



U. S. CONSUMER PRODUCT SAFETY COMMISSION



2005 PERFORMANCE AND ACCOUNTABILITY REPORT

Saving Lives and Keeping Families Safe

November 2005
www.cpsc.gov
1-800-638-CPSC



MESSAGE FROM THE CHAIRMAN

The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products under the agency's jurisdiction. Over the past 30 years, the CPSC's work to ensure the safety of consumer products—such as toys, cribs, power tools, cigarette lighters and household chemicals—contributed significantly to the 30 percent decline in the rate of deaths and injuries associated with consumer products. In 2005, the men and women of the CPSC continued to make significant progress in accomplishing its mission and objectives.

It is my pleasure to present the 2005 Performance and Accountability Report. This report presents both financial and program performance results for 2005. The performance data contained in this report are complete and reliable. In addition to the specific annual performance goal achievements described in the report, I want to summarize important activities or initiatives undertaken by the Commission for product safety.

Program Highlights

In recent years there has been an increase in both the numbers of ATVs in use and the numbers of ATV-related deaths and injuries. In light of this trend, I directed the staff to conduct a thorough review of existing All Terrain Vehicle (ATV) safety standards and to make recommendations to enhance ATV safety, including both regulatory and non-regulatory options. The Commission recently issued an Advance Notice of Proposed Rulemaking and invited public comment on the matter, and will continue to explore all options that could reduce ATV-related deaths and injuries. I also directed the staff to undertake a thorough review of the status of portable generator safety. Portable gas generators have become popular and are often used when there is a loss of power, particularly during natural disasters. To promote the efficient reporting of potentially hazardous products, the CPSC worked with a major retailer to refine and implement a new reporting system that identifies hazards faster than before. The system has become a major new source of early warning information and allows for quicker identification of emerging hazards.

We also continued our work with industry and consumers to address product hazards through the rulemaking process. In 2005, we worked on the development of two major regulations addressing mattress and upholstered furniture flammability. These two rules, if finalized, may save up to 800 lives annually and have the potential to be the first two major rules (impact of over \$100 million) ever issued by CPSC. It is unprecedented for CPSC to have two activities of this magnitude and complexity underway in the same year. We also set several noteworthy records in the area of compliance, including the largest number of voluntary recalls in the last 10 years, the largest overall civil penalties (amounting to \$8.8 million) for failure to report possible product hazards, and the largest number of voluntary product hazard reports in a single year.

In 2005, we continued our efforts to ensure that both domestic and foreign firms comply with our safety laws and standards. The Office of International Programs and Intergovernmental Affairs (OIPIA) coordinates CPSC activities with those in the international, federal, state and local arenas. With over two-thirds of our recalls involving imported products, the primary goal of OIPIA is to conduct activities and create strategies aimed at ensuring greater import compliance with recognized American safety standards and safe design practices. We recently signed a Memorandum of Understanding (MOU) with China, the largest source of consumer products imported into the U.S and the source of nearly half of our product recalls. Following this effort, we organized the first Sino-American Consumer Product Safety Summit in Beijing, China.

Federal Managers' Financial Integrity Act Reporting

In 2005, we reorganized in response to funding constraints reducing our total staffing from 471 to 446. The reorganization was designed to minimize the impact on our program work by focusing on streamlining our administrative and field operations. This reorganization did not impede the way the Commission functions.

While we met or exceeded most of our annual performance goals, some administrative goals were affected by this reorganization.

Turning to key management actions, we completed evaluations of our management controls and our financial management system in accordance with the Federal Managers' Financial Integrity Act. No material weaknesses were identified for fiscal 2005 and we find our financial management system conforms to government financial system requirements. Our independent Inspector General has audited our financial statements and verified that our statements, internal controls and financial systems conform to generally accepted accounting principles, laws, regulations, and requirements.

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

A handwritten signature in cursive script, reading "Hal Stratton", positioned above a horizontal line.

Hal Stratton
Chairman

November 15, 2005

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Note: The use of 2005 in this document refers to Fiscal Year 2005.

INSIDE THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

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

OUR MISSION

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

DID YOU KNOW?

- ★ In recent years, there were an average of about 25,100 deaths and 33.3 million injuries related to consumer products under the Commission's jurisdiction.
- ★ These injuries, deaths and their associated property damages cost the American public over \$700 billion annually.
- ★ There are over 15,000 types of consumer products under CPSC jurisdiction.



WHAT WE DO

- ★ Save the nation billions annually in health care, property damage, and other societal costs. For example, our work in reducing product-related injuries and deaths from cigarette lighters, cribs and baby walkers alone saves \$2.6 billion annually in total societal costs.
- ★ Complete cooperative recalls of defective products. In 2005, there were 397 recalls involving 67 million product units.
- ★ Work cooperatively with standards developers, consumers, industry and other interested parties to develop safety standards. From 1990 through 2005, we worked with industry and others to develop 304 voluntary standards while issuing 35 mandatory rules, almost a nine-to-one ratio of voluntary to mandatory standards. We have found that voluntary efforts are often faster and cheaper.
- ★ Provide the public with easy access to information about product hazards and the ability to contact us through our award-winning hotline and Web site. In 2005, we had 13.7 million visits to our Web site and about 129,000 calls to our hotline.

APPROACHES TO PRODUCT SAFETY

HOW WE REDUCE HAZARDS

The Commission uses a number of strategies to reduce the risks of hazardous consumer products. These strategies include (1) participating in the voluntary standards process and 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. In addition, the agency bases its actions to reduce the risks posed by of hazardous consumer products on information developed from its extensive data collection systems that assess the causes and scope of product-related injuries.

We recently developed an international program to focus on reducing product defects from imported products. About one-third of all consumer products under CPSC's jurisdiction are imports but over two-thirds of our recalls involved imported products. The primary goal of this effort is to improve the safety of imported products by conducting activities and creating strategies aimed at ensuring greater import compliance with recognized American safety standards and safe design practices.

Safety Standards

Much of our work in saving lives and making homes safer is through cooperation with industry. From 1990 through 2005, we worked with industry and others to develop 304 voluntary safety standards while issuing only 35 mandatory rules. This is almost a nine-to-one ratio of voluntary to mandatory standards.

We participate 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. Upon acceptance of our recommendations, the organizations complete technical work to support the requirements, publish a proposal for public comment, and publish a standard. We participate 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.

This process may take months or several years. Staff makes recommendations to strengthen existing and develop new voluntary safety standards. While the actual development of proposed safety provisions may be influenced by CPSC staff, the staff has no influence on the publication dates of standards.

Safety standards may also be developed through regulation. We usually work cooperatively with industry to develop an effective voluntary standard. 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.

Most of our statutes require us to go through a three-step rulemaking process. During this process, we seek input from all interested parties, including consumers, industry and other government agencies. We generally 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. In 2005, CPSC completed 397 cooperative recalls involving nearly 67 million consumer product units that either violated mandatory standards or presented a substantial risk of injury to the public. Although we have neither the authority nor the resources to approve products for safety before they are marketed, we can work with companies to remove products from the marketplace if we learn that they violate mandatory safety standards or are defective, thereby posing a substantial risk of injury or death.

Headquarters and field staff identify defective products through their own investigations. In addition, firms are required by law to report potential product hazards or violations of standards to the Commission. This year saw a new record of almost 100 more reports of potential product hazards than last year's record. This is due primarily to a new Retailer Reporting Model being tested with a large, nationwide retailer. The retailer is providing customer complaints and other incident reports to CPSC on a weekly basis.

During 2005, we obtained the largest total civil penalties in a single year (\$8.8 million) against companies for failure to report possible product hazards in a timely manner.

If an evaluation of a potential hazard supports seeking a product recall, we work with the firm to cooperatively recall the defective or violative product. In nearly all cases, firms work cooperatively with us. If a firm refuses to recall a product voluntarily, we may litigate to require a recall.

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 these hazardous products from the marketplace faster can prevent more injuries and save more lives. Recalls under the Fast-Track program are conducted twice as fast as other recalls and, on the average, are implemented within 20 days of a firm's report to CPSC.

We utilize a Small Business Ombudsman to help small firms comply more easily with product safety regulations and guides 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 Web sites (www.cpsc.gov and www.recalls.gov) and other outreach activities such as the *Neighborhood Safety Network*. We develop and provide safety information for the public through safety and recall alerts, print and video news releases, 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, video news releases) 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 *Resale Roundup*. Through the *Neighborhood Safety Network*, we strengthened our partnerships to utilize email and the Internet to more rapidly disseminate our important safety information.

In response to the devastating hurricanes in our Gulf Region, CPSC partnered with Florida, Mississippi, Alabama and Louisiana Departments of Health, FEMA, 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 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 13.7 million visits in 2005. We post and spotlight recall notices on the Web site at the same time as we issue a news release announcing the recall. Consumers and firms can file reports of unsafe products online 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 new Web site is an easy-to-use portal to all federal agencies that have the authority to conduct safety recalls. In 2005, we had 1.1 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.

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 the Commission's safety activities.

Product-Related Injuries

Through our National Electronic Injury Surveillance System (NEISS), we collect information about product-related injuries treated in hospital emergency rooms. This unique system provides statistically valid national estimates of product-related injuries from a probability sample of hospital emergency rooms and this data is the basis for many Commission activities. Several foreign governments have modeled their national injury data collection systems after the Commission's system. In recent years, NEISS supplied over 350,000 product-related cases from a sample of about 98 hospitals. The hospitals transmit incident information electronically, and in some cases, the data are available within 24 hours after an incident.

In 2000, NEISS was expanded to collect data on all trauma-related injuries. This enhanced system 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 collection of non-consumer product-related injury data is supported by reimbursable funds of \$2 million from the Centers for Disease Control and Prevention.

In 2002, we instituted new fire injury and death collection systems. The injury collection system has been established and the death collection system is being evaluated for future implementation. In addition, we are continuing to collect data on clothing-related child burn injuries from the nation's burn treatment centers through the National Burn Center Reporting System. This system was established in 2003.

Product-Related Deaths

CPSC also collects mortality data. We purchase, review, and process about 8,000 death certificates each year relating to unintentional, product-related deaths from all 50 states. Our Medical Examiner and Coroner Alert Project collects and reviews approximately 4,500 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.

Data Utility/Emerging Hazards

CPSC staff systematically reviews 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 conducts 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. Staff conducts telephone interviews to follow up on these cases and, if appropriate, conducts on-site investigations. 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.

Our economists conduct studies to provide specialized information to the 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 to support agency hazard analysis work.

Finally, in response to petitions requesting that the Commission regulate a consumer product under its jurisdiction, staff may prepare briefing packages for Commission consideration.

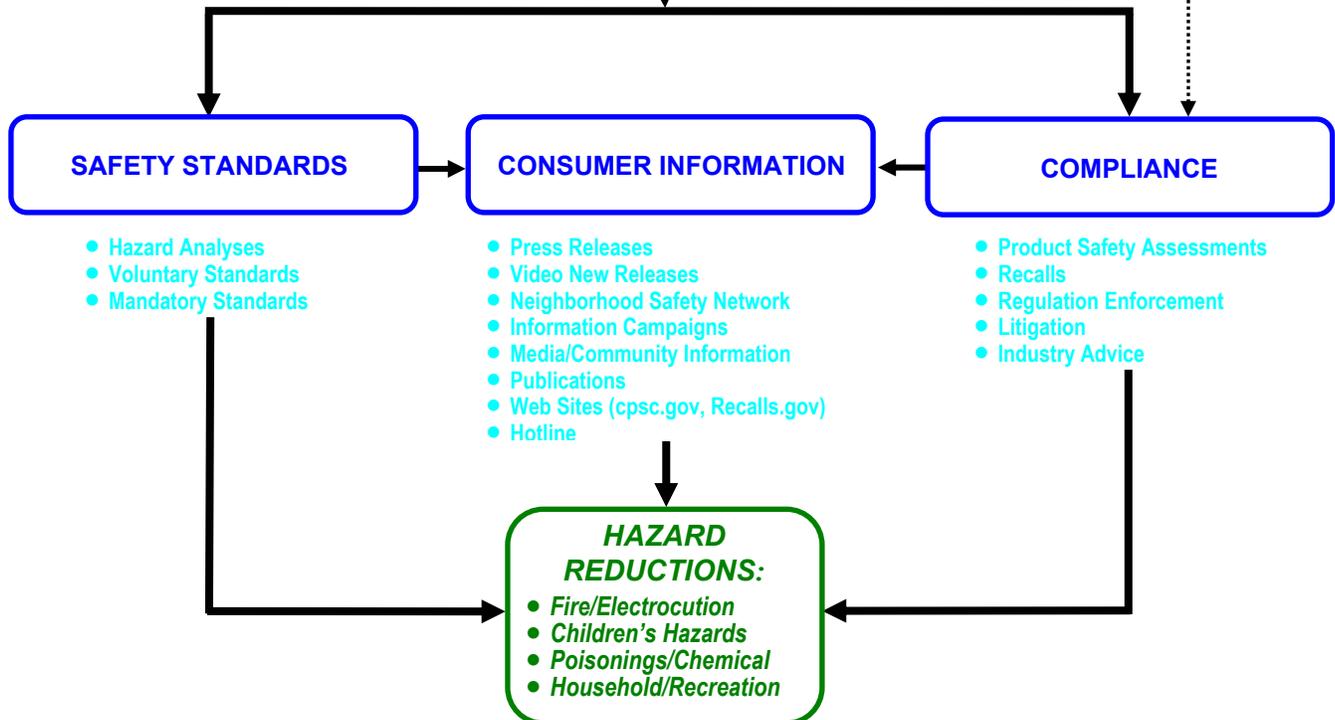
APPROACHES TO PRODUCT SAFETY SUMMARY

IDENTIFYING HAZARDS:



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

REDUCING HAZARDS:



CPSC'S STRATEGIC PLAN AT A GLANCE

CPSC's Mission

To reduce unreasonable risks of injury and death from consumer products and assist consumers in evaluating the comparative safety of these products.

CPSC Vision

A marketplace where consumer products are as free as reasonably possible from defects and hidden hazards; product designs minimize the potential for failure and human error; early warning and protection systems are routinely used; state-of-the-art information technology rapidly identifies potentially hazardous products; and world safety standards are modeled on high United States standards.

STRATEGIC GOALS

Reducing Product Hazards to Children and Families

- Reduce the fire-related death rate by 20 percent.
- Reduce the carbon monoxide poisoning death rate by 20 percent.
- Reduce the drowning death rate by 20 percent to children under 5 years.

Identifying Product Hazards

- 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.

Improving Quality and Management

- 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 programs for industry.
- Sustain consumer satisfaction with the CPSC Web site, hotline, Clearinghouse, and CPSC's State Partnership program at 90 percent or better.

RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

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

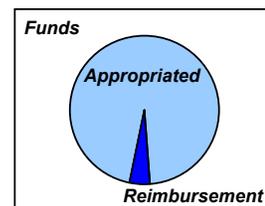
2005 PERFORMANCE SUMMARY

We met or exceeded most of our 2005 Performance Plan goals. In successful pursuit of the 2005 plan, we made these safety advances:

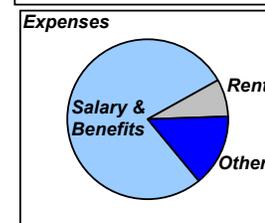
- ❖ Completed significant work on two major rulemaking projects on flammability, including:
 - Proposing a standard for open flame ignition of mattresses, resulting in a Notice of Proposed Rulemaking (NPR). Staff responded to public comments and conducted testing needed to prepare the final rule. The final rule briefing package for Commission consideration is planned for early 2006.
 - Completed a draft options package for upholstered furniture that may be adjusted to reflect stakeholder concerns and to study related technical issues. This will be done to support a potential NPR in 2006.
- ❖ Issued an Advance Notice of Proposed Rulemaking on All-Terrain Vehicles (ATVs).
- ❖ Constructed a working prototype of a portable, first-order sensor to differentiate adults from children for our Pool Sensor Technology project. Such a sensor could help prevent unsupervised young children from accessing a swimming pool area. This sensor was installed and tested. The sensor never improperly identified a child as an adult.
- ❖ Obtained 397 voluntary recalls, the largest number in the last 10 years. These recalls involved almost 67 million product units. Including recalls, we obtained a total of 975 corrective actions of potentially hazardous products. In addition, we obtained the largest total civil penalties in a single year (\$8.8 million) for failure to report possible product hazards in a timely manner.
- ❖ Provided recommendations to standards-setting organizations to develop or improve 1 national voluntary safety standard and monitored or participated in the development or modification of voluntary standards for 77 products.
- ❖ Completed several important studies to examine different product-related hazards. For example, we evaluated the characteristics experienced when a lithium battery overheats and explodes; conducted a study on smoke alarm audibility with relation to several common factors; tested currently available manufactured safety mats that could be used with indoor play equipment.
- ❖ Sustained the high level of customer satisfaction with CPSC's Web site and Small Business Ombudsman program. Over 90 percent of the respondents that we surveyed found the Small Business Ombudsman Program useful and were satisfied with the Web site, meeting our strategic goals for these programs.
- ❖ Informed the public through CPSC's communication network. We alerted the public to hazardous products through 383 press releases and recall alerts, 10 video news releases, 1.2 million distributed publications, appearances on network TV shows, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had 13.7 million Web site visits.

2005 RESOURCES

In 2005, CPSC's total available resources of \$64,918,575 included \$62,148,800 (or 96%) appropriated by Congress and \$2,769,775 (or 4%) in reimbursements from others. The majority of CPSC reimbursement funds are for the collection of injury data for incidents not under CPSC jurisdiction but using our unique data collection systems.



CPSC obligated \$62,083,780 in appropriated funds. Staff salary and benefits made up most of these obligations. In 2005, the Commission funded an average 447 FTEs using \$47,793,929 or 77.0% of appropriated funding. We obligated \$4,857,638 or 7.8% on space rent to house our staff and product testing facility. CPSC obligated the balance, \$9,432,213 or 15.2%, for various support costs, such as contractual support services, staff travel, equipment, and supplies.



2005 Appropriated Expenditures

	<u>FTEs</u>	<u>\$000</u>
Reducing Product Hazards		
Fire Deaths*	153	\$21,907
Electrocution Hazards	17	2,320
Child Drownings*	9	1,450
Other Children's Hazards	69	9,525
Carbon Monoxide Poisonings*	10	1,473
Other Chemical Hazards	40	5,946
Household and Recreation Hazards	51	6,902
Identifying Product Hazards		
Data Collection**	85	10,600
Data Utility*/Emerging Hazards.....	13	1,961
TOTAL COMMISSION	447	<u>\$62,084</u>

*These are strategic goal areas.

**Data collection activities support all hazard reduction efforts.

Note 1: Resources for Quality and Management Goals are included in the resources shown for the agency's two budget programs: Reducing Product Hazards and Identifying Product Hazards.

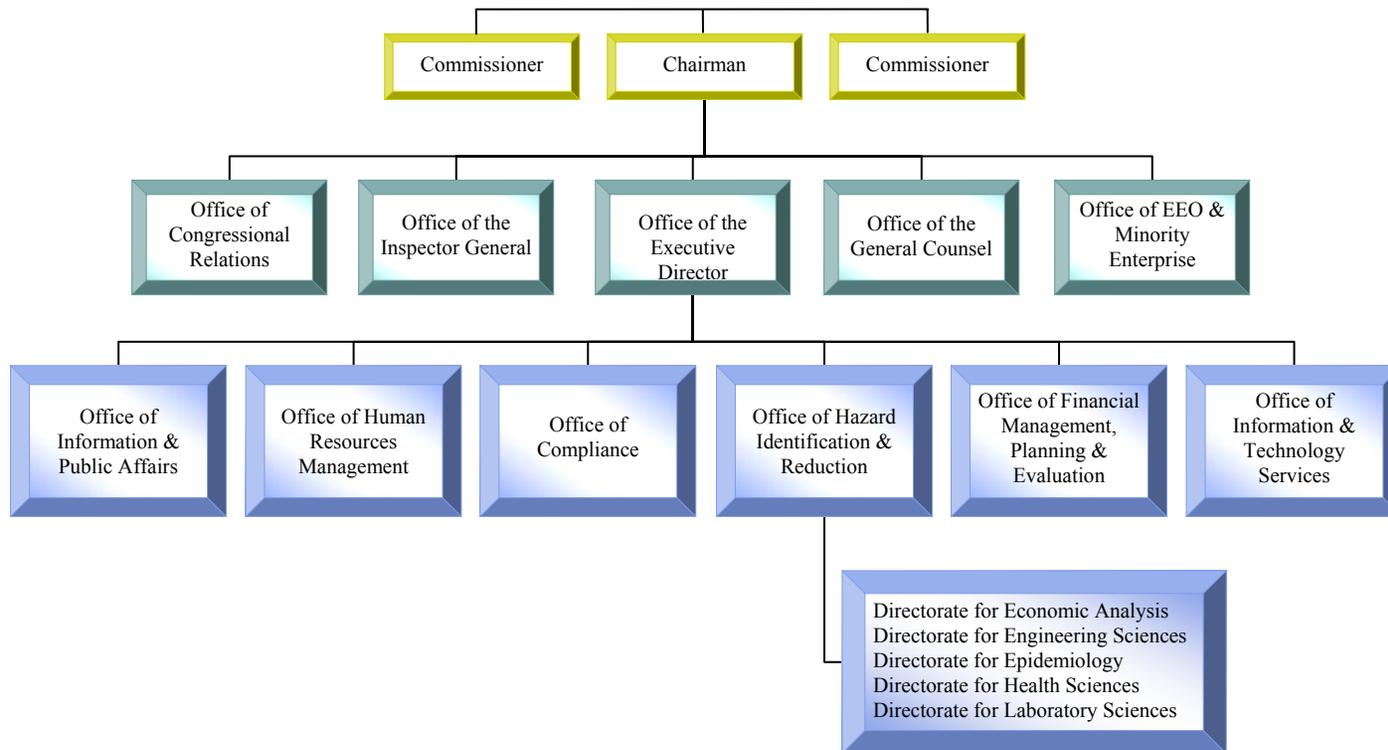
Note 2: CPSC also collected \$9,123,330 in revenue held in *custody only* from civil penalties, Freedom of Information Act fees, and fees collected for the Department of Justice that were forwarded to the U.S. Treasury or the Department of Justice.

Note 3: FTEs calculated based on the Office of Management and Budget method using 26 pay periods.

ORGANIZATIONAL STRUCTURE

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

(Note: This reflects the Commission's reorganization in June 2005.)



OTHER CONSIDERATIONS

ANALYSIS OF FINANCIAL STATEMENTS

CPSC management does not believe there are any substantial financial management issues facing the Commission. We do not believe there have been any major changes in the Commission's assets, liabilities, costs, revenues, obligations, and outlays.

ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

CPSC's system of internal control provides reasonable assurance that: obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and expenditures applicable to Agency operations are properly recorded and accounted for. The agency completed its 2005 review of the adequacy of management controls required under the Federal Managers' Financial Integrity Act. Managers assured the adequacy of management controls and conformance of financial systems with government-wide standards. No material weaknesses were identified during this review.

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

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

Management Comment on Inspector General Statement of Management Challenges

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

- Protection of Our People and Facilities
- Information Technology Security
- Human Resources
- Adoption of Performance Based Management

We agree with the selection of these challenges. As noted by the Inspector General, CPSC has taken positive substantive action in all these areas. We implemented upgraded security measures to protect our employees and facilities. We addressed all previously identified material weaknesses in our information technology security audit and we recognize that continuous security development is necessary. We are addressing human resource management challenges to meet workforce-planning needs and emphasize employee accountability.

Finally, we addressed performance based management requirements by establishing long-range strategic and annual performance goals with meaningful performance measures, establishing performance critical elements for key managers, as well as realigning organizations and programs to achieve those goals.

POSSIBLE FUTURE EFFECTS OF EXISTING EVENTS AND CONDITIONS

CPSC management does not believe there are any specific existing events and conditions that would affect our work. Of course, our workload, in part, is dependent on events that take place in the marketplace and funding is dependent on the congressional appropriation process, neither of which is under our control.

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

While the statements have been prepared from the books and records of the entity in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

PAYMENTS MANAGEMENT

CPSC has reviewed its programs and activities and determined that none is susceptible to significant erroneous payments. Significant erroneous payments are those defined as annual erroneous payments in the program exceeding both 2.5 percent of program payments and \$10 million. CPSC has no annual erroneous payments that meet these criteria. CPSC's annual appropriation for FY 2005 was \$62.1 million.

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

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

INTRODUCTION

PERFORMANCE REPORT ORGANIZATION

This performance report gives a comparison of 2005 actual performance with the annual goals and targets set forth in the 2005 Performance Plan (March 2005). The goals are in *italics* to distinguish them from the accomplishments. CPSC's 2005 performance is characterized as follows:

- Exceeded - work was accomplished beyond the target.
- Completed - performance goal met.
- Project Discontinued - the project was discontinued either because the initial work did not support continued action or the goal was found not to be an effective use of Agency resources.
- Will Complete - the goal was not met and will be completed in the future.
- Not Met - the goal was not met; for goals that are estimates and based on historical trends, a new target will be set the following year.

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

RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

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

TWO TYPES OF ANNUAL PERFORMANCE GOALS

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

First, for activities that address unforeseen safety issues, such as recalls, corrective actions, and news releases, annual goals are more appropriately characterized as estimates. We set numerical estimates for these activities based on a review of past years' data. The actual number of recalls, corrective actions, and news releases typically varies from these estimates, depending on the number and type of safety-related issues that arise during that year.

Second, for other activities, annual goals are targets set for completing a certain number of activities, e.g., sending a targeted number of recommendations designed to address fire-related deaths to voluntary standards organizations.

REDUCING PRODUCT HAZARDS: FIRE HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	154	148	145	154	153
Amount	\$17,270	\$17,340	\$16,967	\$19,473	\$21,907

STRATEGIC GOAL

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

THE HAZARD

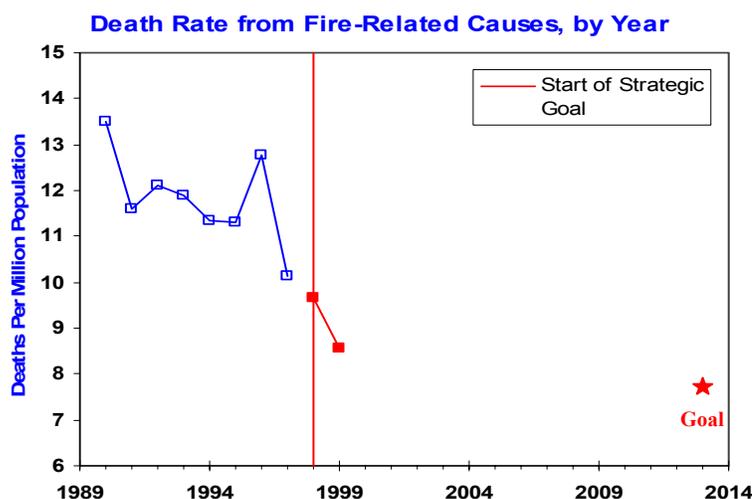
An estimated 2,390 people died and 14,550 were injured in residential fires in 1999.¹ These fires resulted in property losses of about \$4.24 billion. The total societal cost to the nation from residential fires was almost \$18 billion. Children and seniors are particularly vulnerable. In 1999, over 500 children under the age of 15 died of fire-related causes and over 300 of these deaths were to children under the age of 5 years. Children under age 5 have a fire death rate more than twice the national average. Older adults also have significantly higher fire death rates in comparison to the rest of the population. In 1999, residential fires resulted in over 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 13 percent of fire deaths in recent years.

OUR PROGRESS

Under our previous Strategic Plans (1997 and 2000), we had a target to reduce the rate of fire deaths due to consumer products by 10 percent from 1995 to 2005. From 1995 to 1998, the fire death rate declined by 14 percent. To further reduce the death rate, we decided to retain this as a strategic goal in our Strategic Plan, but with a new target of 20 percent reduction from 1998 to 2013.

Deaths due to fire have declined substantially since 1990. In 1998, there were about 700 fewer home fire-related deaths compared to 1990. In 1999, the trend appeared to continue, although the 1999 estimate is not strictly comparable on a year-to-year basis to estimates prior to 1999 due to changes in the system for coding fire data.



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

¹1999 is the latest year for which complete death data is available. Data for later years have been delayed as a result of the implementation of a major revision in the coding system for the National Fire Incident Reporting System (NFIRS).

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

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare candidates for rulemaking	Goal	2	3	3	3	4
	Actual	2	3	2	3	1
2. Complete data analysis and technical review activities	Goal	13	14	12	10	14
	Actual	8	12	7	5	10
3. Monitor or participate in voluntary standards and code revisions	Goal	*	*	17	14	13
	Actual	15	15	17	14	17
Compliance						
4. Pursue for recall or other corrective action	Goal	505	505	350	270	315 ^a
	Actual	614	371	275	387	340
5. Conduct port-of-entry surveillance	Goal	2	2	2	2	1 ^a
	Actual	3	3	3	2	2
Consumer Information						
6. Conduct public information efforts/partnerships	Goal	6	7	7	5	6
	Actual	6	7	7	5	5
7. Issue press releases and recall alerts	Goal	45	45 ^b	45 ^b	60 ^{b,c}	60 ^{b,c}
	Actual	53	88	72	100	131
8. Produce video news releases	Goal	5	6 ^b	5 ^b	5 ^b	5 ^b
	Actual	5	8	7	7	7
9. Respond to requests for publications (in thousands)	Goal	160	160	200	260	260
	Actual	259.5	289	354.5	321	177.5

*No goal established.

^aEstimate based on prior years' experience. The actual number of recalls, corrective actions, and monitoring activities will depend on the mix of safety related problems arising during the year.

^bThese goals were changed to include all product hazards, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

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

Carpet Standard Amendment

110 deaths
310 injuries
(1999)



The standards for the flammability of carpets and rugs were originally issued in 1970 to prevent fire spread by carpets and rugs ignited by a small ignition source (match, burning ember, etc.). The test method requires the use of a methenamine timed burning tablet produced by Eli Lilly and Company or an equal tablet as the ignition source for the carpet tests. In 2002, Lilly ceased production of its product and the performance of other manufactured methenamine tablets has not been verified. In 2003, the staff completed comparison testing of various manufacturers' tablets to develop draft specifications to better define the "equal" characteristics in the regulation.

Goal: In 2005, the staff will prepare a briefing package with recommended product specification amendments for Commission consideration. These draft amendments will specify the charac-

teristics of the required tablets without reference to a specific brand name product.

Will Complete in 2006: In 2005, the staff prepared a draft briefing package with recommended product specification amendments for Commission consideration. The briefing package will be completed in 2006. The schedule was extended to address higher priority rulemaking projects in the flammability area.

Clothing Textile Flammability

150 deaths
(annual average 1995-1999)
4,400 thermal burn injuries
(annual average 1998-2002)



The Federal standard for the flammability of clothing textiles was enacted to reduce clothing related thermal burns 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.

Updating the general wearing apparel standard requires development of a new dry cleaning test procedure, clarification of existing test procedures and methods for interpreting results, and possible harmonization with Canada's clothing regulations. An advance notice of proposed rulemaking (ANPR) was published in late 2002. In 2003, the staff reviewed the ANPR comments and developed a plan to prepare a proposed standard. In 2004, the staff began drafting recommendations for revisions to the clothing textile standard based on review of the current literature and consumer practices.

Goal: In 2005, the staff will complete the work begun in 2004 to prepare proposed amendments to the standard for Commission consideration and prepare a briefing package with a draft proposed rule, as appropriate.

Will Complete in 2006: The staff prepared draft proposed amendments to revise and update the general wearing apparel standard. Engineering drawings for the test apparatus and specifications for the dry cleaning procedure are nearing completion. The schedule was extended to accommodate higher priority rulemaking projects in the flammability area. A briefing package with the draft proposed standard and supporting documents for Commission consideration will be completed in 2006.

Mattresses & Bedding Material Open Flame Ignition

440 deaths
2,160 injuries (1995-1999 annual
addressable)
\$273.9 million in property losses



CPSC Mattress Testing

According to data from 1995-1999, mattresses and bedding materials were the first items to ignite in an average 19,400 fires resulting in \$273.9 million in property losses annually. Most of these losses could potentially be addressed by an open-flame standard. In 2002, the Commission voted to publish ANPR to develop a mandatory standard to reduce the severity of mattress fires and make mattresses less flammable. In early 2005, a briefing package with a draft proposed standard for open flame ignition of mattresses was completed for Commission consideration. The briefing package included test methodology, acceptance criteria, and testing and recordkeeping requirements. The Commission voted to proceed with rulemaking and, in January 2005, published a Notice of Proposed Rulemaking (NPR) on open flame ignition of mattresses and an ANPR to address open flame ignition of bedclothes.



Goal: In 2005, the staff will respond to comments on the proposed rule for mattresses and the ANPR for bedclothes and follow Commission direction as appropriate.

Completed: The staff analyzed nearly 550 public comments on the proposed rule for mattress flammability and conducted tests and other evaluations needed to respond to comments and prepare the final rule. A briefing package with a draft final rule and supporting documents for Commission consideration is planned for early 2006. The staff reviewed public comments on the bedclothes ANPR, followed California rulemaking activities, and will refocus efforts on this rulemaking when the mattress decision package is completed.

Upholstered Furniture

460 deaths
1,110 injuries (1995-1999 annual average addressable; includes 50 deaths and 360 injuries associated with small open flame ignition and 410 deaths and 750 injuries associated with cigarette ignition)



CPSC Testing

Ignitions of upholstered furniture account for more fire deaths than any consumer product under CPSC's jurisdiction. In 2003, the Commission considered issues raised at a 2002 public meeting and regulatory options to address the risk of upholstered furniture fires. In October 2003, the Commission published a new ANPR expanding the regulatory proceeding to cover the risk of cigarette ignitions as well as small open flame ignitions. In 2004, the staff developed its draft standard and prepared regulatory options. In early 2005, the staff held a public meeting to present its draft standard to interested parties.

Goal: In 2005, the staff will forward a package of regulatory options to the Commission; continue technical studies to support a proposed rule; respond to public comments on a possible NPR; and continue to work with EPA, industry, and other stakeholder groups.

Will Complete In 2006: The staff completed a draft options package but restructured the project work plan to consider stakeholder concerns and to study related technical issues. In 2006, the staff will work with stakeholders and continue technical studies in support of a possible NPR; and prepare a revised regulatory options package.

2. Complete 14 testing, data collection, hazard analysis or technical review activities.

Arc-Fault Circuit Interrupters (AFCIs)

10 deaths, 40 injuries
(1998)



In 2005, the staff anticipated that the revised National Electrical Code (NEC) could require advanced, more sensitive AFCIs for use in homes effective in 2008.

Goal: In 2005, as these new AFCIs become available, CPSC staff will evaluate them for efficacy and nuisance tripping issues. The staff will also continue to evaluate data from installed field units, including installation issues, nuisance tripping, and detection of hazardous conditions. In 2006, test results and field data will be used to make proposals to the NEC for future expansion of AFCI usage, as warranted.

Will Complete in 2006: The new technology devices were not available for evaluation in 2005. The staff continues to monitor units in the field and support revisions to the voluntary standard. A draft staff report, *Considerations for Installation of Smoke Alarms on Residential Branch Circuits*, which included installation of smoke alarms on AFCI-protected circuits, was posted for public comment on

www.cpsc.gov; the report will be finalized in 2006. The staff will evaluate new devices for efficacy and nuisance tripping when they become available.

Duplex Electrical Receptacles

10 deaths
50 injuries
(1999)



In 1999, receptacles and switches were associated with an estimated 3,300 fires resulting in \$60.6 million in property losses. In 2004, the staff began a two-year data collection effort by enrolling fire departments in a systematic effort to collect information regarding the types of receptacles involved in fire incidents and to collect the receptacles involved.

Goal: In 2005, concurrent with ongoing data collection efforts, engineering staff will evaluate collected samples to determine causes of failure. In 2006, the staff will complete analysis and sample evaluations. In 2007, this information will be used to support further changes to the voluntary standard for receptacles, as warranted.

Completed: Using available information sources, the staff identified possible receptacle incidents and requested that CPSC field investigators collect available data and samples. Samples were examined by engineering staff to determine causes of failure. Data collection and sample analysis will continue at least through early 2006 and possibly longer, as resources permit.

Electric Blankets

<10 deaths
20 injuries
(1998)



Around 1982, designs for electric blankets emerged that were based on new technology, a self-regulating polymer heating element that replaced resistive heating wire with thermostats distributed around the blanket to prevent overheating. Revisions to the voluntary standard in 1999 included safety requirements for certain failure modes of this self-regulating polymer heating element. Subsequently, newer technology, non-polymer blankets have emerged. All of these improvements provide increased safety over the old style resistive blankets, but in recent years, a number of recalls with these new technology blankets suggest a need for the staff to study the issues.

Goal: In 2005, the staff will conduct an analysis of different electric blanket technologies available on the market and assess whether the industry voluntary safety standard adequately addresses the risk of fire and shock that may be associated with these emerging designs.

Will Complete In 2006: Due to a shift in resources to complete conformity assessment work, the start of this analysis was delayed. During 2005, the staff reviewed product recall information, and procured available blanket designs from five manufacturers. In 2006, the staff will complete an assessment of blankets in comparison to problems highlighted in recalls. In addition, the staff will perform a review of the voluntary standard, UL 964 *Electrically Heated Bedding*, with respect to existing listed blankets and recalled blankets to determine the need for revisions to the standard.

Electrical Lighting Products (Carryover from 2004)

20 deaths
310 injuries
(1999)



In 1999, light fixtures, lamps and light bulbs were associated with an estimated 20 deaths and 310 injuries. In 2004, the staff completed a two year data collection effort associated with lighting equipment.

Goal: *In 2005, the staff will complete a report on the data collected. In 2006, the staff will complete examination and documentation of samples involved in fire incidents to evaluate factors such as design, installation, use, maintenance, etc. that may have caused these incidents, and conduct laboratory testing, if necessary. In 2007, recommendations for improvements to the voluntary standards applicable to those lighting products most responsible for deaths and injuries will be made, as warranted.*

Completed: The staff completed a draft report of data collected during 2003 and 2004. The draft report was provided to industry members for their comment and will be finalized in 2006.

Emergency Escape Masks (Carryover from 2003)



Emergency escape masks are products marketed as safety devices to protect users against toxic smoke while escaping a fire, chemical or other emergency in the home and other locations. These products have the potential to reduce the number of deaths and injuries by providing more escape time and protecting people from toxic gases during fires. Currently, there are no performance standards for these products.

In 2003, work on emergency escape masks was expanded to include those designed to protect against chemical, biological, radiological, and nuclear (CBRN) hazards. The staff participated with the National Institute for Occupational Safety and Health and other organizations on the development of draft performance tests for these CBRN products. In 2004, the staff attended standards development activities on masks intended to protect against CBRN hazards. Through an Interagency Agreement with CPSC, the U.S. Fire Administration provided funding at the end of 2004 to conduct testing of escape masks to evaluate the new performance standards for these products.

Goal: *In 2005, the staff will evaluate the effectiveness of escape masks and continue to examine consumer safety issues associated with these products. The original goal for 2003, to conduct performance testing and human factors analyses, will be completed in 2005. In 2006, recommendations to the voluntary standard may be made, as appropriate.*

Completed: The staff completed a human factors assessment of emergency escape masks. Contractor testing of emergency escape masks to sections of the ANSI 100 standard was also completed. CPSC received funding from the U.S. Fire Administration to conduct additional ANSI tests, including those for durability. In 2006, the staff will monitor the modification of contractor testing to include these durability tests and will forward recommendations to improve the voluntary standard, as needed.

Fire Indicators (Carryover from 2004)

Most voluntary standards use Fire Indicators, such as cheesecloth, to test the likelihood that electrical consumer products will ignite nearby combustibles. Based on previous CPSC staff testing, the staff

believes that performance requirements using more quantifiable measurements (e.g., heat flux emissions) could be used for some flammability tests. Heat flux emission measurement could improve the repeatability of the safety standard test methods and provide for a relative measure of performance that does not exist in some of the current standards.

Goal: *In 2005, the staff will complete a review of fire indicator requirements found in UL standards to determine the feasibility of each test being adapted to a quantifiable test. In 2006, once candidate tests and standards are determined, an evaluation of product incident data will be conducted to prioritize future testing efforts. Additional testing may also be conducted in 2006 to support the case for changing the involved standards.*

Project Discontinued: This project was discontinued in order to address higher priority rulemaking projects in the flammability area. The work will be reconsidered if resources become available.

Fuel-Fired Room Heating/Venting Products

180 deaths, 350 injuries
(1999)



The staff will begin a multi-year project to determine if past changes proposed by CPSC staff to voluntary standards and model building codes have an effect on the number of fires associated with fuel-fired room heating/venting products.

Goal: *In 2005, the staff will compile in-house epidemiology data and develop a methodology to examine fire trends for the appliances most heavily represented in the data. In 2005, the staff will also examine product safety assessments and samples on hand to attempt to identify additional failure causes. In 2006, the staff will analyze available data, using the methodology developed in 2005.*

Project Discontinued: The staff completed an evaluation of the available hazard data to identify the specific products most commonly involved in fires. Critical data, e.g., failure mechanism and detailed product identification and age, were not available from typical investigations. The staff did not analyze on hand samples or product safety assessments in 2005 because the data analysis showed it was not possible to establish which particular products were causing fires in the field or determine patterns in failure cause. The data do not support further work in this area.

Lithium Ion Batteries (Accelerated from 2006)

566 injuries (NEISS 2002)



Portable electronic devices use high energy density batteries, such as lithium ion batteries. Batteries that experience an internal cell short may overheat and explode, posing a hazard to consumers. A battery failure in a portable device such as a mobile phone, may result in a potentially more hazardous situation because of the close proximity of the phone to the body when in use or in the pocket/side clip during transit.

Goal: *In 2005, CPSC staff will review available data to assess the extent and severity of hazards associated with lithium ion batteries and investigates methods to quantitatively determine the characteristics experienced when a lithium ion battery overheats and explodes. If feasible, in 2006, the staff will examine potential methods and/or safety features that could be incorporated into such products to reduce the hazards associated with lithium ion batteries.*

Completed: The staff contracted with Naval Surface Warfare Center (NSWC) to test lithium ion cellular phone batteries. The testing characterized the response of a lithium ion cell phone battery when it overheats and explodes. A report of NSWC's test results will be completed in 2006.

Mobile Homes (Carryover from 2004)

5.4 deaths per 100,000 housing units
11,420 fires
500 civilian injuries
180 civilian deaths
(1999)



From 1994 to 1998, there were 5.4 fire-related deaths per 100,000 mobile/manufactured homes compared to 3.6 - 4.1 deaths per 100,000 one- and two-family dwelling units. In 2004, the staff completed a review of indepth investigation data involving manufactured homes.

Goal: In 2005, the staff will review product safety assessments to determine if any failure modes exist that could be addressed by changes in voluntary standards. If warranted, safety proposals will be developed from the 2005 review in 2006.

Project Discontinued: The staff completed a review of fire incidents involving consumer products that occurred in manufactured housing in 2004 and a review of product safety assessments involving manufactured housing fires occurring in 2005. The findings do not support further work in this area.

Panel Boards (Carryover from 2001)

< 10 deaths
30 injuries
(1999)



Fires may occur from overload and short circuit conditions in a home's wiring when the circuit breaker fails to perform its intended function of interrupting the power. In 2004, we continued exploratory test work to evaluate the circuit breaker/panel board system.

Goal: In 2005, we will review voluntary standards and codes related to panel board and circuit breaker design, review data on installation and use, and continue data collection efforts to collect incident reports. Long term cyclic testing continues at the laboratory and will be reassessed in early 2006. A report of staff analyses of the data and the collected samples will be completed in 2006. Recommendations for changes in the voluntary standards or building codes may be identified and submitted to the appropriate organizations in 2007, as warranted.

Project Discontinued: The staff completed collection of incident reports and samples. The staff assessment of available data and field samples does not support further work in this area at this time.

Range/Oven Extinguishing Systems (Carryover from 2004)

90 deaths
2,650 injuries
(1994-1998, estimated annual average)

Range/oven fires account for extensive residential fire losses. After market range/oven extinguishing systems are available to consumers to prevent these fires and vary in complexity and cost, from simple overhead range-mounted cans to systems that have the ability to shut off the power or gas supply.

Goal: In 2005, the staff will test range/oven extinguishing systems, develop market information, and review applicable safety standards. If warranted, the staff will make recommendations for voluntary standards in 2006.



Will Complete In 2007: This project was deferred in order to address higher priority rulemaking projects. The work is planned to begin in 2006. In 2006, the staff will seek collaboration with UL, industry, and other stakeholders in conducting a limited test program to evaluate performance characteristics of these products. The staff will also develop market information and review applicable safety standards.

