies in their work. Modern information technology becomes even more critical given the recent staff reductions at CPSC and the need to maximize the effectiveness of the remaining staff. The estimated increase for 2008 is \$1 million.

CPSC relies on IT in our technical, compliance, outreach areas and operational areas. For example, field investigators use IT to document injuries and deaths during their investigations; information from the field and the agency's hospital reporting system is sent electronically to CPSC analysts who use IT to analyze the data and alert compliance and standards setting staff to product hazards; and staff uses the data to determine if a product recall or safety standard is necessary. If a remedy results, safety information is posted on our Web site, sent to thousands of requestors automatically from our list server and by Really Simple Syndication feeds, and media are alerted electronically through the Press Release Newswire. Staff can react very quickly and have obtained recall actions within the same day that the information was reported because of the ability to leverage the agency's IT systems to communicate, assign investigations, report, analyze and send potentially injury-preventing information very rapidly.

CPSC's current IT funding strains to keep existing systems operating and from becoming outdated. We are reallocating funds within the funding base to maintain our systems, replace the agency's aging network infrastructure, and maintain necessary infrastructure and security features. The \$1 million we are proposing is a minimum amount and will not, however, allow us to implement new software systems (such as converting databases to modern, Web-accessible software).

Cost Savings

CPSC has aggressively sought cost savings whenever possible. For example, the agency saved:

- Over \$1 million per year as a result of closing over 40 field offices because investments in IT enabled CPSC field staff to telework;
- An additional \$300,000 per year by closing the last three regional offices in 2005; and
- About \$5.6 million per year as a result of recent staff reductions and reorganization in 2006 and 2007 (51 FTEs).

CPSC recent cost savings total \$7 million each year.

Additional cost savings to be implemented in 2008 include:

- Reducing FTEs by 19, saving \$2,087,000 annually; and
- Turning back 15 percent of Headquarters space, saving about \$500,000 annually. This savings results from consolidating space made vacant by staff reductions in 2006 and 2007.

CPSC has maximized staff efficiencies and cannot absorb further reductions without having an impact on its product safety activities.

CONCLUSION

Despite its relatively small size, throughout its 33-year history the U.S. Consumer Product Safety Commission has been highly effective at reducing product-related injuries and deaths. Although there has been a significant increase in the country's population over that time, product-related deaths and injuries in many categories have been reduced by as much as half or more. Moreover, under its governing statutes, the Commission is directed to work closely with both industry and consumer protection stakeholders to develop the most effective and cost-efficient solutions to consumer safety issues.

While the agency's size has been reduced, the challenges facing CPSC continue to grow in both size and complexity. For example, the product safety landscape has shifted since the agency's inception, from a concentration on U.S. manufacturers and products to a greater emphasis on imports (most notably from China), which now comprise over two-thirds of recalled products. This trend alone has required significant new CPSC initiatives in the areas of compliance surveillance of products at U.S. ports-of-entry, as well as the establishment of the Office of International Programs to help ensure foreign manufacturers' conformance to U.S. consumer product safety standards. In addition, these challenges have grown more technologically complex, e.g., lithium-ion batteries in consumer electronics and formerly industrial products such as portable generators, that are now available on the consumer market.

While the CPSC has thus far been successful at facing these new and evolving challenges with diminishing resources, the 2008 funding level will challenge the Commission's ability to maintain its existing level of standards development, enforcement, public information, and international activities.

TABLE 1
2006 TO 2008 RESOURCES BY PROGRAM AND ACTIVITY
(dollars in thousands)

	<u>2006 Actual</u>		<u>2007 Request²</u>		<u>2008 Request³</u>		<u>2008 Change from 2007</u>	
	<u>FTEs</u>	<u>Amount</u>	<u>FTEs</u>	<u>Amount</u>	<u>FTEs</u>	<u>Amount</u>	<u>FTEs</u>	<u>Amount</u>
REDUCING PRODUCT HAZARDS TO CHILDREN AND FAMILIES:								
Fire Deaths*.....	142	\$21,440	139	\$20,252	133	\$20,538	-6	+\$286
Carbon Monoxide Poisoning*	14	2,216	14	2,302	13	2,334	-1	+32
Children's and Other Hazards.....	<u>167</u>	<u>25,931</u>	<u>186</u>	<u>26,929</u>	<u>178</u>	<u>27,309</u>	<u>-8</u>	<u>+380</u>
Subtotal.....	323	\$49,587	339	\$49,483	324	\$50,181	-15	+\$698
IDENTIFYING PRODUCT HAZARDS:								
Data Collection**	80	11,361	71	11,432	68	11,593	-3	+161
Emerging Hazards/Data Utility*	<u>9</u>	<u>1,326</u>	<u>10</u>	<u>1,455</u>	<u>9</u>	<u>1,476</u>	<u>-1</u>	<u>+21</u>
Subtotal.....	89	\$12,687	81	12,887	77	13,069	-4	+182
TOTAL COMMISSION	412	\$62,274	420	\$62,370	401	\$63,250	-19	+\$880

* These are strategic goals.

** Data collection activities support all hazard reduction efforts.

²Adjusted from the original President's Request to reflect reallocation to 420 FTEs.

³The 2008 resource allocations by program include a pro-rata FTE reduction. Allocations may be revised during development of 2008 Operating Plan.

TABLE 2
2007 TO 2008 BUDGET CHANGES
(dollars in thousands)

	<u>Amount</u>	<u>FTEs</u>
Part I – SUMMARY:		
2007 APPROPRIATION PENDING	\$62,370	420
Funding Change	+880	-19
2008 PRESIDENT’S REQUEST	<u>\$63,250</u>	<u>401</u>
Part II – DETAIL:		
2007 APPROPRIATION PENDING	\$62,370	420
Cost Changes to Maintain Current Services:		
Staff pay and benefit increases to maintain 2007 420 FTE level.....	\$+2,167	
Space rent changes:		
GSA space rent/Homeland Security guard service increases.....	+50	
Headquarters office space reduction savings	-500	
Contractual services increases	+250	
Information Technology funding to annual investment and maintenance costs.....	+1,000	
Subtotal, Cost Changes to Maintain Current Services	+\$2,967	
2008 CURRENT SERVICES FUNDING ADJUSTMENT	<u>-\$2,087</u>	<u>-19</u>
Funding Change	+880	-19
2008 PRESIDENT’S REQUEST	<u>\$63,250</u>	<u>401</u>

DETAIL OF 2008 COST CHANGES

Staff Pay and Benefit Increases (+\$2,167,000):

1. **Federal Pay** (+\$1,076,000). This estimate reflects the OMB guidance of 3 percent for the annual Federal pay increase scheduled for January 2008. The estimate also includes the full annual costs of the 2.2 percent January 2007 pay increases.
2. **Staff Retirement Benefits** (+\$454,000). We have seen a net increase in agency retirement contributions as more of our staff is covered by the more costly Federal Employees Retirement System (FERS) instead of the Civil Service Retirement System (CSRS) that is being phased out government-wide. This trend has been accelerated at CPSC because of the two successive years of staff reductions involving buyout programs which attracted older employees who were covered by CSRS.
3. **Within-Grade Pay** (+\$158,000). This is the cost of annual time-in-service salary increases we are required to pay qualified staff. To maintain productivity and successfully recruit skilled staff to replace departing experienced employees, we are hiring at higher-grade levels than in the past. As we experience growth in new hires through normal attrition and retirements, the number of employees eligible for within-grade step increases has grown. In the first three years of employment, employees can receive an increase annually. The higher entry grades and the greater number of eligible employees combine to make the cost of within-grade step increases exceed the savings normally expected from lower-paid replacement hires.
4. **Career Ladder Promotions** (+\$144,000). We established a career ladder promotion program for our scientific and technical staff to recruit and retain staff in the highly competitive job market in which we operate. When we do replacement hiring, we need skilled, experienced staff in a broad range of disciplines that can make immediate contributions to our health and safety efforts. These career ladder promotions provide scheduled annual promotions to qualified employees and have helped us compete for skilled staff.
5. **Two Extra Paid Days** (+\$295,000). In 2008 there are two extra paid days than in 2007 (262 days vs. 260 days).
6. **Staff Health Insurance Benefits** (+\$40,000). This estimate is based on our actual experience and rates announced by the Office of Personnel Management.

Space Rent (-\$450,000). In 2008, there is a net decrease of \$450,000 in annual space rent after funding a \$50,000 increase in space costs and a \$500,000 decrease due to reduction in rented space. The \$50,000 increase does not represent increased space; it represents the GSA's proposed annual increase for space occupied by CPSC (\$24,000) and Homeland Security increase charges for guard services (\$26,000). The \$500,000 decrease occurs in Headquarters space. After several years of staff reductions, we have vacant office space spread among our headquarters space. We are planning to consolidate offices so that we can return to GSA about 15 percent of our headquarters space.

Contractual Services (+\$250,000). This request reflects our increasing recent reliance on service contracts for which the annual costs are growing faster than we are able to find off-setting savings. The contract increases cover such essential administrative services as accounting, payroll, travel, human resources, security and labor services. We have been able to fund past service increases from salary and rent savings but as we have been downsizing, our opportunities for such offsetting savings will no longer be available.

Information Technology (IT) Funds to Meet Annual Investment and Maintenance Costs (+\$1,000,000). CPSC relies on its IT systems to identify and reduce hazards. In order to maintain our current level of program support, funding is needed for mandatory software license renewals, required security upgrades, and replacement of obsolete IT infrastructure. To date, CPSC has not been able to

establish a dedicated IT Capital Investment fund. In recent years, required IT investments have been funded largely from agency salary and rent savings as the agency reduced its staff. However, the agency has reached an FTE level it cannot go below, so IT funding opportunities are not likely to occur in the future to meet recurring IT needs. A more detailed description of IT funding requirements follows this section.

INFORMATION TECHNOLOGY STATUS and REQUEST

CPSC is a data-driven agency dependent on technology to process safety information. Our information technology (IT) systems need sustained investment to maintain the agency's current level of hazard identification and reduction efforts. Resource reductions over the past decade, in particular 2006, 2007 and 2008, have increased our reliance on IT while at the same time reducing our ability to fund IT investment needs.

*Data-driven
work rests on
Information
Technology*

DEVELOPMENT OF INFORMATION TECHNOLOGY CAPABILITY

*IT investment
limited*

In 1993, CPSC received special one-time funding that enabled us to move from a mainframe environment to a client-server or networked-based IT infrastructure. That was the last specific line item funding CPSC has received to support its IT infrastructure.

Since that time, we have made investments in our IT infrastructure only with sporadic funding received through varying operating plan savings. We have not been able to establish a permanent capital investment fund to efficiently plan a cost effective replacement and enhancement schedule for our IT infrastructure. Our current IT funding is struggling to simply maintain the *existing* infrastructure.

New Requirements:

- *Clinger-Cohen*
- *GPEA*
- *FISMA*
- *Teleworking*
- *PMA/E-Gov*
- *Public demand*
- *HSPD-12*

In the last decade, the way the Federal Government, our stakeholders, and CPSC conduct business has changed dramatically. The demand for the electronic sharing of information has increased both internally and externally. New Federal requirements such as the Clinger-Cohen Act, the Government Paperwork Elimination Act (GPEA), the Teleworking Act, Homeland Security Presidential Directive (HSPD) – 12, and the President's Management Agenda (PMA) have created the need for greatly enhanced IT systems. In addition, the Federal Information Security Management Act (FISMA) mandates a whole new level of IT security requirements to protect the quality and integrity of our data.

CURRENT STATUS

Achieving the agency mission has become dependent on our IT systems because our work requires electronic accessibility of information to maintain productivity. Staffing reductions in 2006, 2007 and 2008 make it even more critical that we sustain an adequate level of IT support in the future. We believe IT has allowed us to withstand those staff reductions while maintaining productivity. Our current IT funding strains to keep our existing systems operating and from becoming outdated. We are reallocating funds within our funding base to maintain our systems, replace our aging network infrastructure, and maintain necessary infrastructure and security features. The \$1 million we are reallocating is a minimum amount and will not, however, allow us to implement new software systems (such as converting our databases to modern, Web-accessible software).

CPSC IT Facts:

- *Over 500 desktop computers, network connected*
- *Over 250 full-time & part-time teleworkers*
- *Web site, recalls.gov & Intranet*
- *50 databases*
- *Enterprise Architecture plan under development*
- *24 FTEs; 6 contract staff*

*IT buying power
stretched*

Our total IT budget is about \$4 million or 6 percent of the total 2007 President's Request for CPSC. About \$3 million funds CPSC IT staff (24). The remaining \$1 million funds relatively fixed costs for telephone and data communications,

programming services, annual software licenses, help desk services, and emergency equipment replacements. This base funding is challenged by increased costs. For example, we have increased the number of our staff teleworking under the requirements of the Teleworking Act, to accommodate

resource reductions, and to achieve space rent reductions by closing field offices. This has resulted in increased IT security costs in addition to increased infrastructure costs to maintain remote accessibility to our data. While some IT costs have decreased, such as computer and telecommunication costs, software licenses have become more expensive and programming and help desk service demands continue to grow.

PRIORITY IT INVESTMENTS

We have identified high priority annual requirements totaling \$1,000,000. This funding would provide us with the capability to maintain and keep the IT infrastructure that our safety work depends on up-to-date.

1. WEB-BASED DATA APPLICATIONS MAINTENANCE AND ELECTRONIC DOCUMENT/WORKFLOW MANAGEMENT

We estimate that a minimum of \$200,000 annually is needed to properly maintain our existing Web-based, integrated data applications and an electronic document and workflow management system. CPSC staff depends on our IT systems to perform all aspects of their work from the rapid sharing of hazard data and product-related information, both internally and externally, to the timely distribution of safety information to the public. Funding is needed to continue to provide maintenance support of our data application systems, including the National Electronic Injury Surveillance System (NEISS). Enhancements to our current systems, which include increased distribution of safety information to the public, would have to be deferred without increasing the funding for IT. Many of the E-Gov initiatives, such as the government-to-citizen initiative, under the President's Management Agenda (PMA) are dependent on Web-based applications. Maintenance and support on these existing applications are necessary to continue to meet these needs. With a one-time salary savings in 2002, we were able to launch one Web-based application, NEISS On-Line, which enables the public to search our NEISS system for injury data. The proposed funding reallocation will allow us to continue to maintain this current application. New development, however, will have to be deferred such as the interactive Web-based applications for government-to-government information sharing. This new application would allow data sharing with our State Partners and assist us in product investigations and recall effectiveness activities.

All hazard reduction work goes through our databases

CPSC databases serve our agency, other Federal agencies, and the public

In addition, infrastructure development work is needed to provide staff with electronic document and workflow management capabilities. The document and workflow management system would enable staff to electronically research other information related to work either completed or in progress on a particular product or hazard agency-wide.

2. CAPITAL REPLACEMENT

We estimate that \$800,000 annually is necessary to meet requirements of the Clinger-Cohen Act which mandates that agencies develop a Capital Planning, Investment and Control (CPIC) process. Part of this process is the development of an IT capital investment plan. This plan would include a replacement cycle for agency computer systems and other IT applications. The proposed plan would establish a recurring replacement cycle for equipment and software in order to keep pace with changing technology and increasing network traffic and to maintain compatibility between equipment, operating systems and software applications.

As noted previously, we have been fortunate to have a one-time funded investment (1993) to move us from the first generation to the second generation of IT capability. Since that time we have also achieved sporadic one-time savings (primarily from staff salaries due to staff reductions) and invested these funds in our IT infrastructure. With our reduction in staffing from 471 in 2003 to 401 in 2008, our financial

flexibility to invest in IT in this ad hoc manner is greatly diminished. Thus, there is a need for permanent funding for recurring critical IT investments to prevent IT obsolescence.

In addition to recurring IT infrastructure investments, funding is needed for unforeseen upgrades and changes to our IT infrastructure (such as Homeland Security Presidential Directive 12 mandating a standard secure and reliable form of identification for all Federal employees and contractors; Federal-wide transition of government telecommunications systems from FTS to Networx; and the OMB mandated transition from the current generation of Internet Service IPv4 to the new IPv6).