Residential Fire Survey (Carryover from 2004)

2,390 deaths
14,550 injuries (1999)



There were 337,300 residential fires attended by the fire service that resulted in \$4.24 billion in property loss in 1999. Fire service attended fires are thought to represent only about 3 percent of all U.S. residential fires annually. A probability telephone survey of causes and characteristics of residential fires, both attended and not attended by the fire service, was initiated during late 2004 by a contractor. Data collection will include information about the performance of smoke alarms, sprinklers, and fire extinguishers in those fires.

Goal: In 2005, the staff data collection will be completed and in 2006, the staff will complete a hazard report to support national programs conducted by the Federal fire partners, voluntary standards groups, and the fire safety community.

Completed: Telephone survey data collection was completed. Work in 2006 will consist of staff analysis of the survey data and completion of a final report to support national programs conducted by the Federal fire partners, voluntary standards groups, and the fire safety community.

Smoke Alarms

2,390 deaths
14,550 injuries
(1999)



CPSC Testing

The sensors used in smoke alarms have changed very little since they were first introduced on a large scale in the early 1970s. Recent research, combined with an increased understanding of the physical effects from smoke and toxic gases, concludes that occupants have less time before untenable conditions are reached in residential fires than they did 30 years ago due to changes in construction materials and home furnishings. Further, under some scenarios, today's alarms may not provide adequate escape time.

Goal: In 2005, the staff will complete an investigation on technically viable and economical solutions to reduce response detection time of smoke alarms in the event of a fire. Both direct (modification of the smoke alarm) and indirect (additional means to notify a main smoke alarm unit) methods of improving smoke alarm detection will be investigated. In 2006, the staff will complete a report on this work.

Completed: CPSC contracted with the Naval Research Laboratory (NRL) to investigate indirect methods for earlier detection of smoke and fire. Testing at NRL was completed in 2005, and a report of their work will be completed in 2006. In addition, the staff investigated potential methods and technologies for earlier direct detection of smoke and fire. Some additional testing of these methods will be conducted in 2006, and a report of the work will be completed.

Smoke Alarms, Sound Effectiveness

(Carryover from 2004)

Over 800 deaths to persons 65 and older
Over 500 deaths to children under age 15



In comparison to the rest of the population, older adults have significantly higher fire death rates. The elderly may have diminished hearing, often making it difficult for them to hear smoke alarms, particularly at higher frequencies. In addition, some studies indicate that smoke alarms may not wake some children.

Goal: *In 2005, the staff will conduct testing to address issues associated with audibility of smoke alarms. We will examine the feasibility of developing a practical and competitively priced alarm to address smoke alarm audibility. Recommendations for improvements to the voluntary standard will be made in future years, if appropriate.*

Completed: The staff conducted a study on smoke alarm audibility issues in relation to several factors, including the age of the respondent, location of a single-station alarm, and cost of implementation. This work was documented in staff reports, *The Audibility of Smoke Alarms in Residential Homes* and *Possible Technologies for Improving the Audibility of Residential Smoke Alarms for Older Adults*. The staff anticipates using the results of this study to encourage revisions to the National Fire Alarm Code.

3. Voluntary Standards

Goal: *Monitor or participate in the development or modification of 13 voluntary standards for products such as fire sprinklers, clothes dryers, electric heaters, and smoke alarms.*

Exceeded: The staff monitored or participated in the development or modification of 17 voluntary standards for the following products:

- Arc-fault circuit interrupters
- Brewing appliances
- Candle and candle accessories
- Cell phone batteries
- Countertop cooking and food serving appliances
- Electrical Reinspection Code
- Electric heaters
- Escape masks
- Fire sprinklers
- Frying-type appliances
- National Electric Code
- Portable electric luminaries
- Portable fans
- Room venting/heating products
- Smoke alarms
- Transient voltage surge suppressors
- Turkey fryers

Compliance

4. Recalls



Goal: *Initiate recalls or other corrective actions for a projected 315 products that either violate mandatory safety standards or are unregulated products that present a substantial risk of fire-related death and injury.*

Exceeded: In 2005, we obtained recalls or other corrective action for 340 products directly involving a fire hazard (see examples below). Of these, we obtained 99 recalls involving about 23 million product units. The remaining 241 products required other corrective actions, such as repair and/or production correction with a possibility of stopping current sales until the fix was verified.

For example, CPSC obtained a recall for 636,000 upright vacuum cleaners that have defective on-off switches that can overheat the handle and tool holder areas of the vacuum, resulting in a fire hazard.

Also, CPSC obtained a recall of 2.8 million cans of parts and brake cleaner because affected aerosol cans contain a defective spray valve that might stick when depressed, possibly emptying the can's flammable contents.

5. Import Surveillance



Goal: Conduct port-of-entry surveillance for 1 product for which fire safety standards are in effect.

Exceeded: In 2005, CPSC Field staff and the U.S. Customs and Border Protection seized over 1.3 million non-complying fireworks and approximately 2.3 million non-complying cigarette lighters and multipurpose lighters to prevent them from entering the country.

Consumer Information

6. Conduct 6 public information efforts, including at least 1 partnership with industry and/or a fire safety group.

Fireworks



Goal: Prior to the 4th of July, CPSC will conduct a comprehensive national safety campaign to alert consumers on the dangers associated with legal and illegal fireworks through a press conference, press release and release of a VNR. CPSC will involve Federal law enforcement partners, such as the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Department of Homeland Security (DHS). CPSC will post its "Fireworks Safety Tips" on our Web site "Press Room," which is visited by journalists and consumers alike and use our Neighborhood Safety Network program to disseminate a fireworks safety poster to at least 2,000 grassroots organizations.

Exceeded: In June 2005, the staff organized a fireworks safety news conference on the grounds of the National Mall in Washington, D.C. The event sought to warn of the dangers of both legal as well as illegal fireworks. In this safety and law enforcement initiative, CPSC partnered with the Department of Justice; DHS and ATF.

More than 330 television stations nationwide broadcast the video news release of the fireworks event, reaching a potential audience of 28.6 million. In addition, the Chairman provided fireworks safety tips during live interviews on CBS's *The Early Show* and CNN's *American Morning*. News media attending the news conference included NBC, CBS/BET and CNN. Print media covering the event included the Associated Press (AP) and USA Today. Radio coverage included ABC, CBS, CNN, Metro Network News, Mississippi Radio Network, Southern Urban Radio Network and USA Radio Network. CPSC also issued a press release and updated the free publication, *Fireworks Fact Sheet*, which provides safety tips, a state-by-state breakdown of fireworks laws and injury/incident information. Since a previous

Neighborhood Safety Network fireworks poster was still available for download from our Web site, resources were directed to expand our media coverage.

General Fire Hazards



Goal: CPSC's development of possible new open flame flammability standards for mattresses, mattress and foundation sets and bedclothes will be supported through a nationwide information and education campaign. The campaign will include such activities as national media interviews, issuing news releases, VNRs, posters for partners and other grassroots organizations. Possible partners in this campaign may include industry and retail associations, as well as fire prevention organizations. Should a final rule be adopted by the Commission, informational materials will be developed and disseminated through national announcements and regional and local activities.

Will Complete in 2006: The staff is poised to generate substantial media interest in CPSC's new mattress flammability regulation if a final rule is implemented. Throughout 2005, the staff conducted interviews supporting staff's ongoing work with media such as the Washington Post; Furniture Today; Consumer Reports; and CBS, ABC and FOX TV affiliates.

Halloween Hazards



Goal: Halloween costumes, jack-o-lanterns, and seasonal decorations can pose serious fire hazards, particularly to young children. Prior to Halloween, CPSC will conduct a nationwide education and information campaign highlighting commonly overlooked flammability hazards while providing important safety tips. We will actively promote Halloween safety by issuing a press release, developing and disseminating a Neighborhood Safety Network poster, releasing a Halloween VNR and providing TV and radio interviews.

Completed: The staff produced an updated video news release promoting Halloween safety, which was viewed by 13 million people through 300 broadcasts of the story. Chairman Stratton and Public Affairs staff also conducted radio interviews and background interviews with local TV stations and print reporters. The staff also disseminated a news release and a Neighborhood Safety Network poster in English and Spanish. CPSC field staff actively promoted Halloween safety through radio and newspaper interviews in Pennsylvania and Connecticut.

Holiday Hazards



Goal: Throughout the winter holiday season, CPSC will warn consumers about the risk of fire from Christmas trees, decorative light strings, candles, fireplaces and other sources. Important safety tips, such as regularly inspecting the freshness of the needles of live Christmas trees and never leaving lit candles unattended, will be communicated through national major media interviews, regional TV and radio interviews, issuing a press release, releasing a VNR and conducting regional and local media activities.

Exceeded: In December 2004, the staff conducted a national campaign warning consumers of dangers associated with holiday decorations. Safety tips warned consumers to keep trimmings and

decorations with small parts out of the reach of young children. Parents were also warned to place candles out of children's reach. In addition to a press release, CPSC issued a video news release which reached an estimated 9 million TV viewers. CPSC staff conducted TV and radio interviews on the subject, including an interview on the CBS's *The Early Show* and CNN. CPSC staff worked to distribute holiday safety information throughout the nation. Nineteen informational sessions and media conferences were conducted reaching an audience potentially totaling over 2 million people. A CPSC official was interviewed with the California Fire Marshal for the Holiday Safety Press Conference. More than 5 local television stations affiliated with NBC, ABC, and CBS covered this story.

The staff conducted activities to raise consciousness about holiday safety throughout the country and discussed hazards such as holiday lights, extension cords, and fresh and artificial trees. This included newspaper articles in addition to television and radio interviews in metropolitan areas such as Sacramento, Philadelphia, and Los Angeles. The staff made presentations to 20 groups including schools, fire departments, and local consumer groups. Ten presentations were operated at locations like the Boston Health Commission. Other exhibits were held with Safe Kids chapters, Head Start, and at the quarterly meeting of PTA Board of Managers Community Concerns Committee in Los Angeles, California.

Safety for Older Consumers



Goal: CPSC will highlight the risk of fire affecting the elderly through major media interviews and partnering with the National Safety Council. This campaign will also warn seniors to the hazards of slips and falls (mechanical hazards) common in the home. The National Safety Council will serve as a partner to help communicate the campaign messages. CPSC field staff will work with state and local groups to conduct 30 Older Consumer Safety Seminars across the nation. CPSC will also develop an online, interactive Older Consumer Safety Test to help disseminate safety information covering both fire and mechanical hazards.

Exceeded: The staff conducted a national campaign for Safety for Older Consumers with references to fire hazards in the *Older Consumers Checklist*. CPSC field staff worked with state and local partners nationwide to inform the elderly and families about hazards that pose a risk of injury to older consumers. The staff conducted 40 Older Consumer Safety Seminars in 20 states. The staff also developed an online interactive Older Consumer Safety Test, to allow consumers to test their knowledge about hazards in and around the home. The staff demonstrated the test during seminars and disseminated safety information about how to reduce the risks of fires. All publications pertaining to the campaign were made available via CD Rom and disseminated to many organizations such as state agencies on aging.

Smoke Alarms

Goal: On two occasions during the year -- the advent and the conclusion of Daylight Savings Time -- CPSC will remind Americans to check smoke detectors and CO detectors in homes and to add fresh batteries through such activities as news releases. CPSC will use these opportunities to remind families to develop and practice emergency evacuation plans as well. CPSC will also highlight recent



CPSC staff work examining the audibility of smoke alarms for young children and older consumers through national and local media interviews. Throughout the year, consumers can receive free-of-charge home fire safety tips through the Agency's toll free telephone number 1-800-638-CPSC or by visiting www.cpsc.gov.

Completed: The staff worked with various media outlets, including CNN and *Inside Edition*, on news stories featuring important CPSC work on smoke alarm audibility problems for children under 16 and hearing impaired older adults. In addition, CPSC issued a video news release (VNR) in March in connection with daylight savings time to remind consumers to change the batteries in their smoke alarms, which included urging consumers to develop and practice an emergency escape plan. The VNR reached nearly 2 million viewers. CPSC field staff worked throughout the year to disseminate safety information concerning smoke alarms to the general public and specifically to the older consumer population. Through television interviews, exhibits, and presentations, field staff reached an audience of over 500,000.

Using CO alarms was one of the main messages of an information campaign conducted in September to promote portable generator safety after the two Gulf Coast hurricanes struck. The campaign consisted of a press release, video news release and other literature distributed widely in the affected area. Additionally, CPSC promoted CO alarms as part of a press release issued on the hazards of heaters and fireplaces in December.

7. Press Releases/Recall Alerts

Goal: Issue 60 press releases and Web recall alerts to inform the public about products presenting a risk of fire-related death.

Exceeded: In 2005, we issued 131 press releases and recall alerts to inform the public to hazardous products presenting a risk of fire-related death.

8. Video News Releases

Goal: Produce 4 video news releases (VNRs) for products that present a fire hazard and 1 VNR for fireworks safety.

Exceeded: In 2005, we produced 7 VNRs that addressed fire-related hazards. These VNRs reached a total potential audience of over 67 million television viewers.

9. Publications

Goal: Respond to consumer requests for a projected 260,000 checklists, booklets, and safety alerts warning about fire hazards.

Not Met: In 2005, we responded to requests and distributed 177,500 publications that addressed fire-related hazards. The most requested distributed publications were: *Home Fire Safety Checklist*, *Smoke Detectors Can Save Your Life*, and *Home Safety Checklist for Older Consumers*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 391,000 fire-related publications that were viewed on our Web

site in 2005. To reach the public more effectively while decreasing costs, we are focusing our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

REDUCING PRODUCT HAZARDS: ELECTROCUTIONS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	25	23	22	20	17
Amount	\$2,569	\$2,724	\$2,667	\$2,628	\$2,320

THE HAZARD

In 2001, the latest year for which fatality data is available, there were about 180 deaths from consumer product related electrocutions. Eight percent of these deaths were of children under 15 years old. In 2003, there were an estimated 6,200 electric shock injuries. Total societal cost in the U.S. associated with these electrocutions and electric shocks is over \$1.1 billion. The Commission continues to receive reports of electrocution deaths from products such as house wiring, lamps and light fixtures, power tools, and small and large appliances.

Reducing the rate of death from electrocutions was a former strategic goal. Past efforts were successful and the annual number of consumer product related electrocutions declined by 22 percent from 1994 to 2001. Past efforts may continue to produce results, particularly as a result of provisions in the National Electrical Code. We continue to work in this area but not at the level of intensity of a strategic goal.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Complete data analysis and technical review activities	Goal	3	1	*	*	2
	Actual	1	1	--	--	1
2. Monitor or participate in voluntary standards revisions	Goal	*	*	2	2	1
	Actual	2	4	2	2	1
Compliance						
3. Pursue for recall or other corrective action	Goal	15	15	15	20	25 ^a
	Actual	13	31	18	35	23
Consumer Information						
4. Conduct public information efforts	Goal	1	1	2	2	1
	Actual	1	3	2	2	1
5. Issue press releases and recall alerts	Goal	8	8 ^b	8 ^b	15 ^{b,c}	15 ^{b,c}
	Actual	9	25	21	35	18
6. Produce video news releases	Goal	1	1 ^b	1 ^b	2 ^b	1 ^b
	Actual	1	1	3	1	2
7. Respond to request for publications (in thousands)	Goal	45	45	60	80	80
	Actual	80	102	115	92	66.5

*No goal established.

^aEstimate based on prior years' experience. The actual number of recalls, corrective actions, and standards monitoring will depend on the mix of safety related problems arising during the year.

^bThese goals were changed to include all product hazards, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

1. Complete 2 data analyses and technical review activities.

Electric Toys



The Office of Management and Budget recommended that CPSC conduct a more systematic review of its rules. In 2004, the staff conducted a pilot review and identified the Electric Toy Regulation as a candidate for updating.

Goal: *In 2005, the staff will complete draft recommendations for updates to the rule associated with outdated references to standards and improvements to certain warning labels.*

Completed: The staff completed draft recommendations for outdated references to standards and improvements to warning labels. The staff also proposed adding requirements for a ground-fault circuit interrupter for the voluntary standard on electric fans to prevent risk of electrocution with home-use inflatables.

Self-Testing GFCI

19 deaths (2001)



Ground Fault Circuit Interrupters (GFCIs) contributed significantly to the reduction of electrocution and severe electric shock incidents since their introduction in the early 1970s. GFCIs can fail and not provide a safety function even though there is still power to the outlet. These failures can occur in such a way that the consumer may not realize that the GFCI is no longer providing shock protection. Few consumers actually test their GFCIs and may not realize one is non-functional. Self-testing GFCIs would reduce the concern that this safety device may not be operating because most functional testing would be done automatically. In addition, the self-testing GFCI would not provide power if the GFCI did not pass its test.

Goal: *In 2005, the staff will work with industry to define the characteristics of a self-testing GFCI, as well as the types of tests that should be considered in evaluation of prototype designs. We will prepare a report describing the desired characteristics and recommended tests. In 2006, the staff will investigate technically viable and economical solutions to the development of a self-testing GFCI.*

Will Complete in 2006: This work was deferred until 2006 because of higher priority work on development of a voluntary standard for cell phone batteries. In 2005, the staff met with industry to encourage development of an enhanced/self-testing GFCI. The staff will continue to work with industry in 2006 to further enhance the GFCI and support revision to the voluntary standard.

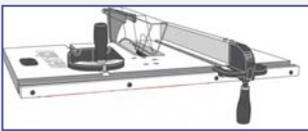
2. Voluntary Standards

Goal: *Monitor or participate in the development or modification of 1 voluntary standard for ground fault circuit interrupters.*

Completed: The staff monitored the modification of UL 943, *Ground Fault Circuit Interrupters*. New requirements were added to the voluntary standard for product end of life and denial of power to the receptacle face in the event of line-load miswiring.

Compliance

3. Recalls



Goal: Identify and act on 25 products that present a risk of electrocution by seeking recalls or other corrective actions.

Completed: In 2005, we substantially met our goal by obtained recalls or other corrective action for 23 products directly involving an electrocution hazard (see examples below). Of these, we obtained 20 recalls involving over 5 million product units. The remaining 3 corrective actions were toy products that presented a risk of electrocution. The products were repaired and future production was corrected.

For example, CPSC obtained a recall of about 750,000 carpet cleaners because the metal upper handle could pose an electric shock hazard to consumers.

As another example, 120,000 table saws were recalled because of a defective blade drive mechanism that could allow kickback of saw blade and damage to electrical wiring.

Consumer Information

4. Public information efforts

Goal: Throughout the year, CPSC will alert consumers to the dangers of electrocution hazards from household products through such activities as radio interviews and local press publications. Consumers can receive free-of-charge safety tips through the Agency's toll free telephone number 1-800-638-CPSC, or by visiting www.cpsc.gov.

Exceeded: Throughout the year, the staff conducted interviews on electrocution and electrical fire issues with Fox News Channel; TV stations in Chicago, Dallas and Seattle; the St. Petersburg Times and the Pittsburgh Post-Gazette. The topics ranged from a shock hazard with the slide switch in some hair dryers to promoting AFCI use to expanding the National Electrical Code to preventing cell phone batteries from exploding. In May, the staff promoted the Wired For Safety video and partnered with CTIA-The Wireless Association on cell phone battery safety during National Electrical Safety Month.

5. Press Releases/Recall Alerts

Goal: Issue 15 press releases and recall alerts for products presenting a risk of electrocution.

Completed: In 2005 we issued 18 press releases and recall alerts to warn the public about hazardous products that present risks of electrocution or electric shock hazards.

6. Video News Releases

Goal: Produce 1 video news release (VNR) for a product presenting a risk of electrocution.

Exceeded: In 2005, we produced 2 VNRs that addressed electrocution or electric shock hazards. These VNRs reached a total potential audience of over 8 million television viewers.

7. Publications

Goal: Respond to consumer requests for an estimated 80,000 safety alerts, checklists and booklets

Not Met: In 2005, we responded to requests and distributed 66,500 publications that addressed electrocution hazards. The most requested distributed publications were: *Childproofing Your Home-12 Safety Devices To Protect Your Children*, *Home Safety Checklist For Older Consumers*, and *Don't Swim With Shocks*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 118,000 electrocution related publications that were viewed on our Web site in 2005. To reach the public more effectively while decreasing costs, we have focused our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

REDUCING PRODUCT HAZARDS: DROWNINGS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	--	--	--	5	9
Amount	--	--	--	\$782	\$1,450

--Data not available.

New strategic goal in 2005. While the Agency did work in this area in 2003, resource data is not available to reflect the 2003 work done on Children's Drownings. Resources for work done prior to 2004 are included in resources for the activity "Keeping Children Safe from Other Hazards."

STRATEGIC GOAL

Reduce the rate of swimming pool and other at-home drownings of children under 5 years old by 20² percent from the 1999-2000 average by the year 2013.

THE HAZARD

An annual average of 242 children younger than 5 years of age drowned in swimming pools nationwide in 2000-2001. The total cost to the nation from child pool drownings and submersion injuries is nearly 1.8 billion. Outcomes of submersion injury incidents range from complete recovery to irreversible brain damage. Most of these cases involve residential pools. Studies show that in many cases involving home pools, the child was last seen in the house and was not expected to be at or near the pool.

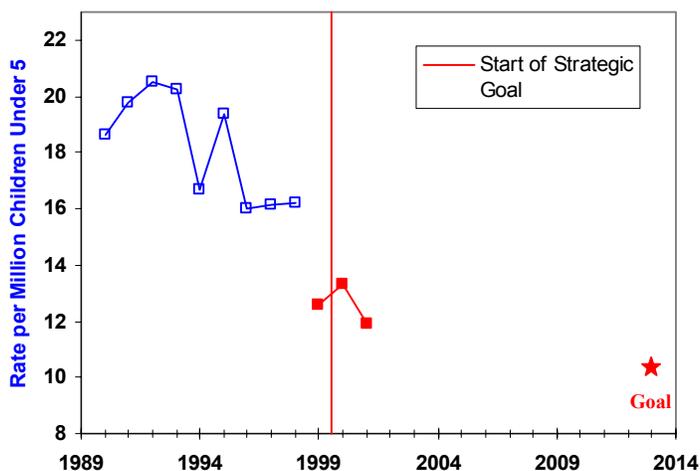
CPSC also received information about other causes of drowning in and around the home. Recent data show that an average of 159 children under 5 (2000-2001) drowned from other hazards around the home. Many of these deaths involve common household products such as bathtubs, hot tubs and spas, wading pools, buckets, toilets and other products.³

OUR PROGRESS

Child drowning prevention was developed as a new strategic goal for three main reasons: (1) the goal focuses on children, a vulnerable population; (2) drowning ranks second in causes of death to children under 5 after motor vehicle incidents; and (3) proposed strategies show that a systematic approach appears to be potentially effective.

Pool related child drowning rates declined by 12 percent from 1990 to 1998. From 1999 to 2001,⁴ pool and at-home drowning rates per million children under 5 appear to continue to decline with the 1999-2001 average of 12.6 for pool drownings and 8.2 for at-home drowning.

Death Rate to Children Under 5 Years from Swimming Pool Drowning, by Year



²The Strategic Plan (2003) had a target reduction of 10 percent. However, based on more current information, we have modified this target to 20 percent.

³Death certificates are made available to CPSC through contracts with each state. The time required for collection and processing varies by state, leading to a lag time, often of two or more years, in the compilation of complete death data.

⁴The discontinuity of rates from 1999-2001 and earlier years may be at least partially the result of a different method to determine the number of deaths from 1999-2001 than was used in the previous years. This different method includes two changes: a change in the International Classification of Diseases (ICD) and a change in methodology within CPSC.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare candidates for rulemaking	Goal	1	1	1	1	1
	Actual	0	1	1	1	0
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	*	*	2	3	4
	Actual	--	--	2	3	4
3. Monitor or participate in voluntary standards revisions	Goal	*	*	2	5	4
	Actual	2	2	2	5	5
Compliance						
4. Pursue for recall or other corrective action	Goal	*	*	*	1 ^a	1 ^a
	Actual	--	2	1	1	1
5. Monitor existing voluntary standard	Goal	*	*	*	1	1 ^a
	Actual	--	--	--	0	1
Consumer Information						
6. Conduct public information efforts	Goal	*	*	1	2	2
	Actual	--	2	1	2	1
7. Issue press releases and recall alerts	Goal	*	*	*	2 ^{b,c}	2 ^{b,c}
	Actual	--	5	4	6	5
8. Produce video news releases	Goal	*	*	*	2 ^b	1 ^b
	Actual	--	1	2	2	2
9. Respond to requests for publications (in thousands)	Goal	*	*	*	95	95
	Actual	97.5	107.5	123.5	99	81

*No goal established.

--Data not available.

^aEstimate based on prior years' experience. The actual number of recalls, corrective actions, and standards monitored will depend on the mix of safety-related problems arising during the year.

^bThese goals were changed to include all product hazards, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

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

Baby Bath Seats

106 drowning deaths
163 non-fatal incidents
(Reports from Jan 1983 - Oct 2003)



In May 2001, CPSC voted to initiate rulemaking for baby bath seats in response to a petition to ban these products. In October 2003, the Commission voted to proceed with a Notice of Proposed Rulemaking (NPR). In 2004, we reviewed public comments that were received following publication of the NPR in December 2003. The staff also continued working with ASTM on the voluntary standard, which was approved in July 2004.

Goal: In 2005, the staff plans to complete its evaluation of industry conformance with the revised voluntary standard and prepare a briefing package for Commission consideration as to whether to continue rulemaking.

Will Complete In 2007: Conformance monitoring of bath seats was completed in 2005. New information became available and the staff plans to continue to participate in the voluntary standards process as additional requirements are considered and to monitor the progress of the voluntary standard. In 2007, the staff will prepare a briefing package that contains recommendations with regard to rulemaking.

2. Complete 4 testing, data collection, hazard analysis, or technical review activities.

Information Collection



In 2005, the staff will continue to gather information to define the relevant issues; identify gaps in current knowledge; establish priorities, develop methodologies for collecting further information, and solidify objectives in addressing this national drowning problem.

Goals:

- *Review the literature on pool drowning data/issues, particularly for campaigns that were effective in changing human behavior. This information about effective strategies will aid efforts related to our drowning prevention campaigns.*
- *Develop national estimates of swimming pool and other home drowning deaths and monitoring in-house data that may include investigative follow-up of both drowning deaths and non-fatal submersion injuries.*
- *Explore potential sources of data from a variety of external sources, such as other government agencies, child death review teams, regional first responder reporting programs, and others.*
- *Examine issues of current interest such as the: effectiveness of barriers and other safety devices, potential hazards with inflatable pools, circumstances involved in pool/spa entrapment, nature and scope of incidents that occur in pools located at such places as apartments and hotels/motels, and drowning hazards posed by non-pool home products.*
- *Identify and develop information that can be used to inform new parents about drowning hazards in pools and other home locations.*

Completed: The staff substantially completed this goal by completing the following activities:

- Examined peer reviewed publications of programs and theories pertaining to changing human behavior. The staff is creating a summary of best practices for internal use which will be completed during 2006.
- Updated child drowning death data that occurred in 2000 through 2002.
- Explored the possibility of a joint data collection effort with the National Institute of Child Health and Human Development (NICHD), although this was dropped due to timing constraints.
- Compiled data on incidents involving inflatable swimming pools and held joint meetings with ASTM to discuss possible remedies to address drowning hazards that may be associated with these products.

The activity to identify and develop information for new parents will be completed in 2006 following assessment of all the drowning data developed in 2005.

Regional Meetings

Children < 5 years
242 pool drowning deaths
159 other home drowning deaths
(2000-2001 annual average)



As CPSC develops strategies to reduce childhood drowning in residential swimming pools, it will be essential to involve outside parties. In 2004, CPSC held public hearings in Tampa, Florida and Phoenix, Arizona to obtain information and recommendations on how to address the drowning problem. Invitees included parents/caregivers, city and county code enforcement staff, injury prevention specialists, state/local health officials, fire department/EMS officials, and legislative staff. Specific areas for discussion included: (1) data on drowning deaths and submersion injuries, (2) regional/local pool barrier codes, laws, and regulations, (3) the effectiveness of pool barriers and other products intended to address drowning hazards, and (4) strategies to educate parents and caregivers on pool hazards and drowning prevention.

Goal: *In 2005, the staff will participate in one or more regional meetings in different parts of the country to collect additional information in this area. The staff will focus on obtaining information on the effectiveness of local barrier requirements and information campaigns on preventing child drownings.*

Completed: CPSC staff participated in the annual conference and executive board meeting of the National Drowning Prevention Alliance in Austin, Texas. This was attended by injury prevention specialists, state/local health officials, fire departments/EMS officials, pool safety device manufacturers, swim school owners/operators, etc. The staff collected information presented by other participants on drowning prevention program development including successful media relations programs, water safety outreach events, and creating community based water safety or drowning prevention coalitions.

Safety Guideline



CPSC developed two major publications to address safety issues associated with pools and spas. These publications, *Safety Barrier Guidelines for Home Pools* and *Guidelines for Entrapment Hazards: Making Pools and Spas Safer*, were referenced in the building codes of many states and local jurisdictions.

Goal: *In 2005, the staff will produce a draft document that combines and updates the two publications to include current safe practices in new pool design and construction, and the minimum layers of protection needed, as well as incorporate information that will help pool owners develop their own individualized safety plan checklist. The staff intends for the publication to become a single reference/guideline for code officials to use in developing jurisdictional requirements for both residential and public aquatic facilities. The staff will complete the new safety guideline in 2006 incorporating findings on pool alarms, perimeter alarms, and current applicable standards associated with pool safety products.*

Completed: The staff produced a draft *Pool Safety Guideline*, combining CPSC's two publications addressing safety issues associated with pools and spas. The combined document includes current safe practices in new pool design and construction, information on minimum layers of protection and CPSC staff findings on pool alarms, perimeter alarms, and current applicable standards associated with pool safety products. The new document will also include the requirements of and references to current ANSI/NSPI,

ANSI/ASME, and ASTM and UL standards. The new guideline will be completed in 2006.

Sensor Technology (Pool Areas)



Unattended children can face a risk of injury and death from features such as swimming pools and ponds. Many child drownings and immersion injuries can be prevented if the child approaching the hazardous area is detected and stopped. Current sensor technology has been shown to have the possibility of distinguishing children from adults and alerting nearby caregivers.

Goal: In 2005, CPSC staff will construct a working prototype of a child detector that can be used for performance tests. Performance, in terms of operability, ease of installation, nuisance alarm rate and failure rate will be measured. Unit costs will be calculated for this first-order child detector. Opportunities for improved performance will be identified.

Completed: The staff constructed a working prototype of a portable, first-order adult/child differentiator system. This system was installed and tested at five field sites. Over 4,700 events were recorded in more than 30 hours of field testing. The data showed that, for this system, a child was never improperly identified as an adult. An analysis of the ease of use, nuisance alarm rate, and ability to distinguish children from adults was conducted. Recommendations for addressing the perceived limitations of the system were developed. Unit costs for a first-order child detection system could not be calculated based on the components used in the demonstration system. A report of this work will be completed in 2006.

3. Voluntary Standards



CPSC Lab Pool and Spa Suction Release Devices Testing Facility

Goal: The staff will monitor or participate in the development of or revisions to safety standards for 4 products such as suction release devices, pools/spas, pool alarms, and baby bath seats.

Completed: We monitored or participated in the development or modification of 5 voluntary standards for the following products:

- Bath Seats
- Inflatable Pools
- Pools/Spas
- Suction Release Devices
- Swimming Pool Alarms

Compliance

4. Recalls



Goal: Identify and act on products that present a risk of drowning by obtaining 1 recall or other corrective action of a hazardous product that presents a substantial risk of drowning to children or violates CPSC's safety standards.

Completed: In 2005, we conducted 1 recall of 480,000 pairs of children's arm band pool floats because the seams of the arm bands can tear causing them to deflate and pose a drowning hazard to young children.

5. Voluntary Standards (Carryover from 2004)

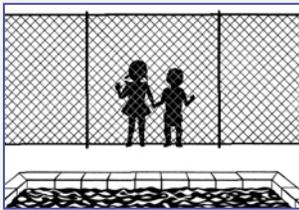
Goal: Monitor 1 existing voluntary standard related to child drowning.

Will Complete in 2006: The staff is continuing its evaluation of industry conformance to a voluntary standard related to child drowning. A report of this work will be completed in 2006.

Consumer Information

6. Conduct 2 public information efforts to warn about drowning hazards to children.

Pool Drownings



Goal: Prior to the Memorial Day holiday, which marks the traditional opening of many municipal swimming pools in the U.S., CPSC will conduct a comprehensive national safety campaign through a press event, press release and VNR release to alert individuals and families of swimming pool drowning dangers. Safety information for home swimming pools will include an updated edition of *Guidelines for Entrapment Hazards: Making Pools and Spas Safer*. CPSC field staff will make 30 contacts nationwide with state and local pool inspectors, pool contractors or licensing bureaus to help disseminate pool safety information for public and private pools, including CPSC's *Guidelines for Entrapment Hazards and Safety Barrier Guidelines for Home Pools*. Additional CPSC materials will be made available free-of-cost through the Agency's toll free number 1-800-638-CPSC, and through www.cpsc.gov.

Exceeded: As part of the annual drowning prevention campaign held in May prior to Memorial Day weekend, CPSC issued a press release and video news release on drowning prevention and pool drain entrapment hazards. In addition to the customary message to use layers of protection to prevent young children from drowning, a graphic demonstration of the power of pool drain hazards was included. This was done to coincide with the new update of the *Guidelines for Entrapment Hazards: Making Pools and Spas Safer*. In the video news release, a CPSC engineer blocked a pool drain underwater with a large rubber ball. The ball illustrating how a person can become entrapped by a pool drain and held underwater by the powerful force of the pump of the filtration system. The press release also featured a link to a new safety alert that combined pool drowning prevention and drain entrapment prevention tips.

Press was invited to an event held in conjunction with this information and education campaign. The Chairman's interview by with several reporters at a pool in Maryland emphasized our message of providing layers of protection to prevent young children from drowning. The event included live demonstrations of pool alarms. The interview and video news release footage were seen extensively on CNN. The consumer reporter for CNN NewsSource prepared an affiliate feed and did subsequent stories on drowning hazards throughout the summer using our video and information. Also, a CNN network reporter conducted an interview featured on CNN's Open House program. Other outreach included numerous radio interviews and an interview on the entrapment dangers on the local NBC affiliate station that was syndicated to other stations including Boston.

Additionally, in June, CPSC staff and ASTM staff cosponsored a meeting with a wide variety of interested parties involved in inflatable pool safety. The meeting resulted in considerable press interest and in the safety concerns of inexpensive inflatable pools. These pools, sold for just a few hundred dollars at discount department stores, can be 4 feet deep. They often are set up in backyards without consideration to barriers such as fencing. This prompted ASTM and CPSC staff to invite manufacturers, retailers and others concerned about the safety of inflatable pools to CPSC to discuss ways to improve inflatable pool safety. Stories on inflatable pool safety and CPSC's efforts were in numerous media outlets, including the Washington Post and the Fox TV affiliate in Miami.

CPSC Field staff worked to distribute pool safety information throughout the nation. Over 60 contacts to disseminate pool safety information for both public and private pools were completed nationwide, including state and local pool inspectors, pool contractors, pool safety sales firms, and licensing bureaus. Information provided included CPSC Revised *Guidelines for Entrapment Hazards* and the *Safety Barrier Guidelines for Home Pools*.

In-Home Drowning



With the end of the summer and the closing of many municipal pools, many Americans become forgetful of the many drowning hazards that exist in their own homes. Common in-home drowning hazards include bathtubs, buckets, and toilets.

Goal: CPSC will conduct a comprehensive national safety campaign through national media interviews and the Neighborhood Safety Network to alert consumers of in-home drowning dangers and simple precautions that can be employed through such activities as a press release and media interviews. Throughout the year, CPSC will make in-home drowning safety materials free-of-charge to individuals and organizations.

Will Complete in 2006: Because of the staff's focus on safety issues related to Hurricanes Rita and Katrina, we deferred the launch of the in-home drowning prevention message, which was scheduled to be conducted in September 2005. To maximize coverage, the campaign will be conducted in the winter of 2006.

In-home drowning hazards received some coverage during 2005. Many of the drain entrapment hazards that were a major part of the May 2005 campaign included some aspects of the in-home drowning prevention message. Hot tubs and spas, mostly considered an in-home component, also are a prime culprit in drain entrapment injuries and deaths. In-home drowning dangers were also featured on the posters titled, *Returning Home Safety After Katrina (or Rita)*. These posters were widely distributed to areas struck by hurricane damage. The poster warned of the dangers with buckets, tubs and standing water in and around the home.

7. Press Releases/Recall Alerts

Goal: Issue 2 press releases or recall alerts to inform the public about hazardous products presenting a risk of drowning.

Exceeded: In 2005, we issued 5 press releases and recall alerts for products presenting a risk of drowning.

8. Video News Releases

Goal: Produce 1 video news release (VNR) for a product presenting a risk of drowning.

Exceeded: In 2005, we produced 2 VNRs that addressed child drowning hazards. These VNRs reached a total potential audience of almost 8 million television viewers.

9. Publications

Goal: Respond to consumer requests for a projected 95,000 checklists, booklets, and safety alerts warning about drowning hazards.

Not Met: In 2005, we responded to requests and distributed 81,000 publications that addressed child drowning hazards. The most requested distributed publications were: *Water Safety Tips- Baby Safety Month*, *Childproofing Your Home-12 Safety Devices to Protect Your Children*, and *Baby Safety Checklist*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 153,000 electrocution related publications that were viewed on our Web site in 2005. To reach the public more effectively while decreasing costs, we have focused our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

REDUCING PRODUCT HAZARDS: OTHER CHILDREN'S HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	113	102	108	83	69
Amount	\$12,364	\$12,276	\$12,812	\$10,674	\$9,525

THE HAZARD

Our work on safety standards and compliance activities reduced product related hazard risks to children associated with such products as baby walkers, bunk beds, infant cribs, infant swings, infant car seat/carriers, playpens, playground equipment, toys and bicycles. We identified strangulation, suffocation and entrapment risks to infants in their play and sleep environments. CPSC actions also addressed child strangulation from window blind cords and clothing drawstrings.

Children's head injuries are also included in this hazard area. Reducing the rate of head injury to children was a former strategic goal, and we will continue to work on this hazard. We will continue to enforce the CPSC bicycle helmet standard and contribute to efforts advocating helmet use.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare candidates for rulemaking	Goal	*	2	3	2	2
	Actual	--	0	1	0	0
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	4	8	2	6	7
	Actual	3	8	2	3	7
3. Monitor or participate in voluntary standards revisions	Goal	*	*	28	27	27
	Actual	22	30	28	27	27
Compliance						
4. Pursue for recall or other corrective action	Goal	*	270	225	250 ^a	285 ^a
	Actual	356	265	261	313	304
5. Conduct import surveillance	Goal	*	*	1	1 ^a	1 ^a
	Actual	1	1	1	1	1
6. Monitor existing voluntary standards and/or conduct industry special programs	Goal	2	2	1	1 ^a	1 ^a
	Actual	1	3	1	2	1
Consumer Information						
7. Conduct public information efforts	Goal	4	3	5	7	4
	Actual	4	3	4	5	3
8. Issue press releases and alerts	Goal	*	*	*	70 ^{b,c}	70 ^{b,c}
	Actual	79	62	69	89	88
9. Produce video news releases	Goal	*	*	*	6 ^b	13 ^b
	Actual	13	7	7	4	3
10. Respond to requests for publications (in thousands)	Goal	*	*	*	840	840
	Actual	902	896	852	699.5	582

*No goal established for that year.

--Data not available.

^aEstimate based on prior years' experience. The actual number of recalls, corrective actions, and import surveillance activities will depend on the mix of safety related problems arising during the year.

^bThese goals were changed to include all product hazards, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

1. Prepare for Commission consideration 2 candidates for rulemaking or other alternatives.

Bed Rails (Carryover from 2004) 14 deaths (1990-2001)



In October 2000, CPSC published an Advance Notice of Proposed Rulemaking (ANPR) to begin the development of a mandatory safety standard for portable bed rails to address entrapment and strangulation hazards. In October 2001, the Commission voted unanimously to continue the process and publish a Notice of Proposed Rulemaking (NPR). In 2003, the staff continued activities to develop appropriate performance requirements and the proposed rule. In 2004, the staff focused on the evaluation of test methods and new bed rail designs. The staff began evaluating industry conformance to the updated voluntary standard in September 2004, when the voluntary standard was in effect for sufficient time for industry to meet new requirements.

Goal: In 2005, the staff plans to complete its evaluation of industry conformance with the revised voluntary standard and prepare a briefing package for Commission consideration as to whether to continue rulemaking.

Will Complete In 2006: In 2005, the staff collected new bedrails currently on the market, some of which were certified to meet the ASTM voluntary standard. The staff fabricated test fixtures and tested these products to the standard. The staff postponed completion of the rulemaking briefing package, because of a focus on baby bath seats.

Crib Slats (Carryover from 2003-2004) 138 incidents 12 deaths 5 injuries (1985-1996)



In 1996, CPSC began a rulemaking activity to address crib slat integrity. In 1999, the voluntary standard for cribs was revised to include performance requirements for crib slats. In 2003 and 2004, the staff evaluated industry conformance to the voluntary standard.

Goal: In 2005, the staff plans to prepare a briefing package for Commission consideration as to whether to continue rulemaking.

Will Completed in 2006: Conformance monitoring of crib slats was completed in 2005. Incident data is still being collected. Due to a focus on baby bath seats, evaluation of the incident samples was delayed. At the conclusion of the staff's data collection efforts and evaluation, a briefing package that provides recommendations with regard to the open rulemaking will be prepared.

2. Complete 7 testing, data collection, hazard analysis, or technical review activities.

Consumer Opinion Forum

CPSC staff frequently needs information about caregiver perceptions, attitudes and behaviors related to products that may be hazardous to children, as well as other childcare issues affecting safety. The CPSC Web site provides a venue to solicit important information from consumers that, although not a statistical sample, can inform staff efforts in hazard identification and reduction, compliance and enforcement, and public education.



Goal: In 2005, the staff will develop a plan for obtaining consumer opinions and feedback on their perceptions, attitudes, and behaviors associated with consumer products. This feedback may also include consumer perceptions about the understandability of warning and instructional language.

Completed: The staff developed a plan for obtaining consumer opinions and perceptions related to product use. The staff prepared a draft supporting statement that details the proposed information collection activities. This will accompany the staff's approval request to the Office of Management and Budget. The staff also prepared a memorandum to the Commission to seek approval to publish a *Federal Register* (FR) notice to provide the opportunity for public comment on the proposed information collection activities. The staff anticipates that the FR notice will be published in 2006.

Crib Slats (Carryover from 2004)

138 incidents
12 deaths
5 injuries(1985-1996)



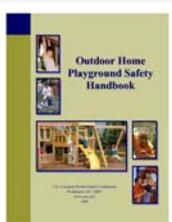
CPSC received reports in which crib slats appeared to disengage from the side panels of cribs, placing children at risk for entrapment between the remaining slats or for falling out of the crib. Twelve of the incidents resulted in death and five in injuries. In December 1996, CPSC published an Advance Notice of Proposed Rulemaking to initiate a rulemaking proceeding that could result in the issuance of a rule to require that crib sides pass a performance standard to assure the structural integrity of the slats and side panels. Since that time, the staff worked with industry to review the voluntary standards for full-size and non-full-size cribs to include an appropriate performance test to address this problem.

Goal: In 2005, the staff plans to complete its evaluation of industry conformance to the revised voluntary standard. This information will be used to prepare a briefing package for Commission consideration as to whether to continue rulemaking.

Completed: Conformance monitoring of crib slats was completed in 2005; data collection regarding incidents is still underway and is anticipated to be completed in 2006. At the conclusion of the staff's data collection efforts, a briefing package that provides recommendations with regard to the open rulemaking will be prepared.

Home Playground Handbook

50,000 injuries



Goal: In 2005, the staff will complete work from 2004 to develop CPSC guidelines for home playground safety. Although voluntary industry safety standards were established for home equipment, CPSC has not published safety guidelines for non-technical users. A handbook will provide useful recommendations for consumers and day care providers who often ask for guidance.

Completed: The staff completed the *Outdoor Home Playground Safety Handbook*. The Commission approved the *Handbook* in July 2005.

Indoor Play Surfacing (Carryover from 2004)



In the past, we have not provided specific guidance on what types of protective surfaces may be suitable around indoor play equipment.

Goal: *In 2005, the staff will identify the range of currently available manufactured safety mats and test them according to the established ASTM test method for playground surfaces or other criteria. This should provide a reasonably comprehensive summary of the types and levels of protection of surfacing products now on the market. Development of consumer information and/or staff participation in voluntary standards activities related to playground surfacing may follow in 2006.*

Completed: The staff collected 32 different carpet, pad, and mat samples that might be considered for use as a protective surfacing for indoor play areas. The staff conducted drop (impact) tests on the samples and determined the maximum deceleration (g-max) and Head Injury Criterion for each material. The staff calculated the product "Critical Height" from collected data. (Critical Height is defined as an approximation of the maximum fall height from which a life threatening head injury would *not* be expected to occur.) Test results indicated that consumers have a wide choice of products with different thicknesses, costs per sq. ft. and "Critical Height" capabilities. Critical Heights ranged from 2 inches for a thin carpet sample and over 48 inches for a 2 inch thick gym pad. The staff has not made specific recommendations to date. The staff is finalizing the report based on input from the public comment period and plans to participate in voluntary standards activities associated with playground surfacing in 2006.