Life-cycle replacement items:

- **Computers**
- **Network & database servers**
- **Printers/scanners**
- **Software upgrades**

This fund would allow the agency to establish a 3-4 year industry standard replacement cycle for critical IT infrastructure components. An example of a typical year's efforts could include these expenditures at today's prices: replacement of 1/3 of our desktop computers (\$300,000); replacement of 1/3 of our network and database servers/hardware (\$200,000); replacement of 1/3 of our telecommunications and data switches (\$100,000); and unanticipated upgrades and changes to our IT infrastructure (\$200,000).

CONCLUSION

CPSC proposes funding \$1 million to properly support basic IT requirements. The key role IT plays in helping CPSC maintain its productivity in the face of declining personnel resources underscores the importance of adequately funding our IT base. A robust IT infrastructure enables CPSC to gain future efficiencies. We recognize that the proposed IT funding partially contributes to overall reductions in agency staffing. At this time, however, we must provide enhanced IT support to enable our existing staff to remain productive and meet current product safety challenges.

Information technology constantly evolves. IT systems continually require maintenance, enhancement, or replacement. Unimproved IT systems may limit access to vital information, cost more as vendor support moves on to newer technology, become unsupportable and fail, and prevent new productivity gains made possible with advancing technology.

CPSC has been able to tap into IT productivity gains within its limited budget in past years. CPSC is now very dependent on its IT infrastructure to achieve its daily safety work. A permanent, on-going capability to enhance our systems would allow CPSC to leverage its declining resources to meet continuing product safety challenges.

STRATEGIC PLAN

CPSC is a results-oriented agency. Our second Strategic Plan adopted in September 2003 (currently under revision) guided the development of the 2008 request for 401 FTEs and focuses on the following two results-oriented hazard reduction strategic goals:

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

We continue our work in reducing child drowning deaths at the annual project level including expanding our public information efforts. Staff, however, proposes that we no longer address this area at the level of a strategic goal because of resource limitations and the limited ability to develop further technical remedies to address the behavioral aspects of child drowning. This change may be reflected in our pending Strategic Plan revision⁴. Because our current targets for our strategic goals were developed in 2003 at an FTE level of 471, we may also need to adjust our remaining strategic goals' targets according to our 2008 and out-year FTE levels.

Our Strategic Plan also contains goals in other areas:

- **Improve the utility of CPSC's data by developing and implementing a more systematic method to identify new strategic goal areas, hazard reduction projects, and remedial actions.**
- **Improve the quality of CPSC's data based on criteria such as accuracy, consistency, security, and completeness.**
- **Maintain success with the timeliness and usefulness of the Fast Track Product Recall and Small Business Ombudsman programs for industry.**
- **Sustain consumer satisfaction with the CPSC Web site, hotline, Clearinghouse, and CPSC's' State Partnership program at 90 percent or better.**

We were successful with our first Strategic Plan adopted in September 1997. We reached our targets for reducing deaths related to fire, electrocutions, child poisonings and carbon monoxide poisonings. Annual consumer product-related deaths in these hazard areas decreased by almost 500 deaths at the end of the six years covered by our first Strategic Plan. Despite our successes, however, product-related deaths and injuries continue to occur at an unacceptable rate. Our Strategic Plan and annual performance goals will keep us working to reduce deaths and injuries.

⁴The revision was planned to be completed by September 2006, but as a result of recommendations in the new PART assessment to develop an additional strategic goal, the revision will be undertaken in 2007.

BUDGET PROGRAM:

Reducing Product Hazards to Children and Families

Our largest budget program, representing about 80 percent of our annual request, focuses on *Reducing Product Hazards to Children and Families*. This program addresses product hazards identified in our other program, *Identifying Product Hazards*.

CPSC's hazard reduction work has contributed substantially to the decline in the rate of deaths and injuries related to consumer products since the agency's inception in 1973. Past CPSC work has saved and continues to save the nation billions of dollars each year. Product-related deaths and injuries, however, continue to occur. There are on average, 27,100 deaths and over 33.1 million injuries each year related to consumer products under CPSC's jurisdiction. The deaths, injuries, and property damage associated with consumer products cost the nation over \$700 billion annually. (See Appendix A - Societal Costs Estimation.)

In the Reducing Hazards budget program, we set goals for reducing the risks of injuries and deaths from:

- Fire hazards,
- Carbon Monoxide hazards,
- Children's and other hazards, including electrocutions, chemical, and household/recreational hazards

Whenever possible, the Commission seeks a *voluntary solution* to product hazards. This voluntary approach is demonstrated by our high ratio of voluntary to mandatory safety standards (almost ten-to-one since 1990) and our success at getting voluntary recalls (100 percent in 2006).

2008 RESOURCE CHANGES

Total dollars increase by \$698,000 to reflect the program's share of the agency 2008 resource changes that partially fund 2008 price increases and provide critical information technology investments and maintenance necessary to support program activities. Total FTEs decrease by 15 to reflect this program's share of the total agency staffing reduction resulting from partial funding of 2008 salary price increases.

2006-2008 RESOURCES BY HAZARD (DOLLARS IN THOUSANDS)						
HAZARDS	2006 Actual		2007 Request		2008 Request	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
Fire	142	\$21,440	139	\$20,252	133	\$20,538
Carbon Monoxide	14	2,216	14	2,302	13	2,334
Children and Other Hazards	167	25,931	186	26,929	178	27,309
TOTAL	323	\$49,587	339	\$49,483	324	\$50,181

Note: These resources include the International Programs and Intergovernmental Affairs which supports all hazard areas.

HOW WE REDUCE HAZARDS

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

Safety Standards

Much of our work in saving lives and making homes safer is conducted in cooperation with industry. From 1990 through 2006, we worked with industry and others to develop 352 voluntary safety standards while issuing only 36 mandatory rules. This is almost a ten-to-one ratio of voluntary to mandatory standards.

Staff participates in the development of voluntary 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. On acceptance of our recommendations, the organizations complete technical work to support the requirements, publish a proposal for public comment, receive and evaluate comments, and publish a standard. This process may take months or several years. Staff participates in the process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries and/or incidents occurred. Our voluntary standards policy does not permit us to vote on proposed changes or new standards. However, our comments are considered throughout the process.

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

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

Compliance

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

When a recall is necessary, Compliance staff negotiates with the responsible firm. In 2006, CPSC completed 471 cooperative recalls (100 percent voluntary) involving nearly 124 million consumer product units that either violated mandatory standards or presented a substantial risk of injury to the public. Where companies fail to report as required, CPSC can seek penalties in court. In 2006, CPSC negotiated out of court settlements in which six companies voluntarily agreed to pay \$2.3 million in civil penalties to the U.S. Treasury.

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

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

Consumer Information

CPSC warns the public about product-related hazards through print and electronic media, our hotline and the Web sites (www.cpsc.gov, www.recalls.gov and www.atvsafety.gov) and other outreach activities such as the *Neighborhood Safety Network (NSN)*. The *NSN* is a grassroots outreach program that provides timely, lifesaving information to 5,000 individuals and organizations who, in turn, share our safety posters and news alerts with underserved consumers who would have otherwise never heard or received the information from CPSC. Additionally, we develop and provide safety information for the public through

safety and recall alerts, print and video news releases, public service announcements, publications, national and local television appearances, and hotline messages. When knowledge of a hazard requires immediate warnings to the public, such as the recall of a playpen that caused the death of a baby, we rely heavily on the media (newspapers, radio, TV, news wire services) to disseminate our message. For warnings that need to be repeated -- and most do -- we often rely on outreach by partnering with other organizations and developing programs, such as the *NSN*, to more rapidly disseminate important safety information.

In response to the devastating hurricanes in our Gulf Region, CPSC partnered with the Florida, Mississippi, Alabama and Louisiana Departments of Health, the Federal Emergency Management Agency (FEMA), the Centers for Disease Control and Prevention (CDC), local emergency management agencies and the Red Cross. We warned residents of the hazards associated with generator use and also the dangers they may encounter when returning to their property, including electrical, gas and standing water hazards.

We have improved our Web site, consumer hotline, Clearinghouse, and publications distribution capability to better serve the public. CPSC's Web site has grown rapidly from about 200,000 visits in 1997 to 20.3 million visits in 2006. The number of publications accessed from our Web site has increased as well, which is in part due to the successful introduction of new technology such as the Really Simple Syndication (RSS) feed system. RSS has replaced faxing and emailing to disseminate product safety information to the public, providing instantaneous release of information. RSS enables CPSC to post recalls and press releases in a format that allows TV stations and other media to obtain the information from CPSC's Web site and in seconds have the information posted on their Web site. We post and spotlight recall notices on the Web site at the same time that we issue a news release announcing the recall. Consumers and firms can file reports of unsafe products on-line and firms are ensured of confidentiality by encrypted transfer of data. Product safety information is also available in Spanish and other languages and children can access a special section of the site, *Especially for Kids*, which has safety information.

In 2003, we initiated the creation of www.recalls.gov, an innovative "one-stop shop" for all federal product recalls, in partnership with five other federal health and safety regulatory agencies. This Web site is an easy-to-use portal to all federal agencies that have the authority to conduct safety recalls. In 2006, there were 1.2 million visitors to the site.

The hotline receives consumer complaints and provides information on product hazards and recalls to the public. The National Injury Information Clearinghouse provides injury data to

our staff and the public and provides manufacturers with consumer complaints, reported incidents, and investigations involving their products.

International Programs and Intergovernmental Affairs

CPSC established the *Office of International Programs and Intergovernmental Affairs* to provide a comprehensive and coordinated effort in consumer product safety standards development and implementation at the international, federal, state and local levels. The Office conducts activities and creates strategies aimed at ensuring greater import compliance with recognized American safety standards and exportation of CPSC regulatory policies, technologies and methodologies into other jurisdictions. The Office also works to harmonize the use of standards worldwide.

SETTING TARGETS

For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.



FIRE HAZARD

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

THE HAZARD

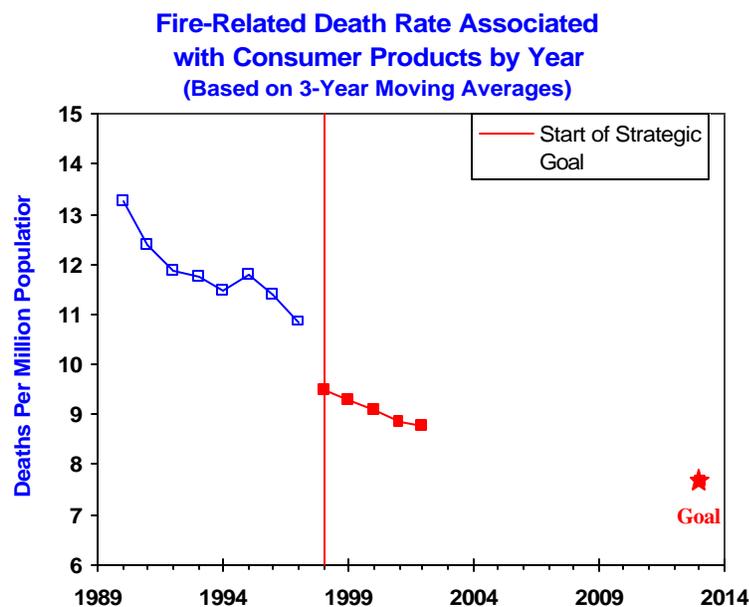
This nation’s fire death rate remains high. From 1999 to 2003⁵, an estimated annual average of 2,540 people died and 14,070 people were injured because of fires in residences. These fires resulted in property losses of about \$4.81 billion. The total cost to the nation from residential fires was over \$24 billion. Children and seniors are particularly vulnerable. In 2003, over 600 children under the age of 15 died of fire-related causes, and over 350 of these deaths were to children under the age of 5 years. Children under age 5 have a fire death rate nearly twice the national average. Older adults also have significantly higher fire death rates in comparison to the rest of the population. In 2003, residential fires resulted in nearly 800 deaths to adults 65 years and older.

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

OUR PROGRESS

Under previous Strategic Plans (1997 and 2000), we set a target to reduce the rate of fire deaths due to consumer products by 10 percent from 1995 to 2005. From 1995 to 2003⁶, the fire death rate declined by nearly 17 percent, a reduction of 270 fire-related deaths. To further reduce the death rate, we retained this as a strategic goal in our current Strategic Plan, but with a new target of 20 percent reduction from 1998 to 2013.

Past standard-setting and compliance activities contributed to the general decline in fires and fire deaths and show that the agency is effective in reducing fire hazards. These activities include work on cigarette ignition-resistant and open flame-resistant mattresses and upholstered furniture, heating and



⁵2003 is the latest year for which complete death data is available; these estimates are based on fires in residential structures that were attended by the fire service.

⁶ Estimates generated for 1999 and later are not strictly comparable to estimates before 1999 because of major revisions to the World Health Organization’s International Classification of Diseases coding system (ICD) and the U.S. Fire Administration’s (USFA) National Fire Incident Report System (NFIRS).

cooking equipment, electrical products, general wearing apparel, children's sleepwear, child-resistant lighters, fireworks, battery-operated children's vehicles, smoke alarms, and residential fire sprinklers.

2008 ANNUAL FIRE-RELATED GOALS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

Annual Goals Summary		2003	2004	2005	2006	2007	2008
Safety Standards							
1. Prepare candidates for rulemaking	Goal	3	3	4	5	8	9
	Actual	2	3	1	4		
2. Present recommendations to voluntary standards or code organizations	Goal	3	3	0	1	2	1
	Actual	3	2	0	0		
3. Complete data analysis and technical review activities	Goal	12	10	14	11	12	5
	Actual	7	5	10	9		
4. Support voluntary standards and code revisions	Goal	17	14	13	11	11	10
	Actual	17	14	17	11		
Compliance							
5. Preliminary determination within 85 business days (unregulated products)	Goal	**	**	**	**	66%	70%
	Actual	60%	65%	59%	44%		
6. Corrective action within 60 business days of preliminary determination (unregulated products)	Goal	**	**	**	**	80%	82%
	Actual	63%	72%	75%	83%		
7. Corrective action within 35 business days of notice of violation (regulated products)	Goal	**	**	**	**	80%	82%
	Actual	93%	75%	66%	60%		
8. Monitor existing voluntary standards	Goal	1	**	**	1	1	1
	Actual	2	0	0	1		
9. Conduct port-of-entry surveillance	Goal	2	2	1	1	1	1
	Actual	3	2	2	2		
Consumer Information							
10. Consumer outreach (in millions)*	Goal	**	**	**	**	125	125
	Actual	--	81.7	94.1	185 [#]		
11. Issue press releases and recall alerts	Goal	45 ^{##}	60	60	113	107	110
	Actual	72	100	131	111		
12. Conduct public information efforts/ partnerships	Goal	7	5	6	7	7	5
	Actual	7	5	5	5		

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

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

[#]This number is unusually high due to unprecedented press coverage of computer battery fires.

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

Safety Standards

1. Prepare for Commission consideration 9 candidates for rulemaking or other alternatives.

Upholstered Furniture

360 addressable deaths
 740 addressable injuries
 \$133.0 million in property damage
 (1999-2002 annual average)
 (includes 60 deaths and 260 injuries
 associated with small open flame ignition
 and 300 deaths and 480 injuries
 associated with cigarette ignition)

Ignitions of upholstered furniture account for more fire deaths than any consumer product under CPSC's jurisdiction. The staff is developing a possible rule to address the risk of fire associated with ignitions of upholstered furniture by smoldering cigarettes and by small open flame sources like lighters, matches and candles. In 2004, the Commission published an advance notice of proposed rulemaking (ANPR) expanding the agency's rulemaking proceeding to cover both cigarette-ignited and small open flame-ignited fires. The CPSC staff developed a revised draft standard addressing both ignition sources. In 2007, the staff may begin large scale testing of improved technology furniture and initiate other technical work to support a draft proposed rule.

Goal: In 2008, the staff will follow Commission direction on a possible proposed rule; continue to work with industry, government, and other stakeholders; and work with EPA on related issues.

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, staff evaluated the ANPR comments and addressable deaths and injuries. Staff also monitored the progress of the efforts of the California Bureau of Home Furnishings and Thermal Insulation (CBHF) to develop a test method for filled bedclothes items. In 2007, staff will continue to monitor the progress of CBHF and conduct other testing and analysis activities, as appropriate.

Goal: In 2008, staff will follow Commission direction; continue to conduct testing and analysis activities, as appropriate; and prepare a draft status report or briefing package, as appropriate.