Playground Surfacing/ Long Bone Injuries

59,300 injuries (NEISS 2003, fractures of the wrist, lower arm and elbow) < 15 years old



Over 200,000 emergency room-treated injuries occur annually with playground equipment. Fractures are the most commonly reported injury, and most of these involve the wrist, lower arm (long bone), and elbow. In 2004, the staff issued a contract with the National Program for Playground Safety (NPPS) to conduct a literature review to obtain information on the effects of various types of protective surfaces on these injuries.

Goal: *In 2005, the staff will consider the scientific literature and assess the need to host a public meeting to augment the 2004 literature survey. This meeting would focus on the mechanism of injury, ongoing research, and the potential for future research in this area. In 2005, the staff will also make recommendations for follow-up activities to further investigate these injuries, if warranted.*

Project Discontinued: The staff collected over 60 published articles on playground injuries, risk factors, upper extremity injuries, mechanisms of injury, and upper extremity anatomy. The articles were reviewed by CPSC staff, and the need for a public meeting was assessed. The staff determined that a public meeting was not necessary and would be deferred indefinitely. A draft report was written and tabled; data did not support additional effort at this time.

Public Playground Handbook (Carryover from 2003-2004)

207,100 injuries
(2003 NEISS, children < 15 years old
in all locations)



CPSC's *Handbook for Public Playground Safety* enjoys widespread distribution and use throughout the U.S. Ensuring the availability of an up-to-date handbook is essential to addressing playground hazards nationally. In 2004, the staff completed a comparison of the handbook to the ASTM standard for public playground equipment and obtained comments from the ASTM subcommittee members. Many comments recommended revising the CPSC handbook to create a more consumer friendly format.

Goal: *In 2005, the staff plans to complete a draft revision of the "Handbook for Public Playground Safety."*

Completed: The staff completed a draft revision of CPSC's *Handbook for Public Playground Safety*. The staff evaluated comments obtained from the ASTM committee on public playground safety to determine which comments should be incorporated into the revision. Additionally, the staff attended training sessions for playground inspectors, during which several new areas of consideration were raised. The revised handbook is more consumer friendly, while still maintaining technical recommendations. The staff anticipates publication in 2006.

Recreational Helmets, Consumer Pamphlet

Over 90,000 head injuries



Studies show that children have a higher risk of head injury than adults and that children's head injuries may have life-altering consequences. Consumers may be unaware of the need to wear a helmet during certain activities that are known to produce head injuries. Additionally, due to the many different activities that consumers/children may be involved in, there may be confusion as to the applicability of one type of helmet for various activities (i.e. multiuse capability). In 2004, the staff completed an analysis of the injury data associated with activities for which helmets are available, researched the applicable helmet standards, and initiated a review of those standards.

Goal: *In 2005, the staff will develop a general recreational helmet pamphlet that is intended for consumers who participate in various recreational activities, e.g., roller and inline skating, skateboarding, scooter riding, etc. Specifically, the staff will identify the different types of helmets already on the market; identify the standards (voluntary and mandatory) that govern manufacturing and use; identify the activities/sports that CPSC staff identified as suitable uses for each helmet type; and design a general helmet safety brochure that provides helmet identification information, applicability (to include those areas where helmets are specifically not to be worn), and proper use and care instructions.*

Completed: The staff developed a draft general recreational helmet pamphlet for consumers who participate in various recreational activities. This will be finalized and distributed in 2006.

3. Voluntary Standards

Goal: *The staff will monitor or participate in the development or revisions of 27 various safety standards for children's products, such as playground equipment, toddler beds, recreational helmets, infant carriers, and strollers.*

Completed: We monitored or participated in the development or modification of 27 voluntary standards for the following products:

- Baby Bouncers
- Baby Gates/Enclosures
- Bassinets/Cradles
- Bed Rails
- Booster Seats
- Blind Cords
- Bunk Beds
- Carriages/Strollers
- Changing Tables
- Commercial Cribs
- Frame Carriers
- High Chairs
- Infant Bedding
- Infant Carriers
- Infant Swings
- Playground Equipment, Aquatic
- Playground Equipment, Children <2 Years Old
- Playground Equipment, Home
- Playground Equipment, Public
- Playground Equipment, Soft
- Playground Surfacing
- Play Yards/Non-Full Size Cribs
- Soft Carriers
- Stationary Activity Centers
- Toddler Beds
- Toy Safety
- Walkers

Compliance

4. Recalls



Goal: Obtain recalls or other corrective actions on 285 hazardous products that present a substantial risk of injury (other than drowning in pools) to children or violate CPSC's safety standards.

Exceeded: In 2005, we obtained recalls or other corrective action for 304 products directly involving a risk of injury to children (other than drowning in pools described elsewhere, see examples below). Of these, we obtained 102 recalls involving over 15 million product units. The remaining 202 products required other corrective actions, such as repair and/or production correction with a possibility of stopping current sales until the fix was verified.

For example, CPSC obtained five recalls of nearly 6 million children's folding chairs because the chair's safety lock can fail, allowing the chair to collapse or fold unexpectedly. Children's fingers can become caught or entrapped in the hinge and slot areas of the chair, posing a pinch or cut hazard. This can cause severe lacerations and finger tip amputations to children's fingers.



Additionally over 1 million strollers were recalled because they can fail to latch properly and unexpectedly collapse while in use. This can result in broken bones, cuts, bumps, bruises and other injuries to young children riding in the stroller and consumers pushing the stroller.

5. Import Surveillance

Goal: Conduct 1 port-of-entry surveillance for children's products that present a substantial risk of injury to children.

Completed: In 2005, we conducted 1 port-of-entry surveillance activity in this hazard area. CPSC and U.S. Customs and Border Protection enforce toys or children's products in accordance with CPSC's safety standards. In 2005, with support from U.S. Customs



and Border Protection, we prevented about 110 shipments containing over 240,000 units of toys and other children's products from entering the United States.

6. Voluntary Standards

Goal: Monitor 1 existing voluntary standard likely to reduce children's deaths or injuries.

Completed: CPSC field investigators conducted random undercover inspections of ATV dealers around the country to determine if they complied with the age recommendations in the promotion and sale of ATVs. One hundred twelve undercover investigations were conducted with 82 dealers found in compliance and 30 found in violation. The compliance rate of 74 percent is higher than in recent years. Compliance staff notified the distributors of the dealer violations so that they can conduct appropriate corrective action.

Consumer Information

7. Conduct 4 public information efforts.

Back-to-School Safety (Carryover from 2004)



Goal: In autumn, as a majority of American families are preparing for a new school year, CPSC will conduct a comprehensive national campaign addressing back-to-school safety tips by issuing a press release on back-to-school safety issues, and through other activities such as media interviews. CPSC will promote the availability of many informational brochures covering back-to-school safety, bicycle safety, playground equipment guidelines and other topics free-of-charge to individuals and organizations.

Completed: In August 2005 CPSC distributed a national press release urging parents, teachers and school administrators to prevent unnecessary injuries by conducting a series of safety checks to identify hidden hazards in and around schools. The Back-to-School national campaign included safety tips on bicycle helmets, playgrounds, soccer goals and art supplies. The CPSC Chairman and public affairs staff conducted radio and television interviews on stations including CNN, FOX, Hearst Argyle and NBC Newschannel reaching over 2 million viewers.

Childcare Safety Round-Up

Each year, many children are put at risk of serious injury or death through exposure of previously recalled products such as cribs and strollers that may still be found in some commercial and residential licensed daycare facilities.

Goal: CPSC will conduct a comprehensive national campaign to alert parents and childcare providers of the dangers of recalled children's products through such activities as a press or media availability event and working with trade associations, state licensing boards and schools to disseminate safety checklist materials while promoting online resources such as www.cpsc.gov and www.Recalls.gov. In



addition, CPSC field staff will conduct 200 on-site product safety consultations at day care facilities nationwide.

Will Complete in 2006: CPSC staff is working on a national campaign to improve the safety of childcare centers. The campaign will include a media launch, childcare center consultations, and distribution of safety materials. Public Affairs and Field staff resources were diverted to other higher priority work so work was begun in 2005 but will not be completed until 2006. During 2005, some of the materials for the initial stage of the campaign were produced, including letters to child care directors and a child care center safety checklist for field staff and day care operators. The staff developed a sample of approximately 400 child care centers in major metropolitan areas across the country. Many of the centers serve under-represented populations that may not necessarily receive CPSC safety messages. During 2006, the staff will contact every center to offer on-site safety consultations and assess possible hazards in child care centers. Child care centers will be encouraged to sign up for CPSC safety information through the Neighborhood Safety Network and to regularly check for recalls through www.cpsc.gov and www.recalls.gov.

**Holiday Shopping Season/
Product Recall Roundup**



Goal: *Prior to the Thanksgiving Day holiday, which signals the traditional launch of the winter gift shopping season, CPSC will conduct a comprehensive national campaign to alert consumers of previously recalled children's products that may have been purchased prior to the recall. At both the national and local level, CPSC officials will work to remind gift purchasers to buy age-appropriate toys and to provide appropriate adult supervision by conducting a press conference at the National Press Club; issuing a press release and a VNR; radio, TV, and print interviews; and other materials as necessary for use at the grassroots level. CPSC resource materials will be made available free-of-cost through the Agency's toll free number 1-800-638-CPSC, and through www.cpsc.gov.*

Completed: The staff formally announced the launch of the Neighborhood Safety Network (NSN) as part of the holiday toy safety program at a national news conference held at the National Press Club in Washington, DC. On the eve of the press conference, the Associated Press distributed CPSC's toy safety information creating over 260 print media hits the day of the press conference. C-Span covered the event by a live feed. The Chairman conducted a live interview with CNN discussing toy safety reaching over 1.5 million viewers. CNN's consumer reporter attended the press conference and aired a holiday toy safety segment and provided a live link from CNN.com to the press event. CPSC also distributed a video news release reaching over 12 million viewers. Additional stations in attendance at the press event included: FOX News, C-Span (live feed), Hearst Television, NBC Newschannel, COX TV, Hearst Argyle, ABC/WAND, CBS Newspath and AP Television.

The staff distributed holiday safety information throughout the nation. Nineteen informational sessions and media conferences were conducted reaching an audience potentially totaling over 2 million people. A CPSC official was interviewed with the California Fire Marshal for the Holiday Safety Press Conference. More than 5 local

television stations affiliated with NBC, ABC, and CBS covered this story.

Home Playground Equipment (Carryover from 2003)



Goal: CPSC will conduct a comprehensive campaign to promote the availability of a new handbook on Home Playground Equipment through such activities as issuing a news release and posting other story suggestions on CPSC's Web site "Press Room." The handbook will be made available free-of-cost to consumers, home playground equipment retailers and manufacturers through the Agency's toll free number 1-800-638-CPSC and through www.cpsc.gov.

Completed: CPSC staff produced a new *Outdoor Home Playground Safety Handbook*. Over 655,000 publications are being printed for distribution. The handbook is available on the CPSC Web site and has been highlighted on the "Press Room" section of the site. The handbook has been made available free-of-cost to consumers, home playground equipment retailers and manufacturers. In addition, the staff continues to promote the handbook to media including, parenting and children's magazines, consumer reporters and news directors. CPSC will continue distribution of the handbook during National Playground Safety Week.

CPSC staff disseminated the *Outdoor Home Playground Safety Handbook* electronically to State Designees including over 80 state and local partners. The handbook highlights the most important safety information about planning, constructing, and maintaining an outdoor home playground. This handbook is intended as guidance for homes and residential child care facilities. Schools, parks, multiple family dwellings, public child care facilities, restaurants and recreational facilities, and other public use facilities should reference the *Handbook for Public Playground Safety*.

8. Press Releases/Recall Alerts

Goal: Issue 70 press releases and recall alerts to inform the public about products presenting a risk of injury to children.

Exceeded: In 2005, we issued 88 press releases and recall alerts to warn the public about products presenting a risk of injury to children.

9. Video News Releases

Goal: Produce 13 video news releases (VNRs) for products presenting a risk of injury to children.

Not Met: In 2005 we produced 3 VNRs that addressed other children's hazards. These VNRs reached a total potential audience of over 27 million television viewers.

Although below our target; the goal was an estimate based on previous years' data. To reach the public more effectively, we have focused our efforts on television appearances, which will be a new annual goal. In an effort to have the widest dissemination possible of our safety messages, the staff will utilize the national and local media and provide interviews and appearances to air on network and local TV stations, radio stations and newspapers on topics related to products that present hazards. We will continue to produce video news releases, as appropriate.

10. Publications

Goal: Respond to consumer requests for a projected 840,000 checklists, booklets, and safety alerts warning about other children's hazards.

Not Met: In 2005, we responded to requests and distributed 582,000 publications that addressed other children's hazards. The most requested distributed publications were: *Childproofing Your Home-12 Safety Devices to Protect Your Children*, *Baby Safety Checklist*, and *the Safe Nursery-A Buyer's Guide*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 1,303,000 electrocution-related publications that were viewed on our Web site in 2005. To reach the public more effectively while decreasing costs, we have focused our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

REDUCING PRODUCT HAZARDS: CARBON MONOXIDE POISONINGS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	14	15	12	12	10
Amount	\$1,416	\$1,691	\$1,563	\$1,629	\$1,473

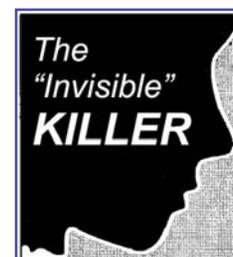
STRATEGIC GOAL

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 high concentrations in the blood, CO can cause cognitive impairment, loss of consciousness, coma, and death.

The latest available data show that from 1999 to 2001 an average of 126 people died from unintentional CO poisoning-related incidents, excluding incidents involving auto exhaust and fires, at a societal cost of approximately \$630 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.



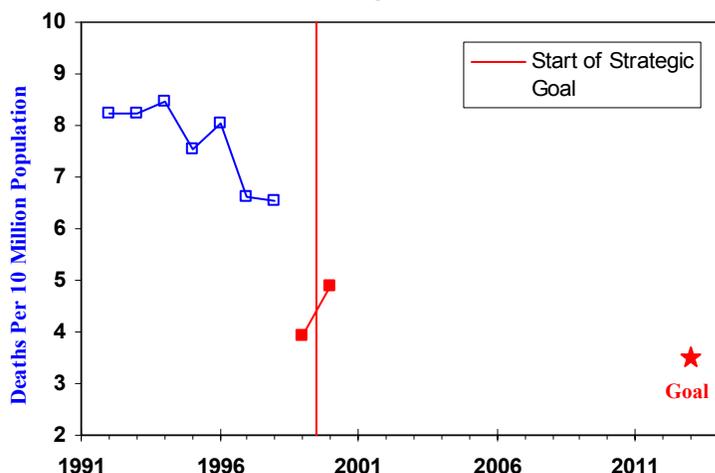
Most consumer product-related CO poisoning deaths are associated with the use of heating systems. Other consumer products associated with CO poisoning deaths include charcoal grills, gas water heaters, gas ranges and ovens, fuel-burning camping equipment, and engine-driven tools such as portable generators and power lawn mowers.

OUR PROGRESS

Under our previous Strategic Plan, we set a target to reduce the rate of CO poisoning deaths by 20 percent by 2004. We reached our goal early – the death rate for CO poisonings was reduced by 22 percent by 1998. To further reduce the death rate, we decided to retain this strategic goal in our new Strategic Plan with a target of 20 percent reduction⁵ by 2013 from the 1999-2000 average, the most recent death data available.

⁵This 20 percent reduction in the CO death rate is in addition to the 20 percent reduction targeted in our first Strategic Plan.

Estimated Carbon Monoxide Poisoning Death Rate Associated with Consumer Products, by Year



Estimated deaths from carbon monoxide poisonings decreased from over 210 deaths in 1992 to 180 deaths in 1998. The average estimated number of deaths for 1999-2001 was 126. The discontinuity of rates shown in the graph may be at least partially due to a different method used to estimate the number of deaths starting in 1999 than was used in previous years.⁶

We used a number of interventions to help reduce these deaths including help reduce these deaths 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.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare and present recommendations to voluntary standards/code organizations	Goal	1	*	3	3	1
	Actual	0	--	2	2	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	1	3	2	*	3
	Actual	0	3	2	--	1
3. Monitor or participate in voluntary standards revisions	Goal	*	*	4	3	3
	Actual	4	4	4	3	3
Compliance						
4. Pursue for recall or other corrective action	Goal	2	2	2 ^a	2 ^a	2 ^a
	Actual	6	11	2	1	2
Consumer Information						
5. Conduct public information efforts/partnerships	Goal	2	1	3	3	2
	Actual	1	3	3	3	2
6. Issue press releases and recall alerts	Goal	3	1 ^b	1 ^b	5 ^{b,c}	5 ^{b,c}
	Actual	3	8	6	7	8
7. Produce video news release	Goal	*	*	*	1 ^b	1 ^b
	Actual	0	2	1	3	1
8. Respond to requests for publications (in thousands)	Goal	50	50	50	65	65
	Actual	66.5	84.5	97	82.5	49

*No goal established.

--Data not available.

^aEstimate based on prior years' experience. The actual number of recalls and other corrective actions will depend on the mix of safety-related problems arising during the year.

^bThis goal was changed to include all hazardous products, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

⁶The different method 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 and present 1 recommendation to voluntary standards/code organizations to strengthen or develop a voluntary standard.

CO Alarms

83 CO deaths (1999-2001 average)



Of the average 126 CO deaths associated with consumer products in 1999-2001, 83 occurred in homes. Many of these fatalities might have been prevented by the use of CO alarms.

Goal: *In 2005, the staff will continue to review the most recent test data and make recommendations to the voluntary standard, as appropriate to improve the reliability and performance of CO alarms.*

Completed: The staff monitored the progress of CPSC staff recommendations made in 2004 and reviewed the results from the on-going long-term reliability and performance tests. The staff believes that progress is satisfactory, and no additional comments or recommendations are necessary at this time.

2. Complete 3 testing, data collection, hazard analysis, or technical review activities.

Engine-Driven Tools

21 deaths
(Annual Average 1999- 2001)



In the 14-year period covering 1990 through 2003, the CPSC databases contain records of 258 deaths from CO poisoning associated with the use of engine-driven tools. Eighty-eight percent of these deaths were specifically associated with portable generators. In 2004, the staff made recommendations to improve the draft UL standard for portable generators and held a public forum to discuss possible solutions to reduce the hazards.

Goal: *In 2005, the staff will investigate the feasibility of a gas-sensing engine interlock that will shut the engine down when an unsafe CO environment is created by an operating portable generator and draft a report that addresses the feasibility of these solutions.*

Completed: The staff investigated interlocking devices and a draft report on one concept (remotely-located CO alarm with wireless transmitter) is nearly complete. Evaluation of an additional concept (co-located CO alarm on generator) is on-going.

Stand Alone Gas Appliances

Average of 59 deaths (1999-2001)

From 1999 through 2001, there was an annual average of 59 non-fire-related CO poisoning deaths associated with gas heating appliances. Some of the deaths were the result of consumers using alternative heat sources during power outages. Additional incidents occurred when consumers attempted to restart appliances after they had shut down.

Goal: *The staff will conduct a literature search of thermoelectric generators and other self-powering technologies for their potential use in residential stand-alone gas-fired appliances. Based on this information, the staff will identify gas-fired products that could be powered (fully or partially) with one of the self-powering technologies. The staff will continue work on the thermoelectric powered shutoff*

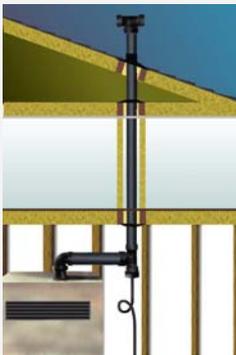
system developed during the tank-top heater project and conduct additional feasibility tests. Results will be summarized in a report detailing the possibilities and constraints of self-powering technologies on selected gas-fired appliances in 2006.

Will Complete in 2007: This project was deferred to 2006 due to higher priority work on Product Safety Assessments for the Office of Compliance. This project will resume in 2006, and a report of staff work will be completed in 2007.

Vented Gas Appliances CO Sensors

(Carryover from 2004)

Average of 59 deaths (1999-2001)



From 1999 through 2001, there was an annual average of 59 non-fire-related CO poisoning deaths associated with gas heating appliances. In 2004, the staff shared results of CO combustion sensor testing completed in 2003. The staff also worked with industry to develop a test plan to evaluate the use of CO/combustion sensors in gas appliances and a request for proposals to solicit bids from testing contractors to conduct the work. CPSC entered into an agreement with the Department of Energy and Sandia National Laboratories (SNL) to develop a microelectromechanical system (MEMS) sensor prototype for shutdown of a gas furnace in response to elevated CO levels.

Goal: In 2005 the staff will provide data that defines a furnace's operating environment to SNL for use in testing and will work with SNL to integrate a prototype MEMS sensor into a furnace to test it. The staff will also continue to work with industry to evaluate various sensors. In 2005, the staff will prepare a status report on these efforts.

Will Complete in 2006: The staff acquired data to define the operating environment of a furnace, which was provided to SNL. SNL was not able to complete sensor development in 2005. Once the sensor has been completed, CPSC staff will continue to work with SNL to integrate the sensor in a furnace and conduct testing in 2006.

3. Voluntary Standards

Goal: Monitor or participate in the development or modification of voluntary standards for 3 products such as engine-driven tools and vented gas appliances.

Completed: The staff monitored or participated in the development or modification of 3 voluntary standards for the following products:

- Carbon Monoxide Alarms
- Gasoline Engine-Driven Generators
- Vented Gas Appliances, CO Sensors

Compliance

4. Recalls

Goal: Identify and act on products that present a risk of death from CO poisoning by obtaining recalls or other corrective actions for 2 products that present a substantial risk of CO poisoning.

Completed: In 2005, we obtained 2 product recalls for about 315,000 units because of carbon monoxide hazards.

Consumer Information

5. Conduct 2 Public information efforts and/or partnerships with a trade association or safety advocacy group to provide information to the public about CO hazards and prevention.