Mattresses - Cigarette Ignition

180 addressable deaths
 520 addressable injuries
 \$81.6 million in property loss
 (1999-2002 annual average)

In 2005, the Commission issued an ANPR, initiating a possible amendment or revocation of the existing cigarette ignition standard. In 2006, the staff analyzed comments on the ANPR and conducted an extensive review of historical compliance data. In 2007, the staff will monitor the progress of National Institute of Standards and Technology's research, review cigarette fire in-depth investigations, and prepare a draft status update.

Goal: In 2008, the staff will follow Commission direction, possibly responding to public comments on proposed amendments or revocation of the mattress cigarette ignition standard. If appropriate, a briefing package and supporting documentation will be prepared.

Cigarette Lighters, Mechanical Malfunction

10 injuries
 \$0.2 million in property loss
 (1999-2002 annual average, based on NFIRS)

In 2005, the Commission 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, staff will take action as directed by the Commission.

Goal: In 2008, the staff will follow Commission direction on this activity.

Clothing Textile Standard Amendments

122 deaths (1999-2003 annual average, NCHS)
 3,832 injuries (2001-2005 annual average, NEISS)

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

An ANPR was published in late 2002. In 2003 the staff reviewed the ANPR comments and developed a plan to prepare a proposed standard. From 2004 through 2006, the staff prepared recommendations for amendments to the standard and a notice of proposed rulemaking (NPR) briefing package for Commission consideration. In 2007, staff sent a briefing package to the Commission with recommended amendments for Commission consideration; the Commission approved issuance of an NPR.

Goal: In 2008, the staff will complete a final rule briefing package for Commission consideration

Carpet and Rug Standards Amendments (Update)

100 deaths
 310 injuries
 \$125.6 million in property loss
 (1999-2003 annual average)

The standards for the surface flammability of carpets and rugs were enacted under the Flammable Fabrics Act to reduce fires where carpets and rugs are the first item ignited. The regulations established minimum standards for the surface flammability of carpets and rugs. Cleaning methods are also prescribed in the standards for various carpet and rug types to help assure permanence of any flame retardant (FR) treatments.

The carpet and rug flammability standards were reviewed 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 2008, staff will prepare an ANPR briefing package, including a review of voluntary and mandatory international test

methods for measuring carpet and rug flammability, for Commission consideration.

*Lighters Amendments
(2 Regulations)*

In 2007, the staff will build on the effort initiated in the rule review of the safety standard for cigarette lighters and the safety standard for multi-purpose lighters to fully document the issues of concern to the staff, detail potential options to address those concerns, and present suggested amendments to the lighter standards.

Goal: In 2008, the staff will draft revisions to the regulations to improve the clarity and specificity of the requirements, address changes in the lighter market that have occurred since the implementation of the standards, streamline procedures to reduce the burden on industry and staff resources.

Fireworks Amendments

In 2007, the staff will review and draft responses to solicited comments concerning the risks of injury associated with noncomplying fireworks, the regulatory alternatives being considered, and other possible ways to address the risks of injury.

Goal: In 2008, the regulatory options will be evaluated. The options that may be considered include: requiring mandatory certification to current FHSA fireworks regulations; rulemaking specifying certain additional requirements fireworks must meet; and relying on an existing voluntary standard. Staff will conduct further activities as directed by the Commission.

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

High Energy Battery Packs

Portable electronic devices use higher energy density batteries, such as lithium-ion batteries. Batteries that experience an internal cell short may overheat and explode, posing a hazard to consumers. In addition, 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 report on testing of high energy density lithium-ion batteries for mobile telephone use was drafted. In 2007, the staff will follow up this work by examining potential methods and/or safety features that could be incorporated to reduce the hazards. A report of the staff review will be completed.

Goal: In 2008, staff will draft recommendations for improvements to voluntary standards, if warranted.

3. Complete 5 data analysis, collection and technical review activities.

Aluminum Wiring Repair Methods

In the 1960s and early 1970s, aluminum branch circuit wiring was used in residential construction. Connections with aluminum wiring are significantly more likely to overheat than connections made with copper wire. A new mechanical connector for use with aluminum wiring has been developed, and this connector shows considerable cost savings compared to the one currently recommended by CPSC. In 2007, contractor testing of the connector will be completed; a draft report documenting the work will also be completed.

Goal: In 2008, staff will finalize the contractor report and complete an assessment of the new repair method.

Cigarette Ignition Risk

620 deaths
1,500 injuries
\$305.5 million in property loss
(1999-2002 annual average)

Some states have adopted standards for Reduced Ignition Propensity (RIP) cigarettes to address potential fires caused by cigarettes that are left unattended. As more states enact such legislation, the hazard involving products under CPSC's jurisdiction may change; and the standard cigarette currently used as the ignition source for testing to CPSC standards may become harder to acquire. In 2007, staff will evaluate research related to RIP cigarettes and review their potential impact on fire losses. The staff will develop plans for future research and testing to determine the effects that RIP cigarettes may have with respect to current and potential CPSC regulations.

Goal: In 2008, staff will conduct tests to quantify the performance of available RIP cigarettes and evaluate the effects of RIP cigarettes on current and potential CPSC regulations. Staff will prepare a draft report of the evaluation.

Fire Escape Planning

In 2006, a contract was awarded to evaluate various technologies and concepts, such as visual signals and unique audible sounds, to improve residential occupant escape in the event of fire. The evaluation will include an assessment of the feasibility of incorporating technologies or concepts in residential homes. In 2007, the contractor will complete its evaluation and prepare a draft report of the work.

Goal: In 2008, the contractor report will be finalized; staff will make recommendations for additional efforts, as appropriate.

Flammable Liquids

61 deaths (2000-2003 annual average)
9,309 injuries (2004)

In 2006, staff analyzed available fire data to determine incident scenarios involving flammable liquids (gasoline, kerosene, lighter fluid, rubbing alcohol, and paint thinner, etc). In 2007, staff will develop possible intervention and prevention programs to address these incident scenarios and finalize a report.

Goal: Staff will implement the intervention and prevention programs that were developed in 2007 to address the most significant fire scenarios that involve flammable liquids.

Range Extinguishing Systems

30,400 fires
 170 deaths
 1990 injuries
 \$287 million in property losses
 (2003 data)

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 will complete technical research on these systems and prepare a draft report of the staff assessment.

Goal: In 2008, staff will finalize a report of its assessment of range extinguishing systems and develop recommendations for improvements to voluntary standards, as appropriate.

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. Staff will support the development or revision of voluntary standards for products such as candles, escape masks, range extinguishing systems, turkey fryers, arc fault circuit interrupters, batteries, portable fans, heaters, smoke alarms, and work with the National Electrical Code.

Compliance**5. Preliminary Determination Efficiency**

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

6. Corrective Action Timeliness (Unregulated Products)

Each investigation involving a fire-related hazard will culminate in a preliminary determination that a product is or is not defective. If the product is determined to be defective, the Compliance Officer will begin negotiating with the responsible company to obtain a voluntary corrective action. For defects that pose a risk of serious injury, the Compliance Officer will seek a consumer-level recall, which usually involves a free repair or replacement of the product or a refund of the purchase price. For less serious hazards, the corrective action may involve stopping sale of the product and correction of future production. This new annual output goal establishes a target for the percentage of fire-related cases where corrective action is negotiated and commenced within 60 business

days after a firm is notified of the staff's preliminary determination.

**7. *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. This new annual output goal establishes a target for the percentage of cases where corrective action is negotiated and obtained within 35 business days after the LOA is issued.

**8. *Voluntary Standards
Compliance***

Staff will monitor compliance with 1 existing voluntary standard likely to reduce fire-related deaths.

9. *Import Surveillance*

Staff will conduct port-of-entry surveillance for 1 product for which fire safety standards are in effect. In 2006, CPSC field staff and U.S. Customs and Border Protection prevented about 2.9 million non-complying lighters and units of violative fireworks from entering the country. The Office of International Programs and Intergovernmental Affairs will continue to conduct activities and create strategies to foster greater import compliance with recognized safety standards.

Consumer Information

Alert the public to fire-related hazards through:

10. *Consumer Outreach*

In 2006, about 185 million consumers were reached with safety information related to fire hazards through TV appearances, VNRs and Web publications. This number was unusually high due to the unprecedented press coverage of computer battery fires and the subsequent recalls. Because of this, the target for 2007 and 2008 was set excluding the consumer reach for these recalls.

Goal: Staff will reach 125 million consumers with fire safety messages 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.

11. *Press Releases*

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

Goal: Issue 110 press releases and recall alerts to inform the public about products presenting a risk of fire-related death.

12. Conduct 5 public information efforts, including at least 1 partnership with industry and/or a fire safety group.

Fireworks

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

General Fire Hazards

Goal: In support of CPSC's mattress flammability standards and other standards work on fire-related hazards, staff will develop and conduct a public information campaign using tools such as a new consumer publication, a VNR, and additional media outreach.

Holiday Hazards

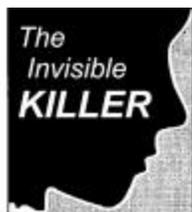
Goal: For the winter holiday season, CPSC will reissue an annual news release to warn consumers about the fire risk from defective decorative holiday light strings and from natural trees, and provide tips on the safe use of candles and fireplaces. Staff will contact national media to alert them to the news release and encourage them to promote these safety warnings.

Home Heating

Goal: At the beginning of the home heating season, staff will issue a seasonal VNR to warn about fire hazards from home heating equipment, especially space heaters.

Smoke Alarms

Goal: In a continuing effort to remind consumers that smoke alarms save lives, we 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 contact national and local media to encourage them to remind consumers to check that their smoke alarms are in working order.



CARBON MONOXIDE POISONING HAZARD

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

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 2000-2002⁷, there was an estimated annual average of 152 unintentional non-fire CO poisoning deaths associated with consumer products, at a societal cost of over \$700 million each year. Because some symptoms of moderate CO poisoning may mimic common illnesses, such as influenza or colds, there may be a high incidence of missed initial diagnoses. Not only are victims frequently unaware of exposure to CO, but also health care providers may not suspect, or check for, CO poisoning. While some symptoms of CO poisoning are reversible, delayed neurological effects can develop following severe poisonings, especially those involving prolonged unconsciousness. Prompt medical attention is important to reduce the risk of permanent damage.

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

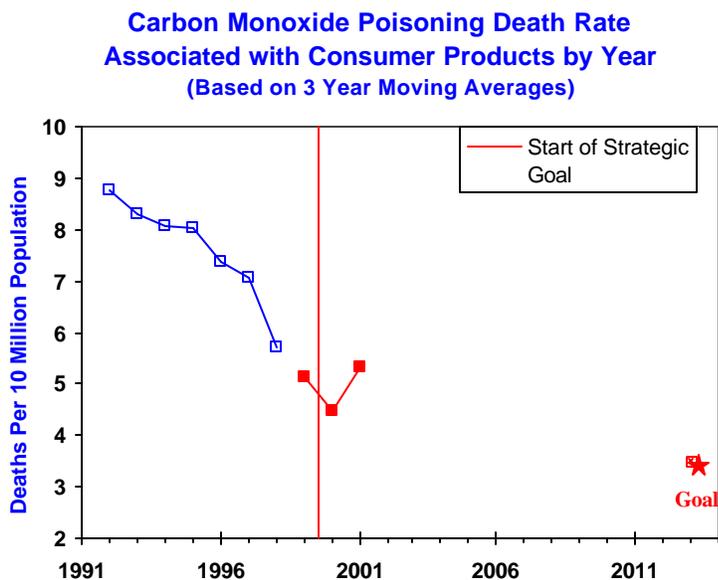
OUR PROGRESS

Under our previous Strategic Plans, we had a target to reduce the rate of CO poisoning deaths due to consumer products by 20 percent from 1994 to 2004. From 1994 to 1998, the death rate was reduced by 22 percent. To further reduce the death rate, we retained this strategic goal in our Strategic Plan with a new target of 20 percent reduction by 2013 from the 1999-2000 average.

As shown in the graph, there is a discontinuity of rates between 1999-2002 and the previous years. This discontinuity may be due,

⁷2002 is the latest year for which complete death data is available.

at least partially, to different methods used to estimate the number of deaths in the two time periods.⁸



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

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

2008 ANNUAL CARBON MONOXIDE-RELATED GOALS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

Annual Goals Summary		2003	2004	2005	2006	2007	2008
Safety Standards							
1. Prepare candidates for rulemaking	Goal	**	**	**	**	1	1
	Actual	0	0	0	1		
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	2	0	3	3	2	1
	Actual	2	0	1	2		
3. Support voluntary standards revisions	Goal	4	3	3	3	3	3
	Actual	4	3	3	3		
Compliance							
4. Monitor existing voluntary standards	Goal	**	1	**	1	1	1
	Actual	0	0	0	1		
Consumer Information							
5. Consumer Outreach (in millions)*	Goal	**	**	**	**	20.0	25.0
	Actual	--	9.2	5.2	14.6		
6. Issue press releases and recall alerts	Goal	1 [#]	5	5	8	7	11
	Actual	6	7	8	11		
7. Conduct public information efforts/partnerships	Goal	3	3	2	3	4	3
	Actual	3	3	2	2		

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

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

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

⁸The new method used after 1998 includes three changes: a change in the International Classification of Diseases (ICD), a change in methodology within CPSC, and inclusion of a new category of products in the estimates.

Safety Standards

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

Portable Generators (Technical and Other Issues)

64 deaths (2005)

In 2006, staff presented a briefing package to the Commission outlining options to address carbon monoxide (CO) poisoning hazards associated with portable generators. The Commission directed staff to publish an advance notice of proposed rulemaking (ANPR) to begin research that might lead to the development of possible performance requirements or other strategies to lower the risk of CO poisonings. Staff awarded a contract to the University of Alabama (UA) to develop a prototype generator engine with reduced CO in the exhaust. Staff also entered into an interagency agreement (IAG) with the National Institute of Standards and Technology (NIST) to model the buildup and concentration of CO in various styles of homes when a generator is located in an attached garage under various conditions. In 2007, staff will conduct activities as noted in its briefing package and as directed by the Commission. These activities include analyzing public comments on the ANPR; monitoring the contract with UA; monitoring the IAG with NIST; and validating through physical testing NIST's model for predicting oxygen depletion for a portable generator operating in a garage.

Goal: In 2008, draft reports of the UA development work and the NIST modeling will be completed. Staff will also initiate other technical analyses in support of rulemaking such as analyzing the results of the UA and NIST work to determine the feasibility of establishing performance requirements for reduced CO emission engines on portable generators; testing to independently validate the findings from the UA and NIST efforts; and quantifying the health effects of various CO concentrations under various conditions. In addition, staff will continue to pursue non-technical approaches to reducing the CO hazard from portable generators.

2. Complete 1 testing, data collection, hazard analysis, or technical review activities.

Vented Gas Appliance CO Sensors

70 deaths (1999-2002)

One of the leading causes of unintentional CO poisoning deaths involves gas-fired heating appliances. The goal of this project is to establish the viability of using sensors in vented heating appliances to detect the presence of hazardous levels of CO and shut off the appliance. Previous staff work included monitoring durability and longevity testing and working with Sandia National Laboratories to develop a sensor.

Goal: An updated data summary and test results will be presented to voluntary standard developers to support previous staff recommendations. Staff will also continue to work with individual sensor manufacturers to support the application of sensors in gas appliances; staff will prepare a status report of this effort.

3. Support voluntary standard/code 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. Staff will support the development or modification of voluntary standards for CO alarms, portable generators, and vented gas appliances (CO sensors).

Compliance

4. *Voluntary Standards Compliance*

Monitor compliance with 1 existing voluntary standard likely to reduce CO poisoning-related deaths or injuries.

Consumer Information

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

5. *Consumer Outreach*

Reach consumers with CO safety messages through TV appearances and interviews, video news releases (VNRs) to national and local television networks, and e-publications through CPSC's Web site. In 2006, about 14.6 million consumers were reached with safety information related to CO poisoning hazards through TV appearances, VNRs and Web publications.

6. *Press Releases/Recall Alerts*

Staff will issue press releases or Web recall alerts for hazardous products presenting a risk of CO poisoning. In 2006, we issued 11 press releases and recall alerts related to CO hazards.