Home Heating



Goal: Carbon Monoxide poisoning is an ever-present threat in the home and CPSC will remind consumers on the importance of routine maintenance for all CO-producing products such as furnaces, water heaters, ovens, fireplaces and other items. On two occasions during the year -- the advent and the conclusion of Daylight Savings Time -- CPSC will remind Americans to check CO detectors and smoke detectors in homes and to add fresh batteries through such activities as issuing a seasonal VNR, news releases and other similar media events. CPSC will also use these opportunities to remind families to develop and practice emergency evacuation plans. Throughout the year, consumers can receive free-of-charge home safety tips through the Agency's toll free telephone number 1-800-638-CPSC, or by visiting www.cpsc.gov.

Completed: As winter weather dominated much of the U.S., the staff issued a press release urging consumers to follow safety precautions when purchasing and using electric or fuel-fired heaters and fireplaces in order to avoid CO poisoning. ABC's *Good Morning America*, CBS's *The Early Show*, and Telemundo produced segments on carbon monoxide hazards with the help of appearances by CPSC staff.

Natural Disaster Awareness



During those occasions when there is a loss of electrical power, particularly during storms and other natural disasters, Americans are at greater jeopardy of carbon monoxide poisoning as a result of improper use of portable generators or fossil fuel-burning cook stoves, barbeques and fireplaces.

Goal: Throughout the year, CPSC will advise consumers to make emergency preparedness plans. In the immediate aftermath of major hurricanes, tornadoes, floods, blizzards, and other natural disasters, CPSC will be prepared to launch a comprehensive national campaign to warn consumers on the dangers associated with unsafe use of alternative heating and cooking products by such activities as issuing news releases and VNRs; and conducting local or regionalized media interviews.



Completed: During an unusually active hurricane season, the staff conducted several safety awareness programs to victims of Hurricanes Katrina, Rita, Ophelia and Dennis. CPSC developed press releases, conducted local and national radio interviews, and fed a video news release to provide life-saving safety tips for hurricane victims living without power. CPSC's message: NEVER use a portable generator indoors. Always keep it far from the house to avoid carbon monoxide poisoning.

The staff disseminated CPSC safety publications in electronic and print media about carbon monoxide hazards in the states of Massachusetts, North Carolina, South Carolina, Florida, New

Hampshire, Georgia, and South Carolina to state and local partners and consumers. The goal was to provide information in advance of storm season so that when a disaster occurred, consumers could take safe measures to reduce the risk of injury. In addition, state partners were encouraged to continue to disperse the information to consumers and other partners such as state fire marshals, health departments and other injury prevention professionals.

6. Press Releases

Goal: Issue 5 press releases or recall alerts for hazardous products presenting a risk of CO poisoning.

Exceeded: In 2005, we issued 8 press releases or recall alerts for products presenting a risk of CO poisoning.

7. Video News Releases

Goal: Produce 1 video news release (VNR) for a product that presents a CO hazard.

Completed: In 2005, we produced a VNR that addressed carbon monoxide poisoning hazards. This VNR reached a total potential audience of 1.8 million television viewers.

8. Publications

Goal: Respond to consumer requests for an estimated 65,000 checklists, booklets, and safety alerts warning about CO poisoning hazards.

Not Met: In 2005, we responded to requests and distributed 49,000 publications that addressed carbon monoxide poisoning hazards. The most requested distributed publications were: *The Invisible Killer*, *Childproofing Your Home-12 Safety Devices To Protect Your Children*, and *Home Fire Safety Checklist*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 1,303,000 electrocution-related publications that were viewed on our Web site in 2005. To reach the public more effectively while decreasing costs, we have focused our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

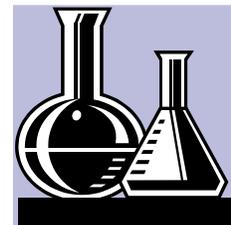
REDUCING PRODUCT HAZARDS: OTHER CHEMICAL HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	41	47	53	49	40
Amount	\$4,949	\$5,978	\$6,673	\$6,561	\$5,946

THE HAZARD

Each year, accidental ingestion of toxic household chemicals are associated with, on average, about 30 deaths to children under age 5, and an estimated 74,000 children treated in emergency rooms. There are about 1 million calls to Poison Control Centers involving children under 5 years of age. CPSC is responsible for administering the Poison Prevention Packaging Act (PPPA), which requires special child-resistant packaging for household substances that are hazardous to children. The Commission further seeks to reduce or prevent deaths or injuries caused by other poisonings, ingestion, inhalation, or dermal exposure from use of consumer products. The costs of injuries and deaths associated with products in the chemical hazard area are estimated to be in the billions of dollars based on respiratory diseases alone.

We have also played a prominent role in protecting children from the risk of lead poisoning and other chemical hazards. For example, Commission action resulted in manufacturers eliminating the use of lead as a stabilizer in vinyl mini-blinds. We also developed and distributed guidance about lead on public playground equipment; recalled crayons and children's jewelry that contained hazardous levels of lead; recalled toys with lead paint; and issued a policy statement to manufacturers, retailers, distributors and importers urging them to eliminate the use of lead and hazardous liquids in children's products. We recently announced an enforcement policy for lead in children's jewelry that gives manufacturers, importers and retailers clear guidance on steps they should take to minimize the risk for children. The policy includes CPSC's methodology and a statement on the health effects of accessible lead.



Maintaining the low death rate of unintentional poisonings to children from hazardous household chemicals was a former strategic goal. From 1994 to 2000, deaths to children under 5 years of age did not increase beyond 2.5 deaths per million children. We will continue to work on this hazard, but it will no longer be a strategic goal.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare candidates for rulemaking	Goal	*	1	1	1	1
	Actual	1	1	0	1	1
2. Complete testing, data collection, toxicity and/or risk assessment, or technical review activities	Goal	*	4	5	8	5
	Actual	--	3	5	8	5
3. Monitor or participate in voluntary standards revisions	Goal	*	*	2	2	2
	Actual	2	1	2	2	2
Compliance						
4. Pursue for recall or other corrective action	Goal	*	55	70	90	110 ^a
	Actual	79	162	125	132	157

Annual Goals Summary continued		2001	2002	2003	2004	2005
Consumer Information						
5. Conduct public information effort	Goal	1	1	1	1	1
	Actual	1	1	1	1	1
6. Issue press releases and recall alerts	Goal	*	*	5 ^b	6 ^{b,c}	5 ^{b,c}
	Actual	11	8	11	16	27
7. Produce video news releases	Goal	*	*	1 ^b	1 ^b	1 ^b
	Actual	1	2	3	2	3
8. Respond to requests for publications (in thousands)	Goal	*	*	255	300	300
	Actual	356	350	311	277	213.5

*No goal established for that year.

--Data not available.

^aEstimate based on the most recent 5 years of data. The actual number of recalls and other corrective actions will depend on the mix of safety-related problems arising during the year.

^bThese goals were changed to include all hazardous products, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

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

Poison Prevention

31 deaths

74,000 injuries (2001)



To reduce injuries and deaths of children associated with ingestion of household chemicals, the staff continues to monitor these ingestions and to assess them for the need for child-resistant packaging.

Goal: In 2005, the staff will prepare a briefing package for Commission consideration regarding a notice of proposed rulemaking or a final rule for at least one hazardous substance.

Completed: A briefing package was drafted that addresses whether rulemaking is needed to require child-resistant packaging of products that contain caustics. At the end of 2005, the briefing package was undergoing internal review. Currently, some products that contain caustics require child-resistant packaging, however, other caustic-containing products, such as hair relaxers, require special packaging under the PPPA.

2. Complete testing, data collection, toxicity and/or risk assessments, or technical review/report activities.

Chronic Hazard Guidelines



CPSC's chronic hazard guidelines provide the basis for certain health, environmental and safety regulations and should reflect the most current science. The staff systematically reviews the guidelines and makes appropriate revisions to address scientific advances and new risk assessment methods.

Goal: In 2005, the staff will complete draft guidance for exposure assessment and reproductive/developmental hazards. The staff will also revise draft guidelines for benchmark dose and probabilistic risk assessment, based on peer review comments. The staff will continue working on revising the guidelines for neurotoxicity.

Will Complete in Future: Draft guidelines for benchmark dose and probabilistic risk assessment was revised based upon peer review comments. The focus of the next steps for the guidelines was changed. A preamble is being written that will deal with new issues in toxicology and how they should be incorporated into risk assessment.

The staff is taking a new approach to the revision of the guidelines by focusing on cross cutting issues first, and then focusing on the revision of specific guidelines. Draft guidance on reproductive/developmental hazards has been postponed because of a shift in the staff resources to higher priority work. The draft guidance on exposure was dropped for this year because staff resources were required to support rulemaking activities for mattresses. The staff continues to work on revising the guidelines for neurotoxicity. Additional work in this area, however, will be delayed until the preamble work is done. Work on reproductive/developmental hazards and exposure will be completed in future years.

Interagency Coordination



Participation in interagency committees and partnerships ensures coordination of scientific activities of mutual interest.

Goal: *In 2005, the staff will (1) respond to requests from the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) regarding possible CPSC acceptance of ICCVAM validated test methods and (2) continue screening for emerging hazards by identifying potential chemical hazards using data from sources such as EPA's High Production Volume (HPV) Program and other Toxic Substances Control Act (TSCA) data, the National Toxicology Program, and the International Agency for Research on Cancer (IARC). The staff will continue to participate in international harmonization efforts, the National Toxicology Program, the National Cancer Advisory Board, and other interagency committees.*

Completed: There were no ICCVAM requests this year regarding CPSC acceptance of alternative test methods. The staff is continuing to screen EPA's HPV program data, TSCA data, and data from IARC and National Toxicology Program (NTP). The staff completed a hazard screening report on HPV chemicals. The staff continues to participate in international harmonization efforts and hosted an Organization for Economic Cooperation and Development (OECD) expert consultation on validation of alternative test methods. The staff also continued participation on NTP committees, the National Cancer Advisory Board and other interagency committees.

Poison Prevention

31 deaths (2001)
74,000 injuries

Goal: *The staff will continue to monitor ingestion databases and review chemical classes of products for the need for child resistant packaging. As appropriate, the staff will make recommendations for rulemaking to the Commission. The staff also will prepare the annual report on deaths due to ingestions of hazardous household chemicals using data from the National Center for Health Statistics (NCHS) and will continue to work with other government agencies in the poison prevention area.*

Completed: The staff continued to monitor ingestion databases and review chemical classes of products for the need for child resistant



packaging. The annual report on deaths due to ingestions of hazardous household chemicals was completed. The staff continues to work with other government agencies in the poison prevention area.

Strong Sensitizer Definition

Our knowledge in the area of immunology has grown and changed since the mid-1980s when the Commission issued a rule supplementing the definition of strong sensitizer found in the Federal Hazardous Substances Act (FHSA). The staff believes that it is appropriate to update this definition, as it could be the basis for labeling and/or recalling consumer products. The purpose of this project is to formally review and revise accordingly the supplemental definitions of a sensitizer found in the FHSA regulations. In 2004, a contract with outside experts was awarded to review the existing definition and address a series of questions posed by the staff.

Goal: *In 2005, the staff will review comments provided by the outside experts and may hold a meeting with outside experts and other interested parties at CPSC, if needed.*

Completed: The staff reviewed comments provided by outside reviewers and convened a meeting to discuss the scientific issues in July 2005. A staff report discussing the issues and a draft definition will be developed in 2006.

Toxicity Assessment

The staff will address a broad spectrum of products and effects by continuing ongoing assessments and initiating new assessments depending on the identification of emerging hazards. The issues will vary but may include hazards associated with exposure to lead, perfluorooctanoic acid and related compounds, ozone generators, hot tubs, nanotechnology products, and identifying potential new hazards.

Goal: *In 2005, the staff will evaluate reports of ozone generators and hot tubs from contracts awarded in 2004. The staff will perform at least two toxicity assessments, technical reviews, preliminary exposure assessments, or risk assessments, as appropriate.*

Exceeded: The contract report on ozone generators was completed and was sent out for peer review. The contract report on spas/hot tubs was received and reviewed by staff. The draft *Arts and Crafts Guide*, the CCA Mitigation draft 12 month report, the *Guidance on Lead Jewelry*, a review of the toxicity of sulfuric acid, and the silica contract report have all been completed. In 2006, the staff will consider peer review comments and finalize the ozone report and any recommendations for next steps. The information from the hot tub/spa report will be provided to the voluntary standards organization for consideration.

3. Voluntary Standards

Goal: Monitor or participate in the development or modification of 2 voluntary standards for gas cans and products with child resistant packaging.

Completed: The staff participated in the development of the child resistant gas can standard and the modification of the classification of the child resistant packaging standard.

Compliance

4. Recalls



Goal: Identify and act on products that present a risk of death from other chemical hazards by obtaining 110 recalls or other corrective actions for violations of mandatory safety standards or for unregulated products that present a substantial risk of other chemical hazards.

Exceeded: In 2005, we obtained recalls or other corrective action for 157 products directly involving other chemical hazards (see examples below). Of these, we obtained 26 recalls involving about 7.5 million product units. The remaining 131 products required other corrective actions, such as repair and/or production correction with a possibility of stopping current sales until the fix was verified.

For example, CPSC obtained a recall of 2.8 million metal charms because they contain high levels of lead.

Another example, CPSC obtained a recall of 2 million children's fishing poles because of lead in the paint.

Consumer Information

5. Public Information Effort



Goal: During National Poison Prevention Week, CPSC will help lead a national campaign to educate parents and care-givers of safety practices to reduce the hazard of accidental poisoning by young children. Working in partnership with the Poison Prevention Week Council, CPSC headquarters and field staff will involve national, state and local organizations and make available free-of-charge online educational materials, printed brochures and posters. CPSC will promote the benefits of child-resistant packaging in preventing children's poisonings, using activities such as conducting a national press event, issuing a news release and VNR, conducting media interviews, and partnering with other injury prevention organizations, as appropriate.

Completed: In an effort to promote poisoning prevention and reduce the number of unintentional poisonings to young children, CPSC partnered with the American Association of Poison Control Centers and the Poison Prevention Week Council. This year-long initiative consisted of publication distribution, media outreach, workshops and safety exhibits. The staff work on poison prevention was highlighted during the third week of March when CPSC hosted a national news conference to raise awareness. In addition to the news conference,

the staff issued a press release and a video news release to urge parents to layer the protection by using child-resistant packaging, locking medicines and chemicals out of reach and calling the poison center, 1-800-222-1222, in case of a poisoning emergency. The March event was featured nationally on CBS's *The Early Show* and *CNN Headline News*.

6. Press Releases/Recall Alerts

Goal: Issue 5 press releases or recall alerts to inform the public about hazardous products presenting a risk of other chemical hazards.

Exceeded: In 2005, we issued 27 press releases and recall alerts for products presenting a risk of other chemical hazards.

7. Video News Release

Goal: Produce 1 video news release (VNR) on the hazards of unintentional poisonings to children.

Exceeded: In 2005, we produced 3 video news releases to address the hazards associated with young children and unintentional poisonings. These VNRs reached a total potential audience of over 21 million television viewers.

8. Publications

Goal: Respond to consumer requests for a projected 300,000 checklists, booklets, and safety alerts warning about other chemical hazards.

Not Met: We responded to requests and distributed 213,500 publications that addressed other chemical hazards. The most requested distributed publications were: *Protect Your Family From Lead In Your Home*, *Locked-Up Poisons*, and *Baby Safety Checklist*.

The goal was an estimate based on the historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number distributed does not include the 1,303,000 electrocution-related publications that were viewed on our Web site in 2005. To reach the public more effectively while decreasing costs, we have focused our efforts on a new goal for electronic distribution of publications and will no longer have a goal to distribute hard copy publications. We will continue to distribute hard-copy publications, as appropriate.

REDUCING PRODUCT HAZARDS: HOUSEHOLD AND RECREATION HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	42	48	45	53	51
Amount	\$4,632	\$5,396	\$5,595	\$6,722	\$6,902

THE HAZARD

CPSC activities have 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 biking, in-line skating, skiing, and scooter riding.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
Safety Standards						
1. Prepare and present recommendations to voluntary standards or code organizations	Goal	*	*	3	2	1
	Actual	--	--	2	1	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	*	2	2	4	5
	Actual	--	2	1	3	5
3. Monitor or participate in voluntary standards revisions	Goal	*	*	11	14	17
	Actual	12	8	15	18	19
Compliance						
4. Pursue for recall or other corrective action	Goal	*	30	45	80	100 ^a
	Actual	91	135	84	125	148
5. Monitor existing voluntary standards	Goal	*	*	*	1	1
	Actual	--	--	--	0	1
Consumer Information						
6. Conduct public information efforts	Goal	*	*	*	1	2
	Actual	--	--	--	0	1
7. Issue press releases and recall alerts	Goal	*	20 ^b	20 ^b	50 ^{b,c}	50 ^{b,c}
	Actual	45	65	49	86	143
8. Produce video news releases	Goal	*	2 ^b	2 ^b	*	2 ^b
	Actual	3	3	2	--	2
9. Respond to requests for publications (in thousands)	Goal	*	30	30	30	30
	Actual	34	32.5	46	4	39

*No goal established for that year.

--Data not available.

^aEstimate based on prior years' experience. The actual number of recalls and other corrective actions will depend on the mix of safety-related problems arising during the year.

^bThese goals were changed to include all product hazards, not just recalled products as in previous years.

^cThis goal now includes Web recall alerts.

Safety Standards

1. Prepare and present 1 recommendation to voluntary standards or code organizations to strengthen or develop a voluntary standard.

Quick Release Mechanisms (Carryover from 2004)



CPSC received reports of incidents of front wheels falling off bicycles leading to injuries and deaths. CPSC has reports of seven deaths associated with wheels falling off bicycles, with four of the seven occurring in 2001. Quick release mechanisms are commonly found on bicycle wheels to make the wheel easy to remove for quick tire changes and to break down the bicycle for transport. Other products, such as folding scooters, also use quick release mechanisms. Children and other users with lower strength levels may have trouble properly tightening quick release mechanisms and to assess if a mechanism is adjusted properly. For example, releases may appear to be in the locked position, although poorly adjusted.

Goal: In 2005, the staff will complete technical evaluations and prepare voluntary standard/code recommendations, if appropriate.

Completed: The staff completed a technical review of quick release mechanisms focusing on quick release mechanisms on children's bicycles. The technical report focused on epidemiology, economic, and behavioral data. The staff decided not to pursue formal recommendations to voluntary standards organizations, but requested that a working group on quick release mechanisms be formed. The staff intends to participate in the working group and will provide the working group with the results of the staff review.

2. Complete 5 testing, data collection or hazard analysis activities to evaluate the need for, or adequacy of, safety standards.

ATV Data Update

621 Deaths, 4-wheel ATVs (estimated 2002)
116,600 injuries, 4-wheel ATVs (estimated 2003)



ATV death and injury data has been collected and updated annually and is a continuation of reporting that began in 1982. The data includes the total number of ATV-related deaths, deaths by state, relative risk of death by year, annual estimates of ATV-related hospital emergency room treated injuries, and injuries distributed by year and age grouping.

Goal: In 2005, the staff will provide its annual ATV death and injury data update report.

Completed: The staff completed its annual ATV death and injury data update report. The staff report, *2004 Annual Report of ATV Deaths and Injuries*, is available on the CPSC Web site.

Mobile Amusement Ride Data Update

3,260 injuries
(annual average for mobile rides, 1999-2003)

Amusement ride data has been collected and updated annually and is a continuation of data reporting started in 1987. The data includes hospital emergency room treated injury estimates for both fixed and mobile amusement rides. Fixed ride data is included for comparison purposes as the CPSC only has jurisdiction over mobile rides.



Goal: In 2005, the staff will provide its annual amusement ride data update. This data is typically reported for non-occupational injuries in formats that present annual trends, seasonal trends, and injuries by age and sex, body part, diagnosis, and disposition.

Completed: The staff completed its annual amusement ride data update report. In 2004, mobile amusement rides accounted for an estimated 2,500 non-occupational injuries; and inflatable rides, such as bounces and slides, accounted for an estimated 4,900 non-occupational injuries.

Older Consumer Safety and Falls

7,500 fall-related deaths in home setting to seniors 65 and over (2003)
Over 3,000 of these deaths were consumer product related



The proportion of adults over 65 in the population of the U.S. rose from 4 percent in 1990 to 13 percent in 2000, and is projected to continue to rise. This demographic change is reflected in product-related injuries and deaths among older consumers. The staff plans to conduct a multi-phase study of the effects of age-related changes on safe use of consumer products to develop resource materials, standards, technological solutions, and design guidance to reduce product hazards and related injuries to older persons.

Goal: In 2005, the staff will develop a comprehensive profile of hazards to older persons as they relate to their environment and the products that they use. The staff will evaluate existing epidemiological data relevant to the broad scope of hazards and injuries, but with initial emphasis on falls as the leading cause of unintentional injury and death among older persons. Qualitative and quantitative results for product areas will be ranked by factors including the following: (1) degree of difference from younger adults, (2) number of seniors affected, and (3) effects of the difference. This information will be used to develop hazard reduction strategies in 2006.

Completed: The staff completed a new study entitled *Special Report: Emergency Room Injuries to Adults 65 and Older*. This study found that those 75 and older are especially vulnerable to injuries, particularly falls. This is important because those 75 and older are one of the fastest-growing segments of the U.S. population, and older consumers are also increasingly involved in exercise and sports. The staff also developed a comprehensive profile of older adults in terms of attributes relevant to consumer-product interactions. Specifically, the staff performed a literature review to identify changes or differences associated with adult aging that might affect an individual's ability to successfully interact with a product. The staff then completed a draft report that summarizes age-related sensory, cognitive, and physical differences in the adult consumer population. This report also includes discussions of some interventions that are likely to compensate for these age-related differences. The staff will complete a more in-depth review and analysis of the associated epidemiological data in 2006. This information will be used to develop hazard reduction strategies in 2007.

Powered Scooters (Carryover from 2004)

10,500 injuries (preliminary 2004)

Powered scooters are a relatively new product and CPSC received increasing numbers of injury reports associated with this product. The staff started a NEISS-based special data collection study on powered scooters in July 2003 to evaluate hazard patterns associated with powered scooters. The special data collection study continued



through June 2004. Data collection ran longer than originally planned to get enough cases for a meaningful analysis. Completion of the study was also delayed due to high priority work on hazard screening reports, an activity under the Agency's Critical Management Initiative.

Goal: *In 2005, the staff will complete the evaluation of the data and determine if additional effort is necessary with respect to making recommendations for the development of a voluntary standard.*

Completed: The staff completed an analysis of power scooter-related injuries treated in U.S. hospital emergency rooms. This included the identification of product-related hazard scenarios that could be considered for future injury reduction strategies. The staff sent a letter to ASTM International recommending the development of a voluntary standard for these products.