7. **Conduct 3 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. As part of ongoing information and education campaigns, CPSC will contact 4 major retailers, urging them to display CO alarms next to generators to encourage consumers to buy and use CO alarms. CPSC plans to continue its CO alarm messaging with a daylight savings time news release recommending that consumers change the batteries in their smoke and CO alarms at least once every year. CPSC's message is: It's not enough simply to have an alarm. It must have working batteries to do its job.

Home Heating

To remind the public of the continuing threat of CO in the home, we will highlight the need for routine maintenance of gas appliances. At the beginning of the home heating season, we will issue a seasonal warning about CO hazards from home heating equipment. Throughout the year, we will remind consumers of specific issues that include the need to change batteries in CO

alarms and to have a routine furnace checkup completed. These activities may use posters, news releases, videos, and other similar media instruments.

*Portable Gas Generators /
Natural Disaster Preparedness*

During times of power loss, homeowners may be exposed to more CO because of improper use of consumer products, such as portable gas generators, to heat and provide power to their homes. We will use tools such as news releases and VNRs to address these dangers, especially during hurricanes, tornadoes, floods, and/or blizzards.

CHILDREN'S AND OTHER HAZARDS

THE HAZARDS

Children's Hazards



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

CPSC has had a significant impact in reducing injuries and deaths for a number of children's hazards. For example, staff worked with industry to develop a voluntary safety standard to prevent baby walker-related head injuries from falls and recalled numerous toys and other products that present choking hazards to children.

Chemical Hazards



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

The Poison Prevention Packaging Act (PPPA) authorizes CPSC to issue requirements for child resistant packaging for such products as drugs and other hazardous household chemical substances. Since the PPPA became law in 1970, deaths to children under 5 years of age have declined substantially. While child poisoning deaths have been relatively low for a number of years, the Commission has seen evidence that without continued surveillance, the death rate could increase. Unintentional⁹ ingestion of toxic household chemicals is associated with an annual average of 39 deaths to children under age 5, and an estimated 87,700 children treated in hospital emergency rooms. In 1999, there were 1 million calls to Poison Control Centers and about 79,000 children under 5 years of age were treated in U.S.

⁹Unintentional ingestions are those not supervised or administered by an adult.

hospital emergency rooms following ingestion of household chemicals and drugs. We estimate societal costs of almost \$2.3 billion for these poisoning incidents.

Household and Recreation Hazards



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

Electrocution and Shock Hazards



In 2003¹⁰, there were about 160 deaths from consumer product-related electrocutions. In 2005, there were an estimated 5,100 consumer product-related electric shock injuries treated in U.S. hospital emergency rooms. Total societal costs in the U.S. associated with electrocutions and electric shock are about \$1.1 billion. The annual estimate of electrocutions has declined by 74 percent from 1975 to 2003. CPSC work on hair dryers, power tools, household wiring, garden equipment, and ground fault circuit interrupters has contributed significantly to this decline.

¹⁰2003 is the latest year for which complete fatality data is available.

2008 ANNUAL CHILDREN'S AND OTHER HAZARDS RELATED GOALS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

Annual Goals Summary		2003	2004	2005	2006	2007	2008
Safety Standards							
1. Prepare candidates for rulemaking	Goal	4	3	3	3	5	4
	Actual	2	1	0	1		
2. Present recommendations to voluntary standards or code organizations	Goal	4	2	1	**	1	1
	Actual	3	1	1	0		
3. Complete data analysis and technical review activities	Goal	11	21	21	21	22	15
	Actual	10	17	21	15		
4. Support voluntary standards and code revisions	Goal	45	50	51	52	49	46
	Actual	49	54	54	49		
Compliance							
5. Corrective action within 60 business days of preliminary determination (unregulated products)	Goal	**	**	**	**	80%	82%
	Actual	77%	66%	78%	86%		
6. Corrective action within 35 business days of notice of violation (regulated products)	Goal	**	**	**	**	85%	88%
	Actual	93%	81%	83%	79%		
7. Monitor existing voluntary standards	Goal	1	2	2	2	1	1
	Actual	1	2	2	2		
8. Conduct port-of-entry surveillance	Goal	1	2	2	1	1	1
	Actual	1	1	2	1		
Consumer Information							
9. Consumer Outreach (in millions)*	Goal	**	**	**	**	125.0	125.0
	Actual	--	100.8	86.8	283.6 [#]		
10. Issue press releases and recall alerts	Goal	33 [#]	143	142	246	233	228
	Actual	135	156	268	257		
11. Conduct public information efforts/partnerships	Goal	9	13	10	8	7	6
	Actual	8	10	7	9		

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

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

[#]This is unusually high due to extremely good press coverage of a number of items that arose in 2006.

Safety Standards

1. Prepare for Commission consideration 4 candidates for rulemaking or other alternatives for:

All Terrain Vehicles (ATVs)

767 deaths (2004)

136,700 emergency room-treated injuries (2005)

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

reviewed comments submitted in response to an ANPR. A briefing package was prepared for Commission consideration, and the Commission voted to issue an NPR. In 2007, staff will review the comments submitted in response to the NPR and carry out further activities directed by the Commission in its vote to issue an NPR.

Goal: In 2008, staff will continue rulemaking or other options, as directed by the Commission.

Electric Toys

In 2004, CPSC staff conducted a preliminary review of the Electric Toy regulation to determine whether any changes/updates are needed. Several potential changes were identified. In 2005, staff began preliminary work to follow through on the recommendations made during that review. In 2005, staff completed draft recommendations for updates to the rule associated with outdated references to standards and improvements to certain warning labels. In 2006, staff conducted a technical assessment of related standards and reviewed recommendations from interested parties to simplify the provisions for maximum allowable surface temperatures for electric toys. Staff will complete draft recommendations to change the requirements as appropriate in 2007.

Goal: In 2008, staff will prepare an options package with staff's recommendations to update the Electric Toy regulation for Commission consideration.

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.

Goal: In 2008, staff will continue rulemaking activities from 2006 and 2007 to amend the current ban of infant pillows/cushions or pursue other regulatory options as directed by the Commission.

Lead in Jewelry

In 2007, the Commission issued an advance notice of proposed rulemaking (ANPR) to initiate a rulemaking proceeding to ban children's metal jewelry containing more than 0.06 percent lead by weight in metal components.

Goal: In 2008, staff will continue rulemaking activities or pursue other regulatory options as directed by the Commission.

2. Prepare and present 1 recommendation to voluntary standards or code organizations to strengthen or develop voluntary standards or codes, as appropriate, for:

Self-Testing GFCIs

28 deaths (2002)

Since their introduction in the early 1970s, ground-fault circuit-interrupters (GFCIs) have contributed significantly to the reduction of electrocution and severe electric shock incidents. GFCIs can fail so that an outlet can still provide power even though the GFCI is no longer providing protection. Present

designs of GFCIs require the user to manually test the devices to determine if they are still providing protection. Unless detected during such a manual test, present designs of GFCIs do not provide a warning that they have failed.

In 2005, CPSC staff initiated discussions with industry regarding possible future improvements to GFCIs, such as self-testing. In 2006, staff worked with industry to initiate a study to define the characteristics of self-testing GFCIs. Staff also completed a human factors evaluation of self-testing GFCIs and drafted a report. In 2007, the staff will finalize the human factors report and continue to work with industry to investigate technically viable and economical solutions to development of a self-testing GFCI based on the 2006 work.

Goal: Based on the solutions developed in 2007, staff will make recommendations for improvements to the voluntary standard, as appropriate.

3. Complete 15 testing, data collection, hazard analysis, or technical review activities to evaluate the need for, or adequacy of, safety standards.

ATV Data Update

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

Bicycle Integrity and Illumination 80,000 injuries (2003)

In 2005, CPSC staff conducted a review of CPSC's Bicycle Regulation, which was developed in the early 1970s and last amended by CPSC in 1981. Since then, the evolution of bicycle technology, especially in mountain and extreme downhill bicycles, has led to advances in bicycle frame and components that did not exist when the Federal Bicycle Regulation was established. Voluntary standards coverage of new technology developments is emerging, but limited. Meanwhile, bicycle injury rates remain high. In addition, while the majority of bicycle-related deaths occur during daylight hours, CPSC staff has determined that a bicyclist is 2-4 times as likely to get killed while riding at night versus riding during the day.

In 2006, staff completed a review of bicycle regulations and voluntary standards. Based on the review, staff will begin work on a draft revision to the Federal bicycle regulation to address known and emerging issues related to bicycle technology. In 2007, staff will conduct a comparative evaluation of available LED bicycle lighting that may improve bicycle visibility. A draft report of this evaluation will be completed

Goal: In 2008, staff will prepare a draft report on its review of the bicycle regulation with options to address issues related to bicycle technology. Staff will also finalize its report on LED bicycle lighting products.

*Children's Hazards Data
Compilation*

In 2007, staff will identify hazards that result in deaths and injuries to children. All program areas (e.g., fire, chemical, and children's products) will be investigated. This information may be used to enhance national and local efforts to address hazards to children.

Goal: Staff will complete a report of the 2007 data collection and analysis, and the information will be made available for public distribution and use.

Consumer Opinion Forum

This CPSC Web site provides a venue to solicit information from consumers who volunteer to respond to staff questions about specific behaviors. Such information can be useful for framing questions for scientific surveys, for providing information for future studies, or for providing anecdotal behavioral data regarding foreseeable use of products.

Goal: Staff will provide continued support of the Consumer Opinion Forum by conducting activities such as developing sets of questions, submitting questions for clearance, posting questions as they are cleared for public dissemination, and retrieving and analyzing the results of each posting.

Electrocution Data Update

Goal: In 2008, staff will prepare updated national estimates of the number of consumer-product related electrocutions.

*Globally Harmonized System (GHS)
for Labeling*

In 2007, staff will complete a comparison of the current FHSA regulatory requirements to the Globally Harmonized System for classification and labeling requirements.

Goal: In 2008, as appropriate, and according to Commission direction, staff will continue its work on GHS. Staff will prepare a draft status report on its activities.

Interagency Coordination

The purpose of this activity is to coordinate chemical hazard activities with other agencies, participate in international harmonization activities, and improve the scientific basis of agency risk assessments. In addition, the Commission is obligated by the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) Authorization Act to respond to each test method validated by ICCVAM.

Goal: In 2007, staff anticipates receiving a request from HHS/ICCVAM to review a validated test method for ocular toxicity that is an alternative to animal testing. In 2008, staff will complete a briefing package for Commission consideration, along with staff's recommendation regarding acceptance of the test method.

Nanotechnology

Nanomaterials represent a wide range of compounds that may vary significantly in their structure, physical and chemical properties, and potentially in their behavior in the environment and in the

human body. CPSC staff will continue to participate in interagency activities for nanotechnology.

Goal: Staff will use the information gained from its participation in interagency activities, along with other information collected on the use of nanomaterials in consumer products, to identify issues and projects for future consideration. Staff will prepare a draft status report of this effort.

Nursery Equipment

59,800 injuries (NEISS, 2005 estimate)
182 deaths (2002-2003)
(annual average 61)

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

Pool Drowning Data Update

Goal: In 2008, staff will update its annual report on pool drowning incidents involving children age 5 and under.

Poison Prevention

39 deaths to children < 5 (annual average)
87,700 emergency room-treated potential poisonings (NEISS, 2005)

Goal: Staff will collect and monitor data associated with ingestions of hazardous household substances and assess them for the need for child-resistant packaging. The staff will also continue to work with other government agencies in the poison prevention area.

Senior Safety

7,500 fall-related deaths
(ages 65 and over, 2003)

Seniors and the elderly are at risk to many types of injuries due to factors associated with the aging process; and the proportion of older adults in the U.S. is expected to continue to rise. In 2005, staff completed a hazard screening report for persons 65 and older; in 2007, staff will complete an evaluation of epidemiological and incident report data and draft a report of the results. The staff plans to identify common hazard patterns and determine likely age-related causes of injuries.

Goal: In 2008, staff will finalize its report on the evaluation of epidemiological and incident report data. If appropriate, staff will also develop general design guidance or recommendations specific to the product categories identified from the evaluation. A draft report that discusses and summarizes these recommendations will be prepared in 2008.

Sensitizers

Previous staff work identified the need to update the definition of "strong sensitizer" due to recent scientific advances and the United Nations GHS for classifying and labeling chemicals. In 2006, the staff developed a recommendation regarding CPSC's definition to address scientific advances and new risk assessment methods currently under development by federal agencies. In 2007, staff will proceed as directed by the Commission.

Goal: In 2008, as appropriate, and according to Commission direction, staff will undertake activities to implement changes in the definition of "strong sensitizer."

Table Saws

1 death (1991-2001 annual average)
43,221 emergency room-treated injuries
(2005)

Although staff has worked with industry to improve the protection from blade contact with table saws, there remains the concern that blade guards are inadequate and/or of poor design and can place the consumer at risk for severe injury. In 2007, staff anticipates that new blade guard designs will be available for consumers. Staff will begin an evaluation of these new designs to see if they are adequate to reduce blade contact injuries.

Goal: Staff will complete its evaluation of new blade guard designs and draft a report on the results.

Toys Annual Update

20 reported deaths to children < 15 (2005)
202,300 injuries (NEISS, 2005 estimate)

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

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. Staff will support the development/revision of various voluntary standards for products such as bath seats, infant tubs, portable pools, swimming pools and spas, pool suction release devices, swimming pool alarms, baby bouncers, baby gates, baby swings, baby walkers, bassinets and cradles, bed rails, toddler beds, blind cords, booster seats, bunk beds, diaper changing tables, cribs, commercial cribs, children's folding chairs, high chairs, infant bedding and accessories, infant carriers (3 standards), playground equipment (5 standards), play yards, strollers, toy safety, child resistant packaging, all-terrain vehicles, portable amusement rides, bicycles, furniture, garage door and gate operators, gasoline containers, recreational helmets, hot tubs/spas, paintball guns, table saws, motorized scooters, and ground fault circuit interrupters.

Compliance**5. Corrective Action Timeliness
(Unregulated Products)**

Each investigation involving a hazard will culminate in a preliminary determination that a product is or is not defective. If the product is determined to be defective, the Compliance Officer will begin negotiating with the responsible company to obtain a voluntary corrective action. For defects that pose a risk of serious injury, the Compliance Officer will seek a consumer-level recall, which usually involves a free repair or replacement of the product or a refund of the purchase price. For less serious hazards, the corrective action may involve stopping sale of the product and correction of future production. This new annual output goal establishes a target for the percentage of cases where corrective action is negotiated and commenced within 60 business days after a firm is notified of the staff's preliminary determination.

- 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 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. This new annual output goal establishes a target for the percentage of cases where corrective action is negotiated and obtained within 35 business days after the LOA is issued.
- 7. *Voluntary Standards Compliance*** Staff will monitor compliance with 1 existing voluntary standard likely to reduce children's and other hazards.
- 8. *Import Surveillance*** Staff will conduct port-of-entry surveillance for 1 product for which safety standards are in effect. In 2006, with support from U.S. Customs and Border Protection, we prevented about 83 shipments containing over 434,000 units of toys and other children's products from entering the U.S. The Office of International Programs and Intergovernmental Affairs will continue to conduct activities and create strategies aimed at ensuring greater import compliance with recognized safety standards.

Consumer Information

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

- 9. *Consumer Outreach*** Reach consumers with safety messages related to children's and other hazards 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. In 2006, about 283.6 million consumers were reached with safety information related to children and other hazards through TV appearances, VNRs and Web publications.
- 10. *Press Releases*** Issue press releases and recall alerts to inform the public about hazardous products related to children's and other hazards. In 2006, we issued 257 press releases and recall alerts on hazardous products.

11. Conduct 6 public information efforts to warn the public about other hazards

- All Terrain Vehicles (ATVs)*** We will continue information and education activities begun in 2006 focusing on preventing injuries and deaths to both children

and adults from ATVs. We will continue to focus on states with the highest proportion of injuries and deaths, using grassroots communication tools, such as local media tours, an educational tool kit, and distribution of editorials for print media. In addition, a multi-faceted Web page dedicated to ATV safety will continue to be promoted with information for state officials, parents, children, and the press.

Back to School Safety

CPSC is planning activities to increase public awareness of child safety issues during the upcoming school year. Our campaign will offer tips on making schools safer – in the classroom, on the playground, and on the trip to school. We will issue a press release on back-to-school safety issues and will promote CPSC's *Back to School Safety Checklist*.

Child Drowning Prevention

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

Neighborhood Safety Network

CPSC will develop and distribute at least 5 posters for use by the *Neighborhood Safety Network* partners to keep consumers informed of emerging or seasonal safety hazards.

Poison Prevention

During National Poison Prevention Week, we will issue a news release to promote child-resistant packaging and other poison prevention measures.

*Smart Holiday Shopping /
Toy Safety*

During the fall holiday season, we will continue 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 may assist them in the future to identify products of concern. As part of our drive to remove recalled products from the public domain, we will continue to build upon the success of our Web site, www.cpsc.gov, and the www.recalls.gov Web site for notifying consumers about recalled products. We will issue a news release to warn about the hazards associated with a wide range of children's products, such as toys, or infant products. We will also issue a VNR, safety poster, and other materials as necessary for use at the grassroots level.



INTERNATIONAL PROGRAMS AND INTERGOVERNMENTAL AFFAIRS

THE PROGRAM¹¹

Over one-third of all consumer products under CPSC jurisdiction are imports, but over two-thirds of CPSC recalls involve imported products. In an effort to ensure greater import compliance with American safety standards, CPSC established the Office of International Programs and Intergovernmental Affairs (IPIA). This Office coordinates efforts with other countries regarding safety standards development and harmonization, and inspection and enforcement coordination. A major emphasis of this program is helping foreign manufacturers establish product safety systems as an integral part of manufacturing. CPSC provides background information and rationale as well as suggestions for how to implement a comprehensive approach to manufacturing safe products that will comply with U.S. standards, thus reducing consumer product-related deaths and injuries. This program cuts across all hazard types and complements all other CPSC work.

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

¹¹Resources for this effort are included in the major program, Reducing Product Hazards to Children and Families, which this activity supports.

2008 ANNUAL INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS GOALS

Annual Goals Summary		2003	2004	2005	2006	2007	2008
China Program							
1. Working groups	Goal	**	**	**	2	4	4
	Actual	--	--	--	2		
2. China program plan update	Goal	**	**	**	1	1	1
	Actual	--	--	--	1		
Memoranda of Understanding (MOUs)							
3. Agreements with foreign countries	Goal	**	**	**	3	3	3
	Actual	--	2	4	5		
4. Annual MOU review	Goal	**	**	**	5	3	1
	Actual	--	--	--	5		
Communication							
5. International activities Web page	Goal	**	**	**	**	1	1
	Actual	--	--	--	--		

**No goal established for that year. --Data not available.

CHINA PROGRAM

1. Working Group Meetings

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

Goal: In 2008, staff plans to hold Working Group Meetings in all four priority product areas.

2. China Program Plan Update

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

Goal: In 2008, staff plans to update the China Program Plan.

MEMORANDA OF UNDERSTANDING (MOUs)

3. Agreements with Foreign Countries

CPSC has MOUs with a number of foreign governments. These agreements, signed with CPSC's counterpart agencies in other countries or regions, establish closer working relationships between the signatories, provide for a greater and more significant exchange of information regarding consumer product

safety, and may include plans for informational seminars and training programs. By the end of 2008, CPSC expects to have signed MOUs with seventeen countries.

Goal: In 2008, staff anticipates signing MOUs with three additional countries.

4. *Annual MOU Review*

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

Goal: In 2008, staff will review one MOU.

COMMUNICATION

5. *International Activities Web Page*

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

Goal: In 2008, staff plans to update the International Activities section of www.cpsc.gov.

BUDGET PROGRAM:

Identifying Product Hazards

INTRODUCTION

The work in this program provides the information needed to assess product hazards and apply hazard reduction strategies. The program has two activities: Data Collection and Emerging Hazards/Data Utility.

2008 RESOURCE CHANGES

Total dollars increase by \$182,000 to reflect the program's share of the agency 2008 resource changes that partially fund 2008 price increases and provide critical information technology investments and maintenance necessary to support program activities. Total FTEs decrease by 4 to reflect this program's share of the total agency staffing reduction resulting from partial funding of 2008 salary price increases.

2006-2008 RESOURCES (DOLLARS IN THOUSANDS)						
	2006 Actual		2007 Request		2008 Request	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
Data Collection	80	\$11,361	71	\$11,432	68	\$11,593
Emerging Hazards/Data Utility	9	1,326	10	1,455	9	1,476
TOTAL	89	\$12,687	81	\$12,887	77	\$13,069

HOW WE IDENTIFY HAZARDS

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

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

In 2000, NEISS was expanded to provide data on all trauma-related injuries. This expanded data provides other Federal agencies, researchers, and the public with more comprehensive information on injuries from all sources, not just consumer products. The Institute of Medicine recommended the expansion of NEISS into an all-injury system. The effort is being supported by reimbursable funds of approximately \$2 million from the Centers for Disease Control and Prevention. 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. Our Medical Examiner and Coroner Alert Project collects and reviews approximately 4,400 additional reports from participating medical examiners and coroners throughout the country. We also collect and review about 8,000 news clips and 12,000 other reports of product-related injuries and deaths from consumers, lawyers, physicians, fire departments, and others.

Fire-Related Injuries and Deaths. Staff began an evaluation of the new system for collecting fire death data in 2006 based on a review of the data collected on fires for 1999. Additional death data collection and investigation for this new system is being suspended pending this review, resulting in temporary cost savings. The new system involves collecting fire incident data from fire departments and death certificates with follow-up investigations of incidents. In 2008, pending the outcome of staff's review, we may resume collection and analysis of fire death data and will continue to collect and evaluate fire injury data.

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

We continue to conduct economic studies to provide specialized economic information to staff, Commissioners, other agencies, and

the public. Staff develops injury cost projections to estimate potential benefits associated with agency actions. We generate estimates of products-in-use to determine potential recall effectiveness, consumer exposure to product hazards, and support of agency hazard analysis work.

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

SETTING TARGETS

For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.



DATA COLLECTION

THE PROGRAM

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

We will continue to strengthen our data collection and analysis process. Past improvements include: the purchase of annual data on poisonings to children and a study of the long-term costs of head injuries.

2008 ANNUAL DATA COLLECTION GOALS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

Annual Goals Summary		2003	2004	2005	2006	2007	2008
1. Evaluate, train and audit each hospital in the NEISS sample	Goal	100%	100%	100%	95%	95%	95%
	Actual	100%	98%	99%	100%		
2. Capture the product-related cases	Goal	90%	90%	90%	90%	90%	90%
	Actual	94%	93%	92%	91%		
3. Complete headquarters telephone investigations in less than 45 business days	Goal	85%	85%	90%	90%	90%	90%
	Actual	99%	100%	99%	100%		
4. Complete fire investigations as on-site or other in less than 45 business days	Goal	**	**	**	**	95%	95%
	Actual	94%	91%	97%	95%		
5. Complete non-fire investigations as on-site or other in less than 45 business days	Goal	**	**	**	**	93%	93%
	Actual	94%	90%	97%	93%		
6. Increase the number of Compliance inspections by field staff to 400	Goal	**	**	**	**	400	400
	Actual	585	417	274	320		
7. Sustain the number of incident reports collected from medical examiners and coroners	Goal	3,600	3,600	3,600	4,160	3,900	3,900
	Actual	3,774	4,514	4,428	4,843		
8. Sustain the number of incident reports collected from news clips	Goal	6,000	7,000	7,000	8,100	7,300	7,300
	Actual	8,131	7,870	8,766	8,634		

**No goal established.

Maintain the quality of injury data.

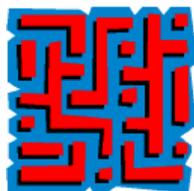
1. *Monitoring Hospitals* Staff will conduct at least one evaluation visit at 95 percent of the hospitals in the NEISS sample. Evaluation visits provide CPSC staff an opportunity to review hospital records and assure that hospital coders are capturing and reporting data on the highest possible percentage of reportable cases.
2. *Capturing Product-Related Cases* The results of the audits in each hospital should indicate that NEISS hospitals are reporting over 90 percent of the 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.

Identify and investigate product hazards in the field.

3. *Telephone Investigations (Headquarters)* Staff will complete at least 90 percent of investigations in fewer than 45 business days. The 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.
4. *On-site and Other Fire Investigations (Field) – Timeliness* 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. These investigations 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.
5. *On-site and Other Non-Fire Investigations (Field) – Timeliness* 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. These investigations 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.
6. *Compliance Inspections* Field staff will increase the number of Compliance inspections to 400 inspections.
7. *Medical Examiner/Coroner Reports* Staff will obtain 3,900 medical examiner/coroner reports. These reports provide critical information on product-related deaths. The data are especially valuable because unlike death certificates, they are generally received soon after the incident and provide some detail on how the incident occurred.
8. *News Clips* Staff will obtain 7,300 incident reports from news clips. CPSC relies on clips from newspapers in all 50 states to identify incidents. These clips provide many reports of product-related deaths, serious injuries, and hazardous fires. The reports fill gaps in reporting from other data systems and provide a very important

source of incidents to investigate in support of hazard identification and analysis activities.

DATA UTILITY



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

THE PROGRAM

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

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

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

2008 ANNUAL DATA UTILITY GOALS

Annual Goals Summary		2003	2004	2005	2006	2007	2008
1. Complete analysis of product areas and other emerging hazard reviews	Goal	2	4	4	4	1	2
	Actual	2	5	6	4		
2. Conduct special studies	Goal	**	1	2	2	**	1
	Actual	0	1	2	2		
3. Conduct special economic studies	Goal	**	10	8	8	8	8
	Actual	9	10	8	11		
4. Respond to petitions	Goal	**	3	3	3	3*	3*
	Actual	4	5	3	4		

**No goal established.

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

- 1.** *Product Area/Emerging Hazard Analyses*

Staff will conduct reviews of injury, incident, death, market, and cost data on a variety of product-related hazard areas and conduct other emerging hazard reviews. As appropriate, injury and death data, poison control center data, market/exposure data, toxicity data, medical/physiological/ engineering analysis, literature searches, and laboratory assessments will be used to identify and evaluate new and existing hazards.
- 2.** *Special Studies*

Staff will conduct special studies such as those using telephone interviews and on-site investigations to determine the circumstances surrounding injuries or deaths associated with a product or hazard of interest.
- 3.** *Special Economic Studies*

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

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

QUALITY AND MANAGEMENT GOALS

INTRODUCTION

In support of our two core budget programs, “Reducing Hazards to Children and Families” and “Identifying Product Hazards,” we conduct activities designed to maintain and improve outstanding agency service and management. In the area of service quality, we focus on ways to better provide industry service, satisfy our customers, and improve the quality of our data. We have both long-term strategic goals and annual performance goals in each service quality area. We also have annual performance goals in response to the President’s Management Agenda.

These activities are in support of our core program effort, thus the resources devoted to the Quality and Management Goals are also included in the resources shown earlier for the core programs.

SETTING TARGETS

For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

2008 RESOURCE CHANGES

Total dollars increase by \$340,000 to reflect (1) a restart of the data quality strategic goal activities deferred in 2007 and (2) 2008 resource changes that partially fund 2008 price increases; provide critical information technology investments; and maintenance necessary to support program activities.

2006-2008 RESOURCES (DOLLARS IN THOUSANDS)						
	2006 Actual		2007 Request		2008 Request	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
Data Quality	.5	\$64	0	\$0	2	\$279
Industry Services	15	1,580	13	1,481	12	1,502
Customer Satisfaction	17	2,488	13	2,003	12	2,031
President’s Management Agenda	5	510	7	850	7	862
TOTAL	37.5	\$4,642	33	\$4,334	33	\$4,674

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

DATA QUALITY



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

THE PROGRAM

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

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

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

2008 ANNUAL DATA QUALITY GOALS

Annual Goals Summary		2003	2004	2005	2006	2007	2008
1. Implement improvement activities	Goal	**	**	**	2	0	0
	Actual	--	--	--	1		
2. Conduct data quality planning activities	Goal	**	1	1	1	0	0
	Actual	0	1	1	1		
3. Assess data quality	Goal	**	2	3	3	0	3
	Actual	0	1	3	3		

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

1. Implement improvement activities resulting from assessment recommendations.

Implementation Activities

Improvement activities are being postponed due to the need to coordinate with a planned platform migration. This coordination will minimize the resources used in both efforts.

2. Conduct data quality planning activities.

Follow-up Evaluation

The postponement of improvement activities (immediately above) has also delayed any corresponding follow-up evaluation.

3. Assess data quality for new system.

Baseline Data

Goal: Staff will collect several different sources of performance data on a selected third database and its use and will use this data to develop an overall baseline from which to investigate possible improvements. Data quality is being defined by characteristics such as: utility, accuracy, consistency, completeness and security of the database.

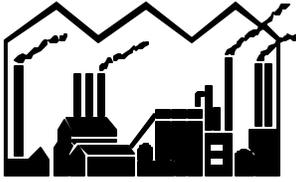
Data Assessment

Goal: Once the baseline data have been collected, staff will analyze the information and describe the overall condition of the third database and associated processes. This task will result in a baseline report that all stakeholders will have the opportunity to review and critique.

Barriers and Costs

The baseline report may result in ideas for improvement that will need to be evaluated for barriers and cost. Some of these barriers could include high workload, objectives that reward productivity over data quality, or inadequate computer software or hardware.

Goal: Staff will review identified barriers and assess the benefits and costs of performing each suggested improvement. From this review, a list of possible improvement tasks will be ranked for feasibility and overall need.



INDUSTRY SERVICES

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

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 a violation of a safety standard is found or a defective product is identified, we work cooperatively and quickly with industry to obtain an appropriate corrective action, which 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, red tape, 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.

To date, over 1,200 firms have participated in the program, resulting in over 1,900 product recalls involving over 220 million product units. The Fast Track program has been cited as outstanding by both government and private organizations.

With the Small Business Ombudsman program, we help small businesses comply more easily with product safety guidelines to manufacture safer products. This program provides firms with a single point of contact that expedites a clear and understandable response from our technical staff. To date, we have helped about 2,900 small businesses through CPSC's Ombudsman.

2008 ANNUAL INDUSTRY SERVICES GOALS

Note: For 2006 and 2007, we reduced resource levels and reduced some annual performance targets to reflect resource reductions, as appropriate. In 2008, we set ambitious targets given the proposed reduction in staff. After further analysis by the Commission, and based on actual funding, targets may have to be adjusted in the 2008 Operating Plan.

Annual Goals Summary		2003	2004	2005	2006	2007	2008
1. Initiate a Fast Track recall within 20 days	Goal	90%	95%	95%	90%	90%	90%
	Actual	95%	96%	94%	98%		
2. Respond to requests for CPSC's Ombudsman within 3 business days	Goal	80%	80%	80%	80%	85%	85%
	Actual	88%	82%	94%	69% *		
3. Develop guidance documents	Goal	5	5	5	5	5	5
	Actual	7	8	8	8		

**No goal established.

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

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

2. *Ombudsman Timeliness* Staff will respond to requests from small businesses through the CPSC Small Business Ombudsman within 3 business days 90 percent of the time.

3. *Guidance Documents* Staff will develop brief guides or other guidance documents for CPSC regulations so that industry can quickly and easily understand how to comply. Five additional guidance documents will be developed to explain regulations, other policies or procedures, or to assist industry in complying with CPSC regulations.



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 agency's Internet Web site, hotline, the National Injury Information Clearinghouse, and the State Partners Program. These resources are used both to provide safety information to, and receive information from, the public. Customer satisfaction with these services is vital if CPSC is to fulfill its mission.

Our Web site (www.cpsc.gov) provides Internet access to CPSC resources and allows the public to view information about recalled products, report unsafe product incidents, request information, and download safety information. The hotline is a toll-free service that allows consumers to report product complaints or product-related injuries, learn about recalls and safety hazards, and obtain safety publications. The National Injury Information Clearinghouse provides data to the public in response to over 2,400 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.

2008 ANNUAL CUSTOMER SATISFACTION GOALS

Annual Goals Summary		2003	2004	2005	2006	2007	2008
CPSC Web Site							
1. CPSC Web site visits (in millions)	Goal	8.0	10.0	11.0	18.0	25.0	25.0
	Actual	9.2	11.9	13.7	20.3		
Hotline Services (1-800-638-2772)							
2. Respond to voicemail messages the next business day	Goal	85%	85%	85%	85%	85%	85%
	Actual	92%	96%	86%	89%		
3. Process incident reports within 8 working hours	Goal	85%	90%	95%	95%	100%	100%
	Actual	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%	95%
	Actual	98%	99%	95%	100%		
5. Provide manufacturers with verified incidents and investigations within 48 business days	Goal	90%	90%	90%	90%	90%	90%
	Actual	95%	95%	95%	96%		
6. Provide responses to requests within 7 business days	Goal	95%*	95%*	95%*	95%	95%	95%
	Actual	97%	97%	99%	98%		
State Partners Program							
7. Conduct product safety activities within 90 days or less	Goal	**	**	**	**	88%	88%
	Actual	79%	81%	87%	95%		
8. Host state caucus training sessions	Goal	**	**	**	**	1	1
	Actual	0	0	0	0		

**No goal established. – Data not available.

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

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 agency's public meeting calendar. Over time, new features have been added, such as allowing the public to make online reports of product hazards and providing the ability to search and download data from our National Electronic Information Surveillance System (NEISS).

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

Goal: In 2008, we anticipate that we will have 25 million visits to CPSC's 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 2006, we received about 2,800 messages from the public through voicemail.

Goal: In 2008, Hotline staff will respond to voicemail messages the next business day 85 percent of the time.

3. Incident Reports

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

Goal: Hotline staff will process product incident reports within 8 working hours 95 percent of the time.

National Injury Information Clearinghouse

4. Consumer Confirmation

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

Goal: Staff will mail incident report verification information to consumers within 2 business days 90 percent of the time.

5. Manufacturer Mailing

The incidents from consumers and investigation reports from CPSC's field staff are sent to manufacturers whose products are named in these reports. Consumer verification information and manufacturer responses are also made available to staff electronically for review. In 2006, we mailed about 9,000 reports to manufacturers and 96 percent were completed within 48 business days. The number of business days is calculated from the date the incident or investigation is received in the Clearinghouse and includes 20 business days of waiting for a response verifying the information from the complainant.

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

6. *Information Requests*

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

Goal: In 2008, staff will provide responses to requests for information within 7 business days 85 percent of the time.

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 recall checks, inspections, and in-depth injury investigations to support CPSC priorities.

Goal: In 2008, staff will conduct 88 percent of product safety activities including recall checks, inspection, and in-depth investigations within 90 days or less of assignment.

8. *State Caucus Training*

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

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



PRESIDENT'S MANAGEMENT AGENDA

INTRODUCTION

The President envisions a government that has a citizen-based focus, is results-oriented and market-based. To improve the functioning of Federal Government and to achieve efficiencies in its operations, the President has highlighted five government-wide management initiatives. They are Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration. The Commission has taken a number of steps to support the management initiatives in the areas delineated in the President's Management Agenda, which allow us to achieve our goals while managing public resources with prudence.

Strategic Management of Human Capital

Annual Goals Summary		2003	2004	2005	2006	2007	2008
1. Modify the appraisal system	Goal	**	1	1	1	0	1
	Actual	--	1	1	0		
2. Identify skill gaps.	Goal	**	1	1	1	1	1
	Actual	--	0	0	0		
3. Maintain the recruitment process time	Goal	62	62	62	62	62	62
	Actual	51	60	61	61		
4. Conduct training for managers in human resource management	Goal	2	2	1	2	2	2
	Actual	2	3	2	4		
5. Conduct focus groups of new employees	Goal	2	2	2	1	1	1
	Actual		2	2	1		
6. Target recruitment efforts to organizations serving under-represented populations	Goal	10	10	12	12	12	10
	Actual	12	12	14	14		
7. Conduct training sessions in EEO/AEP responsibilities	Goal	3	3	3	3	3	3
	Actual	8	10	10	4		
8. Promote representation of Hispanics and individuals with disabilities	Goal	5	5	5	5	7	5
	Actual	7	12	13	10		
9. Identify and promote low/no cost training	Goal	1	1	1	1	1	1
	Actual	1	1	1	1		

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

1. *Appraisal System*

Staff revised CPSC's Senior Executive Service (SES) Performance Management System performance elements and standards in 2004 to include measures of success in meeting agency goals in our annual performance plans. In 2005, we revised the elements and standards for the remainder of the employees. In 2006, we monitored the use of the SES performance elements and standards and implemented the modified elements and standards for the remainder of the employees.

- Goal:** In 2008, we will fully implement 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.
- 2. Skills Analyses**
- In 2004, we developed competencies for some of our mission critical positions. In 2007, we will identify skill gaps and develop training plans for new supervisors. Work for other occupational series will be deferred due to reduced staff.
- Goal:** In 2008, we will identify skill gaps and develop training plans for other mission critical positions.
- 3. Recruitment Time**
- Staff maintained the recruitment process time, calculated as the difference in the number of days between the recruitment request and the candidate selection date, at an average of 61 days for 2005. This number is well below the 2002 government average of 102 days and a reduction from our average process time of 72 days for 1999.
- Goal:** Staff will maintain the recruitment process time.
- 4. Human Resource Training**
- Goal:** In 2008, staff will conduct training for managers and supervisors in human resource management. This would include topics such as performance management, incentive programs, and other human resource procedures.
- 5. Focus Groups**
- Goal:** In 2008, staff will conduct an on-line survey for all new employees to learn from their experience and determine how to improve our recruitment process.
- 6. Target Recruitment**
- Goal:** Staff will target 10 recruitment efforts to organizations serving under-represented populations. Contacts will be made to organizations serving under-represented populations such as Hispanic-serving institutions, Hispanic Association of Colleges and Universities, Hispanic Outreach Leadership Alliance, League of United Latin American Citizens, and the President's Committee for People with Disabilities.
- 7. EEO/AEP Training**
- Goal:** Staff will conduct 3 training sessions for CPSC employees about their EEO/AEP responsibilities. Training will continue to emphasize the shared responsibility for developing and implementing a successful CPSC Affirmative Employment Plan.
- 8. Promote Representation**
- Goal:** Staff will promote representation of Hispanics and individuals with disabilities with at least 5 initiatives. Examples of these new initiatives are mentoring programs, summer volunteer program, employee training programs, and disability and diversity awareness programs.
- 9. Low/No-Cost Training**
- Goal:** Staff will identify and promote no or low-cost training opportunities, such as periodic Small Agency Council training

sessions. In 2008, we will develop Skillsoft Individual Development Training Plans for mission-critical positions with required core courses.

Competitive Sourcing

Annual Goals		2003	2004	2005	2006	2007	2008
10. Review and revise the annual Fair Act Inventory as appropriate	Goal	1	1	1	1	1	1
	Actual	1	1	1	1		
11. Complete performance work statements and cost statements for 20 percent of the activities in the Fair Act Inventory annually	Goal	**	20%	20%	20%	0%	20%
	Actual	0%	0%	0%	0%		
12. Complete competitions for activities in the Fair Act Inventory	Goal	**	**	20%	20%	0%	20%
	Actual	0%	0%	0%	0%		

**No goal established.

10. FAIR Act Inventories

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

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

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

Goal: In 2007 and 2008, we will review and revise the FAIR Act inventory, as appropriate.

11. Performance Statements

Goal: In 2008, we will complete performance work statements and cost statements for at least 20 percent of the activities in our FAIR Act inventory. Past work under this goal was deferred because of Commission reorganizations.

12. Competition

Goal: Through 2008, we will complete competitions for at least 20 percent of the activities in our FAIR Act inventory. The

achievement of this goal may be deferred because the Commission reorganization being implemented in 2005/2006/2007 affects the FAIR Act inventory incumbents.

Improved Financial Performance

Annual Goals		2003	2004	2005	2006	2007	2008
13. Monitor financial management systems that meet Federal requirements and standards (Letter of Assurance)	Goal	**	1	1	1	1	1
	Actual	1	1	1	1		
14. Recommendation for financial management system replacement	Goal	**	**	**	**	0	1
	Actual	--	--	--	--		
15. 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		

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

13. Financial Management Systems

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

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

14. Financial Management System Replacement

In 2007, staff will evaluate new financial systems and recommend a replacement system as NBC is dropping support of FFS in 2010.

Goal: In 2008, staff will sign an agreement with a replacement vendor. In 2009, we will secure funding for the replacement system and sign a contract for replacing the system in 2010.

15. Information Timeliness

Currently, we provide monthly financial reports throughout the agency by the 3rd business day, on average, after the close of the month. In 2004, we pilot-tested electronic transmission of FFS reports, fully implementing it in 2005. This provides electronic on-demand access to financial information.

Goal: The goal for 2008 is to maintain the 3rd business day delivery of reports to agency staff.

Expanded Electronic Government

Annual Goals		2003	2004	2005	2006	2007	2008
16. Develop Internet application allowing direct government-to-citizen access	Goal	**	1	1	1	1	1
	Actual	--	1	1	1		
17. Implement Web-based application to improve government-to-business communication	Goal	**	1	1	1	1	1
	Actual	--	1	1	0		
18. Develop and implement technology to improve access and transfer of information government-to-government	Goal	**	1	1	1	1	1
	Actual	--	1	1	1		
19. Improve internal efficiency and effectiveness	Goal	**	2	1	1	1	1
	Actual	5	2	3	6		
20. Provide authentication architecture	Goal	**	**	**	**	**	1
	Actual	--	--	--	--		

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

- 16. Government-To-Citizen (G2C)** Government-to-citizen initiatives seek to provide one-stop, on-line access by citizens to benefits and services. They also bring modern management tools to improve the quality and efficiency of service. Citizens can currently request technical, scientific, legal, program, and policy data from CPSC through the Freedom of Information Act.

Goal: In 2008, we plan to implement a Web-based application that will provide improved FOIA case management. The application will automate many manual, paper-based processes electronically to improve the FOIA request process. In 2008, we plan to improve the lookup of prior year Federal Register notices by programming a database lookup.

- 17. Government-To-Business (G2B)**

Government-to-business initiatives will reduce the burden on business by adopting processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses, and enable digital communications with businesses. Under the Flammable Fabrics Act, some manufacturers elect to submit verification of their compliance with the regulation by mailing a paper form with the necessary information to CPSC.

Goal: In 2008, we plan to develop and introduce an on-line filing system for manufacturers as an alternative to the paper-based mailing. This system will allow individuals to see the status of manufacturers' guaranties and provide for secure certification by the manufacturers.

- 18. Government-To-Government (G2G)**

Government to government initiatives will enable sharing and integration of federal, state and local data. A recently completed CPSC initiative includes the www.recalls.gov Web site which is a one-stop site that provides the most up-to-date information on recalls and was developed in partnership with the Food and Drug Administration, the U.S. Coast Guard, the National Highway Traffic Safety Administration, the U. S. Department of Agriculture and the Environmental Protection Agency. In 2005, we added a

new section to www.recalls.gov that allows the public to view all participating agencies' most recent recalls on one page, rather than tabbing to the agencies individually, and makes recall information more readily accessible. In addition, we began working with the agencies to include an email subscription list to further enhance participating agencies' ability to disseminate important safety information. A coordination meeting will be held to discuss future improvements.

Goal: In 2008, staff will prepare a summary report highlighting future directions.

19. *Internal Efficiency and Effectiveness (IEE)*

This initiative brings commercial best practices to key government operations, particularly information security, supply chain management, human capital management, financial management and document workflow.

Goal: In 2008, we intend to implement a Web-based application that will provide improved FOIA case management. This document management system will reduce the time spent searching for records that are currently in electronic form. In addition, we plan to implement XML-based forms that can be used with digital signatures and work with Web-based workflows. These forms will replace many manual, paper-based systems.

20. *Authentication*

The E-Authentication Initiative will provide a trusted and secure standards-based authentication architecture to support Federal E-Government applications and initiatives. This approach will provide a uniform process for establishing electronic identity and eliminate the need for each initiative to develop a redundant solution for the verification of identity and electronic signatures. E-Authentication's distributed architecture will also allow citizens and businesses to use non-government issued credentials to conduct transactions with the government.

Goal: In 2008, we intend to implement a single sign-on solution to improve on the security of data systems and minimize support calls associated with forgotten passwords. In addition, we will be working on implementing a public key infrastructure (PKI) solution to allow manufacturers to digitally sign their continuing guarantee applications online.

Budget and Performance Integration

Annual Goals		2003	2004	2005	2006	2007	2008
21. Perform program evaluations	Goal	8	7	8	6	4	5
	Actual	8	5	6	6		

21. *Program Evaluations*

To integrate performance review with budget decisions, we have taken a number of steps, including: (1) changing internal databases to capture performance by strategic goal; (2) developing a system

for resource allocation by strategic goal for direct and indirect costs; (3) adding resource allocations (FTE, costs) for each strategic goal to the performance plan; and (4) combining the performance plan and budget request. In addition, we have realigned our budget programs to match our strategic goals. Finally, the Office of Financial Management, Planning and Evaluation works under the direction of the Chief Financial Officer and the Office of the Executive Director to provide a comprehensive and cohesive integration of budget and performance. We believe that our annual budget and performance plans make the agency performance-oriented by showing progress achieved on our hazard reduction goals and our quality and management goals. For continued improvement, however, we must evaluate our programs. Therefore, we will continue to set goals for performing specific evaluations as indicated in the Performance Evaluation section of this plan.

Goal: In 2008, we will complete 5 program evaluations such as conducting impact evaluations, reporting on annual updates of deaths and injuries, and assessing customer satisfaction with CPSC's services.

PROGRAM EVALUATIONS

Program evaluations used to develop the Strategic Plan. Strategic targets for the extent of injury and death reductions in each hazard area were based on statistical analyses of data and staff expertise. We calculated 10-year trends of injuries and deaths at both the product and hazard levels. Staff experts in each hazard area set specific targets after assessing the potential actions of the Commission and the effect of joint efforts with other organizations and industry. Staff also made assumptions concerning the outcomes of potential technical feasibility studies.

Customer service/satisfaction and human capital goals were based on information from surveys and tracking systems, as well as on staff expertise as to what could be accomplished in a given time span.

Future program evaluations. Injury and death reduction strategic goals will have two types of evaluations: yearly tracking of injuries and deaths at the hazard level and evaluations of injury and death reductions associated with specific products at appropriate time intervals. The timing for evaluating injury and death reductions depends, in part, on how long consumers keep specific products. Evaluations at the product level will be conducted when consumers are expected to have replaced a substantial proportion of older products with safer products. We derive 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: (1) tracking of customer service standards and activities and (2) assessments of consumers and industry. Tracking will be evaluated annually, while assessments are planned to be implemented on a cycle of every three years. An overall plan for future evaluations is provided in Table A.

A. Reducing Fire-Related Deaths

- 2003: Tracking of fireworks-related deaths
- 2004: Tracking of fire-related deaths
- 2004: Tracking of fireworks-related deaths
- 2005: Tracking of fire-related deaths
- 2005: Tracking of fireworks-related deaths
- 2006: Tracking of fire-related deaths
- 2006: Tracking of fireworks-related deaths
- 2006: Impact evaluation of product(s) with fire-related hazards
- 2007: Tracking of fire-related deaths
- 2007: Tracking of fireworks-related deaths
- 2008: Tracking of fire-related deaths
- 2008: Tracking of fireworks-related deaths

B. Reducing CO Poisoning Deaths

- 2003: Tracking of CO deaths
- 2004: Program evaluation of CO poisoning deaths
- 2004: Tracking of CO deaths
- 2005: Program evaluation of CO poisoning deaths (Carryover from 2004)
- 2005: Tracking of CO deaths
- 2006: Tracking of CO deaths associated with portable generators
- 2007: Tracking of CO deaths associated with all consumer products
- 2008: Program evaluation of CO poisoning deaths (Carryover from 2004)
- 2008: Tracking of CO deaths

C. Assessments by Industry

- 2004: Fast Track, Ombudsman
- 2005: Ombudsman (Carryover from 2004)
- 2007: Fast Track

D. Customer Satisfaction

- 2005: Web Site, Clearinghouse
- 2006: Clearinghouse (Carryover from 2005), State Partners
- 2008: Hotline

Table A
Schedule of Evaluations

Strategic Goals	Issues	General Scope	Procedures	
			Method	Time
Hazards Fire Carbon Monoxide	Reduce the rate of death	National estimates of deaths	1. Hazard Surveillance (NFIRS, NCHS)* 2. Evaluation of specific products – tracking Before/after studies.	1. Annually 2. As appropriate
Customer/Industry Services Hotline Clearinghouse State Partners Web Site Industry	1. Timeliness standards met 2. Satisfaction with CPSC's services	1. Population of users 2. Random sample of users	1. Logs 2. Interviews; mail surveys	1. Annually 2. Every 3 years
Critical Management Utility Quality	1. Identify potential hazard reduction projects and/or strategic goals 2. Accuracy, security and completeness of databases	1. Number of goals and projects 2. Selected in-house databases	1. Candidate goals, projects produced 2. Reduction in database errors, penetrations, etc.	1. Annually 2. As appropriate

* National Fire Incident Reporting System (NFIRS), National Center for Health Statistics (NCHS).

VERIFICATION AND VALIDATION

This section describes the means by which we will verify and validate the results of our annual performance measurement. Each annual goal was set by targeting or projecting a number of activities to be completed. We provide a complete list of performance measures with corresponding databases and verification procedures in Table C. We also provide further descriptions separately for: (A) reducing hazards to children and families for each of the core functions (safety standards, compliance, and consumer information); (B) identifying product hazards; and (C) service quality and customer satisfaction.

A. Annual Goals for Reducing Hazards to Children and Families

1. Safety Standards

- *Targeted performance goals for: (a) rulemaking activities, (b) recommendations sent to voluntary standards groups, and national or international code groups, (c) assessments completed (hazard analyses, data collection, technical feasibility studies), and (d) supporting of voluntary standards developments/revisions.*

Performance measures: The number of completed activities in each category.

Database: A milestone tracking systems record (including a quarterly voluntary standards tracking report), the completion dates for significant activities such as Commission briefings, recommendations sent to voluntary standards committees, and completed reports.

Verification: A review by senior managers and a formal clearance process, resulting in publicly available official, dated documents.

2. Compliance

- *Preliminary determination within 85 business days (unregulated products)*

Performance measures: The percent of unregulated cases with preliminary determination within 85 business days of initiation.

Database: The Compliance Corrective Actions (CCA) database tracks this performance metric.

Verification: Internal consistency checks, required fields, automatic generation of data reports and reviews of each action by senior managers.

- *Corrective Action within 60 business days of preliminary determination (unregulated products)*

Performance measures: The percent of cases involving an unregulated product where a corrective action was commenced within 60 business days of preliminary determination.

Database: The Compliance Corrective Actions (CCA) database tracks this performance metric.

Verification: Internal consistency checks, required fields, automatic generation of data reports and reviews of each action by senior managers.

- *Corrective Action within 35 business days of notice of violation (regulated products)*

Performance measures: The percent of cases involving a regulated product where a corrective action was obtained within 35 business days of the Letter of Advice being sent.

Database: CPSC's Integrated Field System (IFS) is used to track this performance measure.

Verification: Internal consistency checks, required fields, automatic generation of data reports and reviews of each action by senior managers.

3. Consumer Information

- *Consumer Outreach*

Performance measures: The number of US consumers estimated to have been reached through TV appearances and interviews on national television networks, video news releases to national and local television networks and e-publications on CPSC's Web site.

Database: The data come from three separate and independent tracking sources. The number of viewers of TV appearances and interviews is determined from Nielson ratings of major television networks. The number of viewers of video news releases is provided by a third party contractor. The number of e-publications viewed is determined through computer programming that links Web statistics (Webtrends) to publications by hazard.

Verification: All data is obtained from 3rd parties.

- *Projected performance goals for number of press releases and recall alerts by hazard area.*

Performance measures: The number of press releases and recall alerts for each hazard.

Database: The Press Release and Recall Alert database records all press releases and recall alerts issued by the Commission by hazard area. The press releases and recall alerts are placed on our Web site the day they are issued.

Verification: Check all press releases/recall alerts for written description of the hazard.

- *Performance goals for responding to the public's requests for publication through our Web site. [Note that each CPSC publication has been classified by the hazard addressed.]*

Performance measures: The number of Web publications in each hazard area.

Database: The Inventory of Web Publications database tracks the number of each publication viewed or downloaded.

Verification: This information is reported to us through an off-the-shelf software application, *Webtrends*. Perform monthly check of database information.

B. Annual Goals for Identifying Product Hazards

- *Targeted performance goals for: (a) collecting data from NEISS hospitals, telephone and onsite investigations, medical examiners and coroners, and newsclips, and (b) evaluating, training and auditing NEISS hospitals.*

Performance measures: The number of completed activities or percent of hospitals visited in each.

Database: The NEISS, IPII (Injury or Potential Injury Incidents), INDP (In-depth Investigations), and NARS (NEISS Administrative Record System) databases track these performance measures.

Verification: Internal quality control process.

C. Annual Goals for Service Quality and Customer Satisfaction

- *Performance goals for contacts with the public and timeliness of CPSC actions.*

Performance measure: The number of Web site contacts, hotline calls, and timeliness checks.

Verification: These performance measures are all stored electronically and are either automatically generated by contractors (Web and hotline) or automatically generated through our programming.

- *Performance goals for number of business days for technical review.*

Performance measures: The number of business days for CPSC to provide a technical response to small business callers.

Database: The number of business days is generated automatically in the Ombudsman database.

Verification: Manager review.

- *Performance goals for customer satisfaction and industry assessments.*

Performance measures: Percent of customers satisfied with our services; improvements made based on stakeholders' suggestions.

Verification: Standardized surveys and interviews based on census or sample of respondents.

Table C
Verification and Validation of Performance Measures for Annual Goals

Type of Performance Measure	Performance Measure	Database	Verification/Validation
Results-Oriented Goals			
Candidates for Commission consideration	Number of Commission briefing packages	Milestone tracking	Official documents
Voluntary standards development or changes	Number of recommendations	Milestone tracking	Official documents
National codes changes	Number of recommendations	Milestone tracking	Official documents
Model legislation	Number of recommendations	Milestone tracking	Official documents
Hazard/cost analyses, data collection	Number of reports completed	Milestone tracking	Official documents
Technical feasibility studies	Number of reports completed	Milestone tracking	Official documents
Time to PD* (Unregulated)	Percent within 85 days	CCA*	Manager review
Time from PD* to CAP* (Unregulated)	Percent within 60 days	CCA*	Manager review
Time from LOA* to Corrective Action (Reg.)	Percent within 35 days	IFS*	Manager Review
Voluntary standards (VS) supported	Number of VS supported	IFS*, official documents	Manager Review
Public information efforts	Number of efforts	Milestone tracking	Official documents
Press releases/recall alerts	Number of releases/recall alerts	PR/RA*	Official documents
Consumer Outreach	Number of consumer hits	Tape file log, Inventory	Official documents
NEISS hospital data	Number of cases	NEISS	Office Quality Control Process
Medical Examiner/Newsclip reporting	Number of cases	IPII	Office Quality Control Process
Investigations	Number of cases	INDP	Office Quality Control Process
NEISS training	Percent of hospitals visited	NARS	Office Quality Control Process
Service Quality			
Web site	Number of contacts	Web server file log	Automated reports (Contractor)
Outreach to professional organizations	Number of contacts	Log of contacts	Manager review
Maintain hotline's capacity	Number of callers	Hotline operating system	Automated reports (Contractor)
Improve services	Number of services improved	Milestone tracking	Manager review
Industry Services			
Assess services	Responses of industry callers	Random sample/census	Procedural checks
Meet timeliness standards	Number of standards met	Log of actions	Automated reports
Track performance	Procedures completed	Milestone tracking	Manager review
Consumer Satisfaction			
Meet timeliness customer service standards	Number of standards met	Log of actions	Automated reports
Improve services	Number of services improved	Milestone tracking	Manager review
Survey consumer satisfaction	Ratings by consumers	Random sample	Procedural checks

*IFS = Integrated Field System; CCA = Compliance Corrective Actions; PR/RA = Press Release/Recall Alert database; PD = Preliminary Determination; CAP = Corrective Action Plan; LOA = Letter of Advice

SOCIETAL COSTS ESTIMATION

The \$700 billion in societal costs is the total of three components: injury costs, costs of fatalities, and property damage. To estimate medically attended injuries, CPSC employs the Injury Cost Model (ICM), which uses empirically derived relationships between emergency department injuries reported through the National Electronic Injury Surveillance System (NEISS) and those treated in other settings (e.g. doctor's offices, clinics). The injury cost estimates are made up of four major components including medical costs, work losses, pain and suffering, and legal costs. The methods used to estimate these four broadly defined components are described in detail in the *Consumer Product Safety Commission's Revised Injury Cost Model*, Miller et. al., Public Services Research Institute, Calverton, MD, December 2000.

The cost of fatalities is estimated by applying a statistical value of life to the number of deaths. CPSC staff's statistical value of life is consistent with the results of research employing the "willingness to pay" methodology. In the December 1993 *Journal of Economic Literature* Kip Viscusi's review of the literature in "The Value of Risks to Life and Health" concludes that "most of the reasonable estimates of life are clustered in the \$3 million - \$7 million range." CPSC staff uses a \$5 million cost of fatalities.

The estimate for property damage (\$5.32 billion in 2002) comes from data on residential fires collected by the National Fire Protection Association in an annual survey. The property damage estimate does not include costs associated with fires that are not reported to a fire department or goods destroyed or damaged when an incident other than fire occurs. The \$700 billion figure does not include the costs of illnesses and deaths resulting from chemical or bacterial exposure from use of consumer products.

PROCESSES AND TECHNOLOGIES NEEDED TO MEET THE PERFORMANCE GOALS

This section reviews the (A) processes, (B) technologies (capital assets), (C) treatment of major management problems, (D) accountability, and (E) methodology for allocating CPSC's budget request to strategic goal activities in the annual performance plan.

A. Processes

We plan to achieve our annual goals by continuing our current operational processes. These are described more fully under the introduction to each budget program and activity. In summary, our processes involve these hazard reduction activities:

- Participating in the voluntary standards process or developing mandatory safety standards
- Conducting compliance activities such as recalls, corrective actions, and enforcement of existing regulations
- Distributing information to the public on how to avoid product hazards.

These activities are supported by our work in the area of hazard identification and analysis.

B. Capital Assets / Capital Programming

We have two major recurring capital asset acquisitions identified in support of our performance goals – continued investment in information technology (IT) and the modernization of our laboratory. Our investments in IT and laboratory modernization have a direct impact on our ability to achieve our mission and strategic goals.

We use IT to speed access to injury and death information to set priorities for using our resources; support various voluntary and mandatory approaches to reducing hazards; and reduce more quickly hazards to American consumers. In addition, automating various tracking, planning, and mission-critical systems needed to accomplish organizational tasks has saved thousands of administrative staff hours, thus expanding staff time devoted to injury reduction activities. This has benefited the various CPSC programs established to carry out the agency's mission. In 2008, we are proposing that \$1 million be reallocated to fund an IT Capital Investment fund to provide a permanent source of funds to maintain our critical IT infrastructure.

The existing 1950s era laboratory facility provides critical support to our compliance investigations and development of safety standards. Over the past several years, we have worked with GSA to develop a concept plan that has been approved by CPSC, GSA and the National Capital Planning Commission. GSA, however, has not been able to secure funding for the project. We continue to explore creative ways to update our laboratory capabilities in the face of ongoing fiscal restraints.

C. Treatment of Major Management Problems and High-Risk Areas

In 2001, as a result of the first annual audit conducted in response to the Government Information Security Act, we determined that we had a weakness in our internal controls over automated information security and its operation. We hired a full-time IT security official and addressed all major weaknesses by the end of 2004.

We do not have any major problems of fraud and mismanagement in our programs and operations. We can address problems of fraud and mismanagement in programs and operations, if they were to arise, through CPSC's: (1) Office of Inspector General, responsible for audits, inspections, special reports, and investigations; (2) the Office of the Chairman, responsible for the annual Federal Financial Managers Improvement Act (FFMIA) report to the President and Congress; and (3) the Senior Management Council, responsible for internal control reviews and annual letters of assurance.

We produced audited 2006 financial statements (reported in our 2005 Performance and Accountability Report, November 2006). CPSC's statements received a "clean opinion." These statements met the *accelerated* Federal schedule of 45 days after the close of the fiscal year. The audit found that CPSC's statements and financial system conformed to accepted accounting principles, laws, and regulations and that CPSC had effective internal controls.

D. Accountability

The agency's budget review process, annual performance report, and staff performance appraisals are the primary methods for assigning accountability to managers and staff for achievement of objectives. Each year during the budget and operating plan process, we will link the Strategic Plan and the Performance Budget. The Executive Director of the agency and the directors for the Offices of Hazard Identification and Reduction (for Safety Standards and Data Collection), Compliance (for Recalls and Corrective Actions), and Information and Public Affairs (for Consumer Information) are responsible for this linkage. Finally, the Commission stresses the achievement of the Strategic Plan's objectives as an important consideration in the performance appraisals of agency managers. In addition, the agency's Inspector General conducts an annual audit program of various aspects of agency operations, including auditing portions of the performance plans.

E. Resource Allocation to Accomplish Annual Goals

For 2008, the funding request for the agency is \$63,250,000 with a staff level of 401 full time equivalents (FTEs) nationwide. All of the annual goals outlined in this document assume that the \$63,250,000 or equivalent purchasing power will be available for 2008. We may need to adjust the annual goals to reflect the actual level of funding and staff made available to the agency, particularly if our current service funding needs are not met. We may also have to adjust goals as we learn more about the impact of our FTE reductions in successive years (2006, 2007, and 2008) on our ability to properly match staff skill mix with planned projects.

CPSC is a staff intensive organization with nearly 90 percent of its recent funding absorbed by staff compensation and staff-related space rental costs for our professional and technical staff. Staff identifies product-related hazards; investigate and act on product safety hazards and violations of safety regulations; provide recommendations to CPSC for decision-making; and inform the public about product safety. After staff compensation and housing costs, the remaining balance of our annual budget is available for other critical support costs, such as injury data collection, in-depth investigations of deaths and injuries, independent expert technical evaluations, and travel in support of investigations and voluntary standards development. Our challenge is to work within these constraints while maintaining enough flexibility to fulfill our mission of protecting the public.

Allocation Methodology. Resources in the Annual Performance Plan are allocated between our two budget programs, "Reducing Product Hazards to Children and Families," and "Identifying Product Hazards." These budget programs include activities that support the strategic goals and reflect both direct and indirect costs. We estimated the resource allocation for each strategic goal by:

- Determining the direct costs for each strategic goal for those activities classified by hazard in the budget (e.g., resources for the upholstered furniture project were directly applied to the goal for reducing fire-related deaths). Most of the agency's costs are direct costs, such as salary and contract support costs.
- Estimating direct costs for those strategic goal activities not classified by hazard in the budget, such as customer and industry service activities. Staff estimated the distribution attributable to the strategic goals using historical data and expert judgment.
- Distributing proportionately indirect costs, such as administration and space rent, to the strategic goals for each program.

PROGRAM AND FINANCING SCHEDULE (DOLLARS IN THOUSANDS)

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Request</u>	<u>2008</u> <u>Request</u>
Obligations by Program Activity:			
Direct Program:			
Reducing Product Hazards to Children and Families	\$49,587	\$49,483	\$50,181
Identifying Product Hazards	12,687	12,887	13,069
Total direct program.....	62,274	62,370	63,250
Reimbursable program.....	3,300	3,000	3,000
Total new obligations	65,574	65,370	66,250
Budgetary resources available for obligation:			
New budget authority (gross).....	65,670	65,370	66,250
Total new obligations	-65,574	-65,370	-66,250
Unobligated balance expiring.....	-96	--	--
New budget authority (gross), detail:			
Discretionary:			
Appropriation (definite).....	63,000	62,370	63,250
Reduction pursuant to P.L. 109-148.....	-630	--	--
Appropriation (total discretionary).....	62,370	62,370	63,250
Discretionary: Spending authority from offsetting collections:			
Offsetting collections (cash).....	3,300	3,000	3,000
Total new budget authority (gross).....	65,670	65,370	66,250
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance, start of year.....	9,062	9,604	9,753
Total new obligations	65,574	65,370	66,250
Total outlays (gross).....	-64,686	-65,221	-66,278
Adjustments in expired accounts	-346	--	--
Unpaid obligations, end of year:			
Obligated balance, end of year	9,604	9,753	9,725
Outlays (gross), detail:			
Outlays from new discretionary authority.....	57,455	58,179	58,963
Outlays from discretionary balances	7,231	7,042	7,315
Total outlays (gross).....	64,686	65,221	66,278
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from Federal sources.....	3,268	2,980	2,980
Offsetting collections (cash) from Non-Federal sources.....	32	20	20
Total offsetting collections (cash).....	3,300	3,000	3,000
Net budget authority and outlays:			
Budget authority (net).....	\$62,370	\$62,370	\$63,250
Outlays (net).....	\$61,386	\$62,221	\$63,278

Note: Dollars are rounded to millions in the President's Budget Appendix and there may be rounding differences.

OBJECT CLASSIFICATION SCHEDULE (DOLLARS IN THOUSANDS)

		<u>2006</u>	<u>2007</u>	<u>2008</u>
		<u>Actual</u>	<u>Request</u>	<u>Request</u>
Direct obligations:				
Personnel Compensation:				
11.1	Full-time permanent	\$34,133	\$36,393	\$36,453
11.3	Other than full-time permanent	2,384	2,700	2,704
11.5	Other personnel compensation	365	374	374
11.8	Special personnel services payments.....	--	--	--
11.9	Total personnel compensation.....	36,882	39,467	39,531
Personnel benefits:				
12.1	Civilian	9,009	9,501	9,517
13.0	Benefits for former personnel.....	521	10	10
	Subtotal, Compensation and Benefits	46,412	48,978	49,058
21.0	Travel and transportation of persons	884	839	845
22.0	Transportation of things.....	59	85	85
23.1	Rental payments to GSA	4,491	4,753	4,277
23.2	Rental payments to others	2	1	1
23.3	Communication, utilities and miscellaneous charges	712	672	672
24.0	Printing and reproduction.....	352	301	301
25.1	Advisory and assistance services	187	200	200
25.2	Other services	3,722	3,400	4,001
25.3	Purchases from other Federal Agencies	899	1,064	1,133
25.4	Operation and maintenance of facilities	624	324	324
25.5	Research and development contracts	72	--	--
25.7	Operation and maintenance of equipment	642	718	718
26.0	Supplies and materials	596	456	456
31.0	Equipment	2620	575	1175
42.0	Insurance claims and indemnities	0	4	4
99.0	Subtotal, direct obligations	62,274	62,370	63,250
Reimbursable obligations:				
11.1	Full-time permanent	44	--	--
12.1	Civilian	--	--	--
21.0	Travel and transportation of persons	32	100	100
25.0	Other services	3,224	2,900	2,900
	Subtotal, reimbursable obligations	3,300	3,000	3,000
99.9	Total obligations	\$65,574	\$65,370	\$66,250

Note: Dollars are rounded to millions in the President's Budget Appendix and there may be rounding differences.

PERSONNEL SUMMARY

Direct:

Total compensable work years:

Full-time equivalent employment.....	412*	420	401
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*The number of actual FTEs in 2006 was lower than the planned number (440) because of the need to prepare for the upcoming 2007 decrease in FTEs.

VOLUNTARY AND MANDATORY STANDARDS SUMMARY

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Request*</u>	<u>2008</u> <u>Request*</u>
VOLUNTARY STANDARDS UNDER DEVELOPMENT			
Fire Hazard.....	11	11	10
Carbon Monoxide Hazard.....	3	3	3
Children’s and Other Hazards.....	<u>52</u>	<u>49</u>	<u>46</u>
Total Voluntary Standards	66	63	59
MANDATORY STANDARDS UNDER DEVELOPMENT			
Fire Hazard.....	7	8	9
Carbon Monoxide Hazard.....	0	2	1
Children’s and Other Hazards.....	<u>4</u>	<u>3</u>	<u>4</u>
Total Mandatory Standards	11	13	14

*It is anticipated that these numbers will change to reflect activities changed during the operating plan period.

PROGRAM ASSESSMENT RATING TOOL (PART) SUMMARY

Program Title: Consumer Product Safety Commission

Program Type: Regulatory-based Program

Assessment Year: 2006

Assessment Rating: Effective

Key Performance Measures	Year	Target	Actual
<i>Long-term (Outcome):</i> Reduce the rate of death from fire-related causes by 20 percent from 1998 to 2013. Three-year moving averages are used to measure death rate reduction. Figures represent the number of deaths per million citizens.	1998	--	9.5
	1999	--	9.3
	2000	--	9.1
	2001	--	8.8
	2002	--	8.8
	2013	7.6	
<i>Long-term (Outcome):</i> Reduce the rate of death from carbon monoxide poisoning by 20 percent from the 1999-2000 average by the year 2013. Three-year moving averages are used to measure death rate reduction. Figures represent the number of deaths per ten million citizens.	1999	--	5.1
	2000	--	4.5
	2001	--	5.3
	2013	3.8	
<i>Annual (Efficiency):</i> Percent of fire hazard cases going to the preliminary determination panel within 85 business days after a firm report or opening of a case.	2005	--	59%
	2006	--	44%
	2007	66%	
	2008	70%	
<i>Annual (Efficiency):</i> Percent of fire-related cases where corrective action is taken within 60 business days after notice of staff's preliminary determination that a product is defective.	2005	--	75.0%
	2006	--	82.7%
	2007	80%	
	2008	82%	
<i>Annual (Efficiency):</i> Percent of cases where corrective action is taken within 35 business days after notice of a violation of CPSC standards relating to fire.	2005	--	66.4%
	2006	--	59.5%
	2007	80%	
	2008	82%	
<i>Annual (Efficiency):</i> Percent of defective product cases where corrective action is taken within 60 business days after notice of staff's preliminary determination involving all hazard areas (including fire and CO).	2005	--	75.5%
	2006	--	85.9%
	2007	80%	
	2008	82%	
<i>Annual (Efficiency):</i> Percent of cases where corrective action is taken within 35 business days after notice of a violation of CPSC mandatory standards involving all hazard areas (including fire and CO).	2005	--	82.7%
	2006	--	79.4%
	2007	85%	
	2008	88%	
<i>Annual (Output):</i> Number of consumers reached with CPSC's fire safety messages through TV appearances and interviews on national television networks, video news releases to national and local television networks, and e-publications on CPSC's Web site.	2005	--	94,055,300
	2006	--	185,283,000
	2007	125,000,000*	
	2008	125,000,000*	
<i>Annual (Output):</i> Number of consumers reached with CPSC's carbon monoxide safety messages through TV appearances and interviews on national television networks, video news releases to national and local television networks, and e-publications on CPSC's Web site.	2005	--	5,146,000
	2006	--	14,638,000
	2007	20,000,000	
	2008	25,000,000	

--No goal established.

*These targets were changed during our 2007 Operating Plan development process and may differ from those shown on www.ExpectM ore.gov.

Type	Improvement Plans	Status
Performance	Establishing broader, more comprehensive long-term goals consistent with CPSC's overall mission.	Action taken, but not completed
Budgetary	Ensuring budget requests are explicitly tied to the accomplishment of annual and long-term performance goals, and that resource needs are presented clearly in the budget.	No action taken

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

CPSC ACCOMPLISHMENTS

Our accomplishments illustrate the benefits of CPSC funding. CPSC's injury prevention activities involve all members of the product safety triangle -- consumers, industry, and CPSC -- working together for product safety. CPSC stresses three approaches in carrying out its mission. First, the agency seeks to prevent deaths and injuries from hazardous products before tragedies occur. Second, CPSC seeks to work cooperatively with, and be accessible to American consumers and businesses. Finally, the agency continually evaluates the way it operates to create a more efficient agency.



The Safety Triangle at Work: Working with Businesses and Consumers. Because government, businesses, and consumers all share responsibility for product safety, CPSC:

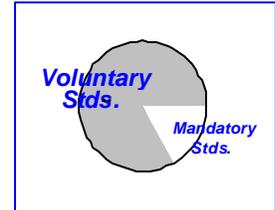
- Continued the award-winning voluntary *Fast Track Product Recall Program* to speed up corrective actions, including product recalls and, most importantly, quickly remove unsafe consumer products from the marketplace. Total Fast Track product recalls were 231 in 2006. Since the program's inception, over 1,200 firms participated, resulting in over 1,900 recalls involving over 220 million product units. The Fast Track program has been cited as an outstanding innovation by both government and private organizations.
- Initiated the creation of www.recalls.gov, an innovative "one-stop shop" for all federal product recalls, in partnership with five other Federal health and safety regulatory agencies that conduct safety recalls. CPSC also partnered with numerous businesses as well as public organizations in promoting the Web site. The site enables people to sign up for product recall alerts and automatically obtain future product safety information. In 2006, there were 1.2 million visits to the site. CPSC also added a one-stop search page where consumers can search for recalls from all six participating agencies, further enhancing their ability to disseminate important safety information.
- Established the *Office of International Programs and Intergovernmental Affairs* to support CPSC's pre-eminent role in consumer product safety on a global level. A major emphasis of this program is helping foreign manufacturers establish product safety systems as an integral part of manufacturing. In 2006, the Commission entered into new Memoranda of Understanding (MOUs) with trading partners such as Mexico, in addition to the six existing MOUs in place with China and other countries.
- Expanded the grassroots *Neighborhood Safety Network* (NSN) which provides lifesaving information to consumers and families who are not familiar with CPSC's safety messages, particularly vulnerable and hard-to-reach populations, such as the elderly, urban and rural low-income families and some minority groups. NSN has more than 5,000 members, many of whom share CPSC produced posters and safety alerts with tens, hundreds or even thousands of other people. Recent messages to the Network have focused on child care safety, a major magnet related recall, ATV safety, and furniture tipovers. Through our Web site, interested organizations and individuals may sign up to become a partner in our future information campaigns. Some of our partners include, the U.S. Department of Health and Human Services, Indian Health Service, American Indian reservations, Safe Kids Worldwide, Future Farmers of America, Boys & Girls Clubs of America, fire stations, and hospitals and health clinics.
- Designated an official *Small Business Ombudsman* at CPSC to enhance relationships between the agency and small businesses, and provide guidance to them. CPSC staff responded and offered guidance to 241 small businesses in 2006. So far, the agency has helped over 2,900 small businesses

comply more easily with product safety guidelines. In a recent survey, 92 percent reported that they were satisfied or very satisfied with our services. The program has been cited in the National Ombudsman Report to Congress on Regulatory Fairness as one of the best programs in the Federal Government.

- Established a program to invite public comments on CPSC staff and contractor research reports. The primary goals of this program are to make the CPSC staff's activities more transparent and to obtain the benefit of public review and input.

Stressing Voluntary Safety Standards. As directed by our governing statutes, we emphasize voluntary safety standards first and enact mandatory standards only when appropriate. For example, CPSC:

- Worked cooperatively with industry to complete 352 voluntary standards, while issuing only 36 mandatory rules from 1990 to 2006 – a *ten-to-one ratio* of voluntary to mandatory standards.
- Worked cooperatively with industry to revise the *voluntary baby walker safety standard* to address injuries from stair falls. New walkers with safety features are now on the market. There has been a decrease in injuries of almost 90 percent from 1992 to 2005, due in large part to the voluntary standards requirements. Injury costs have already decreased by over \$1.5 billion.
- Worked cooperatively with industry to revise the *voluntary standard for gas water heaters* to prevent fires from flammable vapors. These fires, some resulting in deaths and severe burn injuries, typically occur when consumers use flammable liquids (usually gasoline, for cleaning purposes) or when flammable liquids leak or are spilled near the water heater. New, safer water heaters are now on the market.
- Initiated a program to provide information on the *CPSC Web site* about CPSC staff participation in voluntary standards activities, including advance notice of proposed staff positions on issues to be considered by voluntary standards organizations. This program further opens CPSC staff activities for public review and comment.



Saving Lives with Action and Information. To get unreasonably dangerous consumer products off store shelves and out of homes, CPSC:

- Issued a *major regulation* (impact of over \$100 million) for mattresses to address open-flame ignition. The new regulation becomes effective on July 1, 2007, and when fully effective, is likely to save as many as 270 lives each year.
- Completed 471 recalls (the largest number of voluntary recalls in the past 10 years), *all cooperative*, in 2006, involving 124 million product units, such as 4 million notebook computer batteries presenting a fire hazard and 3.8 million magnetic child building sets presenting a fatal hazard to children.
- Continued to enforce the laws and regulations designed to protect citizens from product hazards. In 2006, CPSC obtained \$2.3 million in civil penalties for failure to report possible product hazards in a timely manner and for selling banned fireworks.
- Prevented (in partnership with U.S. Customs and Border Protection) 3.3 million non-complying product units (fireworks, lighters, and children's products and toys) that violated safety standards from entering the country in 2006.
- Staff developed a working *Retailer Reporting Model* under which certain retailers utilized a new way of meeting their obligation to report potential product hazards or violations of Commission safety standards.

- Enhanced recall effectiveness by establishing the CPSC-created *Neighborhood Safety Network*, a communications vehicle using email and the Internet; initiating the creation of www.recalls.gov and www.atvsafety.gov; and updating our www.cpsc.gov Web site.
- Informed the public in 2006 of hazardous products through 353 press releases and recall alerts, 97 television appearances, 4.7 million electronically-distributed publications, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had 20.3 million Web site visits, a 48 percent increase from 2005.
- Released *Guidelines for Entrapment Hazards: Making Pools and Spas Safer* to provide safety information that will help identify and eliminate dangerous entrapment hazards in swimming pools, wading pools, spas, and hot tubs.

Improving Early Warning Systems. Because CPSC is data-driven, we always seek to improve the timeliness and quality of data collection efforts. Specifically, CPSC:

- Expanded and accelerated collection of medical examiner and coroner reports to provide faster identification of consumer product-related deaths.
- Improved the availability of hazard data to staff, industry, and consumers by making data from the agency's *NEISS database* available on CPSC's Web site.
- Expanded timely reporting of hazards by accepting hazard complaints through our telephone hotline and Web site.

CPSC and Citizens. We work hard to bring CPSC services to citizens through many different means. Specifically, CPSC:

- Provided a "user friendly" *CPSC Internet Web site* (www.cpsc.gov), increasing visits to the site to 20.3 million in 2006 from 200,000 in 1997 (the first full year of operation). The CPSC Web site provides up-to-the minute recall and other safety information, and allows the public to send CPSC complaints about hazardous products. Industry also can use this site to file hazardous product reports required under Section 15 of the Consumer Product Safety Act and obtain current information about CPSC actions. CPSC safety brochures are available on our Web site for citizens and organizations to download and distribute. A section for children, *Especially for Kids*, provides children with important safety information on activities such as bicycling and skateboarding. Recently, we conducted a major review of our Web site and introduced many enhancements. In a recent survey, 94 percent of Web site users reported they were satisfied or very satisfied with the Web site.
- Combined state-of-the-art technology and existing resources to transform our hotline into an *innovative, user-friendly hotline information system*. The hotline provides a critical gateway to CPSC for consumers seeking important safety information and filing reports about unsafe products. In 2006, there were 185,000 hotline calls from the public.
- Brought staff closer to citizens by reassigning staff from larger, centralized regional offices to locations dispersed throughout the nation, and providing greater local presence and access.

Streamlining and Strengthening Agency Operations. To assure the most value for the American public from every agency dollar, CPSC:

- Produced 2006 audited financial statements earning a "Clean Opinion" (reported in our 2006 Performance and Accountability Report, November 2006). These statements met the *accelerated* Federal schedule of 45 days after the close of the fiscal year. The audit found that CPSC's statements and financial system conformed to accepted accounting principles, laws, and regulations and that CPSC has effective internal controls.

- Reorganized in 2005 to streamline our workforce, reduce support positions, and reduce managerial and supervisory levels.
- Consolidated two separate laboratory facilities at one location to make more efficient use of space and to increase staff productivity. Moreover, we recently co-located our sample storage facility to our laboratory site to reduce travel, shipping, and staff time costs. We continue to explore creative ways to update our laboratory capabilities in the face of ongoing fiscal restraints.
- Modernized information technology infrastructure from mainframe technology to a client–server internal network environment that has lowered costs, improved access to hazard data, and increased the speed of agency responses.
- Implemented a field teleworking program that eliminated all field space rent and increased staff efficiency.

**U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207**