Sensor Technology (Riding Mower)

631 run-over or back-over injuries
Children < 15 years (2002)



The hospitalization rate for injuries from riding power lawn mowers running over or backing over children less than 15 years old was 10 times the national average of 4 percent associated with all consumer products reported through the NEISS. About 1/3 of the injuries were serious (e.g., internal injuries and amputations). Common scenarios included: a child ran in front of the mower and was run over; sat on the lap of an operator, fell, and was run over; slipped, fell, and was run over; and was backed over with the mower.

Goal: *In 2005, the staff will collect and analyze data to determine the factors affecting the hazard scenarios associated with riding mowers. Factors such as the direction and velocity of the lawnmower and sight limitations, operator workload, operator and bystander reaction times, and lawn conditions will be examined. Additionally, the staff will identify possible technical solutions with particular focus on the application of sensor technology that could avert injuries identified in the typical hazard scenarios. These will be investigated more fully in 2006.*

Completed: The staff completed a review of available data associated with riding lawnmower injuries. Hazard patterns were identified, and possible technical solutions were examined. In 2006, the staff will conduct an evaluation of sensor or other technologies that may be effective in addressing incidents.

3. Voluntary Standards

Goal: *Monitor or participate in voluntary standards activities related to 17 products such as ATVs, bicycles, chain saws, garage door and gate operators, ride-on mowers, plastic gas tanks, portable amusement rides, table saws, and hunting treestands.*

Exceeded: The staff monitored or participated in the development or modification of 19 voluntary standards for the following products:

- ATVs
- Bicycles
- Chain Saws
- Garage Door and Gate Operators
- Gun Containers
- Ladders
- Plastic Gas Tanks
- Portable Amusement Rides
- Recreational Helmets
- Ride-on Mowers
- Scooters
- Snow Blowers

- Non-Powder Guns
- Non-Ride-on Mowers
- Paintball Guns
- Paper Shredders
- Table Saws
- Trampolines
- Tree Stands

Compliance

4. Recalls



Goal: Obtain 100 recalls or other corrective actions for violations of mandatory safety standards and for unregulated products that present substantial hazards.

Exceeded: In 2005, we obtained for recall or other corrective action 147 products that presented a risk from household and recreational hazards. All 147 corrective actions were recalls involving over 15 million product units. For example, CPSC obtained a recall of 680,000 fit-ness machines with seat pins that can break or become disengaged, allowing the seat to move suddenly. Also, the incline support bracket can break, allowing the incline bench to move suddenly. Both hazards pose a fall risk to the user.

5. Voluntary Standards (Carryover from 2004)

Goal: Monitor 1 existing voluntary standard likely to reduce household, power tools, or sports and recreation products.

Completed: The staff completed its evaluation of industry conformance to a voluntary standard related to a thermal burn hazard.

Consumer Information

6. Conduct 2 public information efforts to provide information to the public about mechanical hazards and prevention.

All Terrain Vehicles (ATVs) (Carryover from 2004)



Goal: Preventing injuries and deaths associated with ATVs will be the focus of a comprehensive national campaign. Particular focus will be directed at localities that have the highest proportion of injuries and deaths for children and adults. A strategic component of the education and information campaign will employ a “train the trainer” methodology and involve national, state and local partners. CPSC will help disseminate “ATV Safety” -- a teaching guide containing inter-active classroom activities to help young people recognize and avoid common risks associated with ATV use. Seminars built around CPSC safety materials will be conducted by partnering organizations such as National 4-H, Boy Scouts, Girl Scouts and other nonprofit groups. CPSC field staff will promote the campaign through local clubs and associations in all 54 states and U.S. territories.

Will Complete in 2006: A decision was made to delay start of this effort until after the formation of the ATV Safety Review Team and after Commission approved the ANPR. During 2005, a multi-faceted public information campaign on ATV safety was developed and will be launched in 2006. CPSC staff developed concepts for a stand-

alone ATV Safety Web site. The Web site is projected to include national and state data on ATV-related deaths and injuries; state ATV laws and agencies; ATV safety tips; historical ATV information; links to CPSC's ATV recalls and injury reporting form; and links to other ATV-related organizations. In addition, the staff contracted for production of two public service announcements. Preliminary video footage and digital photos already were taken. CPSC staff also made initial arrangements for a satellite television media tour.

In the 4th quarter of 2005, the staff conducted interviews with the CBS evening news, AP, Los Angeles Times and local newspapers nationwide to discuss the Chairman's call for a comprehensive study of ATV safety.

During this timeframe, CPSC also received media coverage in the Washington Post, AP, Santa Fe New Mexican Editorial Page and others for the Commission's approval of an ANPR on ATVs. The release of the 2005 ATV Death and Injury Report to coincide with the ANPR vote helped further CPSC's message of the importance of training, safe riding practices and our need to study all aspects of ATV use.

Safety for Older Consumers



Goal: *The CPSC will highlight the risks to the elderly who may reside in older homes or be in the possession of older consumer products. This campaign will also warn seniors to find hazards common in the home. National and regional organizations such as the National Safety Council and others will serve as partners to help promote the campaign messages. CPSC field staff will work with state and local groups to conduct 30 Older Consumer Safety Seminars across the nation. CPSC will also develop an online, interactive Older Consumer Safety Test to help disseminate safety information covering both fire and mechanical hazards.*

Completed: CPSC successfully launched a national campaign along with the National Safety Council (NSC) on product safety for older consumers, which featured a national report on deaths and injuries to older people. The staff released a national press release and successfully obtained segments on the NBC's *Today Show* and *Nightly News*, along with other broadcast media and radio stations. The Chief Executive Officer for NSC conducted a live interview with CBS's *The Early Show*. In addition, CPSC staff created a safety checklist and a Neighborhood Safety Network poster for older consumers. Both of these were made available in English and Spanish.

CPSC field staff worked with state and local partners nationwide to implement this campaign and inform the elderly and families about hazards that pose a risk of injury to older consumers. The staff conducted 40 Older Consumer Safety Seminars in 20 states. The staff also developed an online interactive *Older Consumer Safety Test*, to allow consumers to test their knowledge about hazards in and around the home. The staff demonstrated the test during seminars and disseminated safety information about preventing slips and falls.

7. Press Releases

Goal: Issue 50 press releases and recall alerts to inform the public about products presenting a risk of a household or recreation hazard.

Exceeded: In 2005, we issued 143 press releases and recall alerts for household and recreational products presenting hazards to consumers.

8. Video News Releases

Goal: Produce 2 video news releases (VNRs) for products presenting a risk of a household or recreational hazard.

Completed: In 2005, we produced 2 VNRs that addressed hazards with household and recreational products. These VNRs reached a total potential audience of over 11 million television viewers.

9. Publications

Goal: Respond to consumer requests for a projected 30,000 checklists, booklets, and safety alerts warning about household or recreation hazards.

Exceeded: In 2005, we responded to requests and distributed 39,000 publications that addressed household and recreational hazards. The total number of publications distributed does not include those publications viewed from our Web site. The most requested distributed publications were: *Keep Active-Safe At Any Age*, *Home Safety Checklist For Older Consumers*, and *Use Your Head...Bike Helmets*.

IDENTIFYING PRODUCT HAZARDS: DATA COLLECTION

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	80	79	85	67	85
Amount	\$9,138	\$9,691	\$10,299	\$9,353	\$10,600

Note 1: Prior to 2004, resources for "Data Utility" were included in this area. Note 2: FTEs for 2004 changed to reflect post-closing review.

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.



The Commission 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 the involvement of the reported product. These activities reflect the Agency's commitment to making decisions based on appropriate data analyses. The work provides underlying support to all the Commission's Results Act activities.

In 2005, we continued strengthening our data collection and analysis process. Past improvements include the purchase of annual data on poisonings to children, a study of the long-term costs of head injuries, the implementation of a National Burn Center Reporting System, and a pilot study of a possible new statistical system to collect fire death and injury data.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
1. Evaluate, train and audit each hospital in the NEISS sample	Goal	*	100%	100%	100%	100%
	Actual	95%	100%	100%	98%	99%
2. Capture the product-related cases	Goal	*	90%	90%	90%	90%
	Actual	93%	94%	94%	93%	92%
3. Complete headquarters telephone investigations in less than 45 business days	Goal	*	85%	85%	85%	90%
	Actual	98%	95%	99%	100%	99%
4. Complete field telephone and onsite investigations in less than 45 business days	Goal	*	85%	85%	85%	90%
	Actual	87%	89%	90%	90%	96%
5. Sustain the number of onsite investigations	Goal	*	*	*	1,200	1,200
	Actual	1,223	1,327	1,334	1,523	1,746
6. Sustain the number of incident reports collected from medical examiners and coroners	Goal	*	2,800	3,600	3,600	3,600
	Actual	3,880	4,165	3,774	4,514	4,428
7. Sustain the number of incident reports collected from news clips	Goal	*	5,000	7,000	7,000	7,000
	Actual	6,942	7,101	8,131	7,870	8,766

*No goal established.

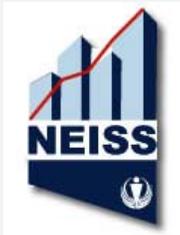
1. Monitoring Hospitals

Goal: Conduct at least one evaluation visit to each hospital 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.



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

2. Capturing Product-Related Cases



Goal: The results of the audits in each hospital should indicate that NEISS hospitals are reporting over 90 percent of the product-related cases. A high reporting percentage is necessary to assure the integrity of the estimates. Remedial action would be instituted in any hospital missing significant numbers of reportable cases.

Exceeded: Based on the evaluation visits conducted in 2005, we captured about 92 percent of all product-related cases in 2005.

3. Telephone Investigations (Headquarters)



Goal: Complete at least 90 percent of investigations in less than 45 business days. The headquarters telephone investigations provide valuable information on specific NEISS cases of interest to CPSC analysts. Analysts must receive these data as quickly as possible so that they can use the information to support hazard reduction activities.

Exceeded: For investigations conducted in 2005, 99 percent were completed within 45 days.

4. Telephone/Onsite Investigations (Field) Timeliness

Goal: Complete at least 90 percent of field investigations in less than 45 business days. The field investigations provide valuable information on cases of interest to CPSC analysts. Analysts must receive these data as quickly as possible so that they can use the information to support hazard reduction activities.

Exceeded: In 2005, we completed 96 percent of field investigations in less than 45 business days.

5. Onsite Investigations (Field)

Goal: Sustain the number of onsite investigations completed by the field at 1,200. Sustaining the number of onsite investigations will maintain both the timeliness and quality of our information.

Exceeded: The Field completed 1,746 onsite investigations.

6. Medical Examiner and Coroner Reports

Goal: Sustain the number of medical examiner/coroner reports at 3,600. These reports provide critical information on product-related deaths. The data are especially valuable because they are generally received soon after the incident and provide some detail on how the incident occurred.



Exceeded: In 2005, we entered 4,428 reports in our database (this does not include most reports received in September.)

7. News Clips



Goal: *Sustain the number of incident reports from news clips at 7,000 clips. CPSC relies on clips from newspapers in all 50 states to identify incidents of special interest in local areas. 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.*

Exceeded: In 2005, we entered 8,766 reports in our database (this does not include most reports received in September.)

IDENTIFYING PRODUCT HAZARDS: DATA UTILITY

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	--	--	--	14	13
Amount	--	--	--	\$1,782	\$1,961

--Data not available. While the Agency did work in this area, resources for work done prior to 2004 are included in resources for the activity "Data Collection." Note: FTEs for 2004 changed to reflect post closing review.

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 limited 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 worked effectively in the past, increasingly limited resources require that we target Agency efforts more systematically and prioritize our efforts through the strategic planning process. The staff developed and implemented a new data review system that will identify promising strategic goal areas and hazard reduction projects for future incorporation into our Strategic Plan, as well as provide insight into potential remedial actions.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
1. Complete analysis of major product areas	Goal	*	*	2	4	4
	Actual	--	--	2	5	6
2. Conduct special studies	Goal	*	*	*	1	2
	Actual	--	--	--	1	2
3. Conduct special economic studies	Goal	*	*	*	10	8
	Actual	9	19	9	10	8
4. Respond to petitions	Goal	*	*	*	3	3 ^a
	Actual	5	3	13	5	2

*No goal established.

--Data not available.

^aThis 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 Analysis

Goal: *The staff will conduct a systematic review of injury, incident, death, market and cost data on a variety of product-related hazard areas. As appropriate, injury and death data, poison control center data, market/exposure data, toxicity data, medical/physiological/engineering analysis, literature searches, and laboratory assessment will be used to identify and evaluate new and existing hazards. The expected accomplishments include: maintenance of a risk based process for analysis of injury, death and cost data to provide perspective on the problems identified and the relative importance of addressing the hazards. In 2005, the staff will complete analyses of injury, death, and cost data in 4 major product areas.*

Exceeded: In 2005, 6 hazard screening reports were completed. These were: *Personal Use Items; Home Communication, Entertainment and Hobby Products; Housewares and Kitchen Appliances; Sports Activities and Equipment; Heating, Cooling, and Ventilating Equipment; and Miscellaneous Products.*

2. Special Studies

Goal: *The staff will conduct 2 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.*

Completed: The staff conducted 2 special studies: the first on fireworks-related injuries and deaths and the second on fire-related injuries. Both studies used telephone interviews and collection of records from local agencies. The fireworks study also used on-site investigations to obtain more details on the injury scenarios and to collect samples of fireworks when available. Both resulted in publications available on CPSC's Web site at www.cpsc.gov/library/data.html. These publications were *2004 Fireworks Annual Report: Fireworks-related Deaths, Emergency Department Treated Injuries and Enforcement Activities During 2004* and *Estimates of Fire Injuries Treated in Hospital Emergency Departments: June 2002-2003*. Data collection will continue for both fire and fireworks-related injuries during 2006 using telephone and on-site investigations. The data collected will be used to update the injury trends and to examine new injury patterns. Both studies will result in publications during 2006.

3. Special Economic Studies

Goal: *The staff will conduct 8 economic studies to provide: injury cost estimates; estimates of product life and numbers in use; general and small business impacts, such as production costs and competition, environmental impact; labeling and recall costs. The staff will maintain econometric models through periodic review to assure that methodo-logical approaches and models are current and adequate for use by CPSC.*

Completed: The staff met the goal of completing 8 economic studies for 2005. Compared to previous years, increased emphasis was placed on methodological studies rather than reports for outside parties, such as medical societies. Most of these studies were in support of ongoing projects or product hazards such as upholstered furniture flammability, while the remainder, such as studies on quality-adjusted life years and residential fire injuries, provided support to a variety of Commission activities.

4. Petitions

Goal: *In 2005, we estimate that the staff will prepare 3 briefing packages in response to petitions. 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*

Completed: In 2005, the staff prepared 3 briefing packages in response to petitions on sulfuric acid drain openers, all-terrain vehicles, and unit-dose packaging. The goal was an estimate based on prior years' experience. The actual number of petition responses is based on the number of petitions the Commission receives and other safety-related issues that arise during the year.

QUALITY AND MANAGEMENT GOALS: DATA QUALITY

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	--	--	--	.5	1.7
Amount	--	--	--	\$60	\$212

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 not available; new strategic goal in 2005. While the Agency did work in this area in 2003, resource data is not available to reflect the 2003 work done on Data Quality.

STRATEGIC GOAL

Improve the quality of CPSC's data through 2009 based on criteria such as 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 was 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.



CPSC plans to evaluate at least one major data system, identify remedial strategies, and seek to acquire needed software and/or hardware in 2005. We plan to implement changes beginning in 2006 and continue the evaluation of other data systems.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
1. Conduct data quality planning activities	Goal	*	*	*	1	1
	Actual	--	--	--	1	1
2. Identify, develop, and implement activities for data quality improvement	Goal	*	*	*	2	3
	Actual	--	--	--	1	3

*No goal established.

--Data not available.

1. Conduct data quality planning activities.

Assessment Plan

Goal: In 2005, the staff will finalize an assessment plan for the candidate database. It will detail the data quality tasks, resources to

complete those tasks, and a timeline for completion. This will result in the development of recommendations for improvement to the candidate database in 2006.

Completed: An assessment plan was developed for the candidate database in the spring of 2005. Development of the timeline required research into the condition of materials available and available resources. The timeline was actively used to track milestones and keep all stakeholders informed of progress and deliverable due dates. Minor adjustments were made to the plan as needed as this was the first candidate database to be reviewed under the Data Quality Initiative.

2. Identify, develop, and implement activities for data quality improvement.

Baseline Data

Goal: *The staff will collect several different sources of performance data on the selected database and its use to develop an overall baseline from which we will investigate possible improvements. Data quality is being defined by characteristics such as: utility, accuracy, consistency, completeness and security of the database. These may be documented using different methods.*

Completed: Performance data was extracted May 2005. An overall review of all fields was presented in the Data Accuracy Report and reviewed by primary stakeholders. From the development of this baseline view, a strategy for the evaluation of error rates was developed.

Data Utility Survey

Goal: *A major task of the Data Quality initiative is to survey users for their current perception of system utility. This task will result in a report summarizing users' views on the usefulness of the system. Some suggestions for improvement may be identified as part of the process.*

Completed: The survey was completed in February 2005 and had an overall response rate of 89 percent. Three quarters of respondents found the system generally useful. Minor differences were observed between stakeholder offices as their purposes and methods of use were different. Despite this difference, the proportion of users in each office who found the system useful was almost equal. Some suggested improvements and opportunities for further training were identified.

Data Assessment

Goal: *The staff will analyze the information and describe the overall condition of the database and associated processes. This task will result in a baseline report that all stakeholders will have the opportunity to review and critique.*

Completed: Data accuracy and consistency were evaluated in separate reports. An overall snapshot view of the system identified infrequent errors and confirmed flaws already noted by stakeholders. Four reports summarized the Accuracy, Consistency, Security and Source Verification of the candidate system. Several errors and potential improvements were identified and will be the basis of an upcoming report on resources necessary to implement changes.

QUALITY AND MANAGEMENT GOALS: INDUSTRY SERVICES

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	28	15	15	15	15
Amount	\$2,829	\$1,324	\$1,410	\$1,485	\$1,530

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

STRATEGIC GOAL

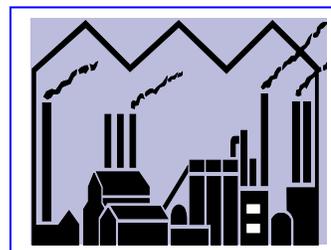
Maintain success with the timeliness and usefulness of the Fast-Track Product Recall and the Small Business Ombudsman programs for industry through 2010.

We survey users of these programs periodically. In 2005, 92 percent of respondents to our Small Business Ombudsman program customer satisfaction survey found the service useful, meeting this part of our strategic goal.

THE PROGRAM

The Commission'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 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 an Agency staff preliminary determination that their product presents a substantial risk of injury. Other advantages of this program for industry include reductions in paperwork, red tape, and legal expenses related to the recall of potentially defective products. For CPSC, advantages of this program include removing hazardous products from consumers and the marketplace more quickly and a reduction in the staff time to process the recall. To date, nearly 1,100 firms participated in the program, resulting in nearly 1,700 product recalls involving nearly 200 million product units. The Fast-Track program was cited as outstanding by both government and private organizations.

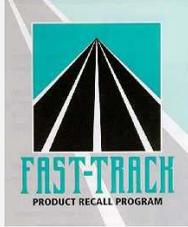


With the Small Business Ombudsman program, we help small businesses comply more easily with product safety guidelines and manufacture safer products. This program provides firms with a single point of contact that expedites a clearly understandable response from our technical staff. To date, we helped about 2,000 small businesses through CPSC's Ombudsman. Our program was cited in the *National Ombudsman Report to Congress on Regulatory Fairness* as one of the best programs in the Federal government.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
1. Initiate a recall within 20 business days through the Fast Track Program	Goal	90%	90%	90%	95%	95%
	Actual	95%	95%	95%	96%	94%
2. Respond to requests within 3 business days through the Ombudsman Program	Goal	80%	80%	80%	80%	80%
	Actual	79%	99%	88%	82%	94%
3. Develop guides	Goal	10	5	5	5	5
	Actual	10	5	7	8	8

1. Fast Track Timeliness



Goal: Complete a technical review and initiate a recall within 20 business days 95 percent of the time for Fast-Track Program.

Completed: In 2005, a review of the records reveals that Fast Track recalls were initiated within 20 business days 94 percent of the time.

2. Ombudsman Timeliness

Goal: Respond to requests from small businesses through the CPSC Small Business Ombudsman within 3 business days 80 percent of the time.

Exceeded: CPSC staff responded to and offered guidance to 236 small businesses in 2005. A review of the Small Business Ombudsman program's records found that requests were responded to within three business days 94 percent of the time.

3. Guides



Goal: In 2005, we will continue the effort begun in 2000 to develop brief guides or other guidance documents for CPSC regulations, where most of our compliance efforts were targeted, 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 assist industry in complying with CPSC regulations. These guides are accessible through our Web site under the Regulatory Summaries in Plain Language subheading at www.cpsc.gov/businfo/corrective.html or available with other regulatory information associated with the specific product.

Exceeded: In 2005, we developed or updated 8 guidance documents so that industry can quickly and easily understand how to comply with regulations or obtain useful product specific information. One of these, the *Handbook for the Manufacturing of Safer Consumer Products*, was updated as part of the Agency's *International Consumer Product Safety Program Plan-China*, and is available in both English and Mandarin.

QUALITY AND MANAGEMENT GOALS: CONSUMER SATISFACTION WITH CPSC SERVICES

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	15	12	15	17	17
Amount	\$1,595	\$1,591	\$1,980	\$2,346	\$2,416

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

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 2010.

We survey users of these programs periodically. In 2005, 96 percent of respondents to our Web Site survey were satisfied or very satisfied with the service meeting this part of our strategic goal.

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 2,700 requests each year. It also alerts manufacturers to potential hazards associated with their products, providing them with consumer complaints, reported incidents and accident investigations. Our State Partners Program, using limited CPSC funds and CPSC-developed safety information, brings product safety services to consumers through cooperative programs with state and local governments. The program extends our reach throughout the nation.



ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
CPSC Web Site						
1. CPSC Web site visits (in millions)	Goal	4.0	7.0	8.0	10.0	11.0
	Actual	6.3	7.9	9.2	11.9	13.7
Hotline Services (1-800-638-2772)						
2. Respond to voicemail messages the next business day	Goal	85%	85%	85%	85%	85%
	Actual	79%	86%	92%	96%	86%
3. Process incident reports within 8 working hours	Goal	85%	85%	85%	90%	95%
	Actual	99%	100%	100%	100%	100%
4. Maintain the number of e-mails processed	Goal	*	*	*	12,000	9,500
	Actual	12,200	15,500	12,000	9,705	7,400
National Injury Information Clearinghouse						
5. Mail incident information for verification to consumers within 2 business days	Goal	95% ^a	95% ^a	95%	95%	95%
	Actual	100%	100%	98%	99%	95%
6. Provide manufacturers with verified incidents and investigations within 48 business days	Goal	90%	90%	90%	90%	90%
	Actual	--	79%	95%	95%	95% ^b
7. Provide responses to requests within 5 business days	Goal	95%	95%	95%	95%	95%
	Actual	97%	96%	97%	97%	99%
State Partners Program						
8. Conduct product safety activities	Goal	50	50	50	150	120
	Actual	140	140	287	195	179
9. Conduct recall checks, inspections, and investigations to support CPSC priorities	Goal	*	900	900	740	740
	Actual	985	979	924	1,180	916

*No goal established

--Data not available

^a Goal was for consumer complaints reported through the hotline only; starting in 2003, we now include those reported from all sources.

^bPreliminary data October 2004 through July 2005.

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 were added, such as allowing the public to make on-line reports of product hazards.

The number of users of the Web site has grown rapidly from about 200,000 visits in 1997 to about 11.9 million visits in 2004. Based on customer feedback and a review of our Web site in 2004, we implemented changes to improve the ability to access safety information.

Goal: In 2005, we will maintain the number of visitors to CPSC's Web site at 11 million.

Exceeded: In 2005, we had 13.7 million visits to CPSC's Web site (www.cpsc.gov). Recent improvements continue to attract users to our Web site from both consumers and industry.

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.

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

Completed: In 2005, we responded to voicemail messages the next business day 86 percent of the time.

3. Incident Reports

Consumers may make a complaint of an unsafe product or product-related injury through the hotline. We then send a copy of the report to the consumer for confirmation of the information recorded by the hotline staff. These reports are used to support hazard identification and analysis activities.

Goal: *In 2005, the staff will process product incident reports within 8 working hours 95 percent of the time.*

Exceeded: In 2005, we processed incident reports within 8 working hours 100 percent of the time.

4. E-mail Inquiries

Hotline staff responds to e-mail messages sent to info@cpsc.gov, which is available through our Web site. Some of these e-mails are forwarded to technical and legal staff, as appropriate, for response. In 2004, the staff developed and implemented a system that filters out spam. The performance goal in 2004 was based on past years' data that included spam.

Goal: *The goal set for 2005 maintains the number of e-mails that are processed by hotline staff without the spam.*

Not Met: In 2005, there was a drop in the number of e-mail complaints to 7,400 which could not have been anticipated or influenced by CPSC or the Hotline. This drop in e-mail information requests may be caused by the improved Web site content that is redirecting users to the appropriate site on the portal. As this number is expected to diminish over time, we may not be using this as a goal in the near future.

5. Consumer Confirmation

The National Injury Information Clearinghouse contacts consumers to request verification of information contained in reports of unsafe products they submit 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.

Goal: *In 2005, the staff will mail incident report verification information to consumers within 2 business days 95 percent of the time.*

Completed: We mailed requests for verification within 48 hours 95 percent of the time.

6. 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.

Goal: *In 2005, the 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.*

Exceeded: In 2005, we exceeded our goal by providing incident and investigation results to manufacturers within 48 business days 95 percent of the time.

7. 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 2,700 requests received on average each year are completed within five business days.

Goal: *In 2005, the staff will provide responses to requests for information within 5 business days 95 percent of the time.*

Exceeded: In 2005, we exceeded our goal by responding to consumers within 5 business days 99 percent of the time.

8. 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. Most of these cooperative activities at the state level complement those performed by the Commission's field staff and are done at little or no cost to the Federal government. Conduct 120 product safety activities including media events, congressional contacts, public information seminars and safety consultations.

Exceeded: In 2005, the staff conducted over 179 product safety activities including congressional visits, educational seminars, safety consultations and workshops with state and local partners.

9. Assignments

Goal: *The staff will conduct at least 740 State Partners recall checks, inspections, and in-depth injury investigations within 90 days of assignment.*

Exceeded: In 2005, the staff successfully conducted over 916 State Partner recall checks, inspections, and in-depth injury investigations within 90 days of assignment.

QUALITY AND MANAGEMENT GOALS: PRESIDENT'S MANAGEMENT AGENDA

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2001	2002	2003	2004	2005
FTEs	--	5	5	5	5
Amount	--	\$412	\$457	\$481	\$495

--Data not available

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

INTRODUCTION

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

THE PROGRAM

The President's Management Agenda calls for the government to focus on the hiring, training, and retention of well-qualified individuals and to assure that the organizational structure is efficient and citizen-centered. CPSC employs a diverse, knowledge-based workforce composed of individuals with a broad spectrum of technical and program skills and institutional memory. They are the Agency's human capital, its greatest asset. The President's Management Agenda recognizes the importance of the strategic management of human capital and set standards for success in "Getting to Green" as follows:



- The Agency's human capital strategy is aligned with mission, goals, and organization objectives by: integrating human capital into the Budget and Strategic Plans; being consistent with OPM's human capital scorecard; and complying with standards for internal accountability systems;
- The Agency has a citizen-centered flat organizational structure oriented toward performing the mission assigned to it;
- The Agency sustains a high-performing workforce that is continually improving in productivity; strategically uses existing personnel flexibilities, tools, and technologies; and implements effective succession plans;
- No skill gaps/deficiencies exist in mission critical occupations;
- The Agency differentiates between high and low performers through appropriate incentives and rewards; and
- Changes in Agency workforce skill mix and organizational structure reflect increased emphasis on e-government and competitive sourcing.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
1. Develop a human capital scorecard	Goal	*	*	*	1	1
	Actual	--	--	--	--	1
2. Modify the SES appraisal system to include progress toward meeting Results Act goals and the President's Management Agenda	Goal	*	*	*	1	1
	Actual	--	--	--	1	1
3. Identify skills gaps and develop training plans	Goal	*	*	*	1	1
	Actual	--	--	--	1	0
4. Maintain the recruitment process time	Goal	*	62	62	62	62
	Actual	65	61	51	60	61
5. Conduct training for managers in human resource management	Goal	*	2	2	2	1
	Actual	0	2	2	3	2
6. Conduct focus groups of new employees	Goal	*	2	2	2	2
	Actual	0	2	2	2	2
7. Target recruitment efforts to organizations serving under-represented populations	Goal	*	10	10	10	12
	Actual	0	11	12	12	14
8. Conduct training sessions for employees in EEO/AEP responsibilities	Goal	*	3	3	3	3
	Actual	0	4	8	10	10
9. Promote representation of Hispanics and individuals with disabilities	Goal	*	5	5	5	5
	Actual	0	6	7	12	13
10. Develop a Training Plan	Goal	*	*	*	1	1
	Actual	--	--	--	1	0
11. Identify and promote low/no cost training	Goal	*	1	1	1	1
	Actual	--	1	1	1	1

*No goal established.

--Data not available.

1. Human Capital Scorecard

Goal: In 2005, we will implement the scorecard that is consistent with the OPM recommended Human Capital Scorecard. The scorecard will measure our progress on how well CPSC can assess and improve skills, communications, leadership and teamwork that are required to carry out our strategic mission. The scorecard will provide a method for accountability and a way for CPSC to improve its management of human resources.

Project Discontinued: In 2005, we were unable to meet this goal. Resources were devoted to analyzing the current workforce, utilizing Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) authorities, streamlining, and improving business processes. In order to implement a scorecard, we needed to assess positions and determine how we were going to continue to meet mission requirements under extremely tight budget constraints. Due to resource limitations and the fact that this is not required from small agencies such as CPSC, we determined to eliminate these efforts.

2. Appraisal System

In 2004, CPSC revised the Senior Executive Service Performance Management System performance elements and standards to include measures of success in meeting Agency goals in our annual performance plans.

Goal: In 2005, we will revise the elements and standards for the remainder of the employees.

Completed: In 2005, we revised the language for the GS performance appraisal system to include a generic critical element for all employees, "Strategic Goals and Objectives," which allows for results-based assessments with a transparent link to Agency goals.

3. Skills Analyses

In 2003, we identified mission critical positions and in 2004, we developed competencies for those positions.

Goal: *In 2005, we will identify skill gaps and develop training plans for the mission critical positions to assure we have well-qualified individuals performing the strategic mission of the Agency.*

Will Complete in 2006: In 2005, we did not complete this goal as we utilized the VERA/VSIP authorities and reshaped and restructured our workforce. Training plans were developed for several mission critical positions and skills gaps identified. In 2006, we will identify skill gaps and develop training plans for the remaining mission critical positions.

4. Recruitment Time

Goal: *In 2005, we will maintain the recruitment process time, calculated as difference in the number of days between the recruitment request and candidate selection date. We calculated an average of 60 days for 2004.*

Completed: In 2005, our average recruitment process time was 61 days. Applicants have the option to hand carry, mail, fax, or submit their application on-line, making it easy to apply for jobs at CPSC.

5. Human Resources Training

Goal: *In 2005, we will conduct training for managers in human resource management. This will include topics such as recruitment, performance management, incentive programs, and other human resource procedures.*

Exceeded: In 2005, we conducted 2 training sessions for managers in the time and attendance system and leave management. We also conducted a session for managers on *Pay and Leave Benefits For Federal Employees Affected By Severe Weather Emergencies or Other Emergency Situations* in response to Hurricanes Katrina and Rita.

6. Focus Groups

Goal: *In 2005, we will conduct 2 focus groups of new employees to learn from their experience and determine how to improve our recruitment process.*

Completed: In 2005, we conducted a survey and 2 focus groups for new employees hired in the last year. Feedback was extremely positive with the most favorable results in timeliness, feedback and the intake process. Areas to improve upon include: the entry-on-duty package and the interim communication with an applicant after the receipt of the application.

7. Target Recruitment

Goal: *In 2005, we will target 12 recruitment efforts to organizations serving under-represented populations. Contacts will be made to*

organizations serving under-represented populations such as Hispanic-serving institutions, Hispanic Association of Colleges and Universities, Hispanic Outreach Leadership Alliance, League of United Latin American Citizens, and the President's Committee for People with Disabilities.

Exceeded: In 2005, we targeted 14 recruitment efforts that targeted under-represented populations. For example, we posted our SES position in Epidemiology with four local colleges and universities, the American Statistical Association, the Military Officers Alumni Association (to attract disabled veterans) and both the National Association of Hispanic Federal Executives (NAHFE) and the National Hispanic Employment Programs Managers. We used the NAHFE and the NEPM as outreach sources for several positions this past year including our Deputy for International Affairs (a GS-15 position). We used the Department of Labor EARN program (targeting outreach to individuals with disabilities) to post vacancies for several positions including an Auditor and Information Technology Specialist. We participated in two job fairs this year, including one co-sponsored by the Hispanic Association of Colleges and Universities.

8. EEO/AEP Training

Goal: *In 2005, we will conduct 3 training sessions for the workforce in their EEO/Affirmative Employment Program responsibilities. Training will continue to emphasize the shared responsibility for developing and implementing a successful CPSC Federal Equal Opportunity Recruitment Plan.*

Exceeded: In 2005, we conducted 10 training sessions for the workforce. These included two sessions on *Demystifying the EEO Process* for employees and supervisors addressing affirmative employment issues. We provided training to supervisors at all levels on the requirements of Management Directive 715 and involved senior leaders in the barrier identification and goal development process. We provided training in *Accommodating Employees with Mental Disabilities* as well as creating a respectful workplace. We also conducted training in the awareness and prevention of harassment for supervisors and employees.

9. Promote Representation

Goal: *In 2005, we will accomplish at least 5 initiatives to promote representation of Hispanics and individuals with disabilities. Examples of these new initiatives are mentoring programs, student summer hires, employee training programs, and disability and diversity awareness programs.*

Exceeded: In 2005, we engaged in 13 initiatives designed to promote representation of Hispanics and individuals with disabilities. These included the development of a work group to establish a mentoring program, our continuing partnership with Bethesda-Chevy Chase High School with mentoring, tutoring and providing internships for students. We were successful in converting a Hispanic student intern's position to a STEP position with the CPSC. We participated in conferences including the EARN seminar as well as monthly Hispanic Employment Program Managers meetings. We established outreach partnerships with NAHFE and Minorities in Science and Engineering Consortium. We developed an outreach recruitment tool that will be sent to all Hispanic serving institutions.

10. Training Plan

Goal: *In 2004, The Director of Human Resources developed and managed the Agency's coordinated training plan. In 2005, we will implement this multi-year plan consisting of benchmarks, such as defining and identifying core positions, designing training plans for the core positions, identifying common Agency training needs, and establishing individual development plans.*

Will Complete In 2006: In 2005, we conducted a training needs assessment by surveying the entire workforce. We will use this data in developing training plans and identifying skill gaps in mission critical positions. In 2005, we reshaped and restructured a significant portion of our workforce, the survey was needed to reassess training needs. In 2006, we will continue to implement the training plan by designing training plans and establishing individual development plans for additional core positions.

11. Low Cost/No Cost Training

Goal: *In 2005, we will identify and promote no- or low-cost training opportunities such as periodic Small Agency Council training sessions.*

Completed: In 2005, we utilized the Small Agency Council (SAC) training opportunities and had at least one participant in every training course offered by the SAC. We conducted 4 on-site training sessions in work-based skills. All employees had access to the on-line Skillsoft training library that houses over 2,200 courses including a comprehensive IT curriculum.

COMPETITIVE SOURCING**THE PROGRAM**

The President is promoting competition between public and private sources to achieve the goals of reduced costs and higher efficiency and effectiveness. The Commission has already been working in this area. On an as needed basis, we already contract from commercial sources certain product testing, technical evaluations, and litigation services. In addition, we contracted out staff positions that performed mail and driver services, laborer services, reproduction and library services, certain data analysis and collection functions, consumer Hotline, and computer help desk and programming activities. We also contract out administrative systems such as accounting and payroll; we estimate these contracts are equivalent to 5 FTEs. Thus, the equivalent of about 50 FTEs is represented by the already existing contractual services.

To meet the President's Management Competitive Sourcing goals, CPSC established the following goals in 2005:

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
12. Review and revise the annual FAIR Act Inventory as appropriate	Goal	*	*	1	1	1
	Actual	1	1	1	1	1
13. Complete performance work statements and cost statements for 20% of the activities in the Fair Act Inventory	Goal	*	*	*	20%	20%
	Actual	--	0%	0%	0%	0%
14. Complete competitions for activities in the Fair Act Inventory	Goal	*	*	*	*	20%
	Actual	--	--	0%	0%	0%

*No goal established.

--Data not available.

12. FAIR Act Inventories

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

In 2004, we determined that an additional 17 employees over and above the 50 (previously published as 40) equivalent staff positions that are already contracted out may also be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised). Due to reorganiza-tions or implementation of new business models, studies of the activities listed on the 2003 inventory were deferred from 2004 to 2005.

Goal: *In 2005, we will continue to review and revise the FAIR Act inventory, as appropriate.*

Completed: We completed and submitted the inventory to OMB as required on June 30, and OMB subsequently approved the inventory. We now have 50 equivalent staff positions that are already contracted out.

13. Performance Statements (Carryover from 2004)

Goal: *In 2005, we will complete performance work statements and cost statements for at least 20 percent of the activities in our FAIR Act inventory.*

Not Met: In 2005, all the activities on the inventory were affected by the Agency reorganization in response to resource reductions. As a result, we deferred all work on the work statements and cost statements to 2006.

14. Competition

Goal: *In 2005, we will complete competitions for a total of at least 20 percent of the activities.*

Not Met: In 2005, all the activities on the inventory were affected by the Agency reorganization in response to resource reductions. As a result, we deferred all work on the competitions to 2006.

IMPROVED FINANCIAL PERFORMANCE

THE PROGRAM

The President made "Improved Financial Management" a core element in his five-part Management Agenda for making the government more focused on citizens and results. The standards for success for "Getting to Green" under the President's Management Agenda for Improved Financial Performance are:

- Financial management systems that meet Federal financial management system requirements and applicable Federal accounting and transaction standards;
- Accurate and timely financial information; and
- Integrated financial and performance management systems that support day-to-day operations.

To meet the President's Management Agenda Financial Management goals, and to better meet the mission of the Agency, CPSC initiated, or is expanding, several programs. These are described below:

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
15. Monitor financial management systems that meet Federal requirements and standards (Letter of Assurance)	Goal	*	*	*	1	1
	Actual	1	1	1	1	1
16. Implement a data warehouse capability	Goal	*	*	*	1	1
	Actual	--	--	--	0	1
17. Reduce or maintain the number of business days after month-end to produce monthly financial reports	Goal	*	*	*	3	3
	Actual	5	5	3 ^a	3	3

*No goal established.

--Data not available.

^a Reduced from 5 to 3 business days during 2003.

15. 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, a major provider of Federal accounting services. The FFS meets all Federal accounting system requirements and standards, and is fully compliant with requirements for accuracy and timeliness.

Goal: In 2005, CPSC will continue to monitor the system to ensure continued compliance with all applicable Federal regulations and standards. This will be documented in the staff annual letters of assurance.

Completed: In 2005, system monitoring was performed to ensure compliance with Federal regulations and standards. FFS continues to meet these requirements. FFS users were advised by NBC that their goal is to move from FFS to a Web based system by 2009. CPSC requested system's options, cost estimates and system demonstrations from NBC, so that the evaluation process may begin.

16. Data Warehouse Capability

The Federal Financial System (FFS) described above was designed expressly for government accounting, integrated budget execution,

and reporting. Key management data are readily accessible through on-line views and download capabilities. The data from FFS include information from subsystems such as accounts payable, accounts receivable, and purchasing. However, accessing these data can be time-consuming and prone to error through manual processing, and does not allow for error classification and analysis.

Fortunately, these data are also optionally available in FFS in a data warehouse, providing information easily accessed with standard report and query tools. The FFS data warehouse provides reporting from summary to detail level. In 2004, this capability was pilot-tested by accounting and budget staff.

Goal: *In 2005, the budget staff will be further trained in the use of data warehouse application. In 2005, users of the system in accounting and budget will continue to develop new queries for management information.*

Completed: In 2005, the Budget and Finance staff were trained on the data warehouse application. New queries were developed and are being used to provide information in support of various financial inquiries.

17. Information Timeliness

In 2004, we provided monthly financial reports throughout the Agency by the 3rd business day, on average, after the close of the month. We plan to maintain this level of performance in 2005.

Goal: *In 2005, we will test the system application that will provide electronic access of FFS monthly reports.*

Completed: In 2005, monthly financial reports were provided by the third business day. The electronic access of FFS monthly reports was successfully implemented to all recipients of the reports. This allows users access to their financial data sooner.

EXPANDED ELECTRONIC GOVERNMENT

THE PROGRAM

CPSC's mission of protecting the public against potential hazards continues to be increasingly dependent on information technology and electronic communications. In addition, the President included "Expanding E-Government" in his Management Agenda to make the government more focused on citizens and results with these goals:

- Make it easy for citizens to obtain service and interact with the Federal government;
- Improve government efficiency and effectiveness; and
- Improve government's responsiveness to citizens.

To meet each of the President's Management Agenda goals and to meet the mission of the Agency, CPSC must be "customer-centric," meaning that we must create the environment for understanding and improving the customer relationship. To facilitate this improved relationship, customers are categorized as follows to help us identify common approaches: Government-to-Citizen, Government-to-Business, and Government-to-Government. In addition, we must continue to improve our key business areas through Internal Efficiency and Effectiveness initiatives.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
18. Develop Internet applications allowing direct government-to-citizen access	Goal	*	*	*	1	1
	Actual	--	--	--	1	1
19. Implement Web-based applications to improve government-to-business communication	Goal	*	*	*	1	1
	Actual	--	--	--	1	1
20. Develop and implement technology to improve access and transfer of information government-to-government	Goal	*	*	*	1	1
	Actual	--	--	--	1	1
21. Reduce the weaknesses identified in the 2001 GISRA audit to improve internal efficiency and effectiveness	Goal	*	*	*	*	1
	Actual	--	--	2	5	3

*No goal established.

--Data not available.

18. Government-To-Citizen

Government-to-citizen initiatives seek to provide one-stop, on-line access by citizens to benefits and services. They also bring modern management tools to improve the quality and efficiency of service. Citizens can currently request technical, scientific, legal, program, and policy data from CPSC through the Freedom of Information Act (FOIA). In 2004, we developed and began testing an on-line FOIA request form for use by the public. In addition to making a request using this form, the public can also access additional FOIA information through CPSC's Web site. However, this FOIA information is currently not always easy to find because of the quantity of information available.

Goal: *In 2005, we will fully implement the system to provide a new, easier-to-use FOIA information retrieval system on the Web.*

Completed: In 2005, we completed and implemented an FOIA on-line request and status checking system enabling the public to file requests and receive information in a timelier manner.

19. Government-To-Business

Government-to-business initiatives will reduce the burden on business by adopting processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses and enable digital communications with businesses. Currently businesses have difficulty finding applicable regulations and Federal Register (FR) notices on the Web site because of the large number of regulations and notices available.

Goal: *In 2005, we plan to implement a Web site retrieval system and other improvements to allow businesses to easily find regulations and FR notices appropriate to their needs.*

Completed: In 2005, we completed and implemented a Web-based application making it easier for the public to conduct searches on Commission regulations and FR notices.

20. Government-To-Government

Government-to-government initiatives will enable sharing and integration of Federal, state and local data. We currently contract with our state partners to supplement the work of CPSC's field officers in

evaluating the effectiveness of voluntary recalls. State partners currently report this recall effectiveness information in widely varying formats, making the information difficult and time-consuming to process. We plan to implement an on-line system to standardize the way states report recall effectiveness information and to improve the efficiency in processing that data. In 2004 we completed a pilot program for this system.

Goal: *In 2005, the full program will be implemented.*

Completed: In 2005, the recall effectiveness on-line reporting system was implemented enabling our State Partners to report information through our Web site.

21. Internal Efficiency and Effectiveness

Internal Efficiency and Effectiveness initiatives bring commercial best practices to key government operations, particularly information security, supply chain management, human capital management, financial management and document workflow. The increase in computer viruses, hacker attempts and potential physical threats put both internal and external CPSC interactions at risk and reduce government-to-employee efficiency and effectiveness. A successful e-Government strategy must deploy effective security controls into government processes and systems. A 2001 Government Information Security Reform Act (GISRA) audit found nine critical weaknesses in CPSC's IT security. In 2002 we corrected two weaknesses and addressed the remaining weaknesses in 2003 and 2004. One of the weaknesses addressed included the development of an Information Technology Business Continuity Plan (BCP) which was completed in 2003.

Goal: *In 2005, we plan to implement one of the BCP's recommended security actions.*

Exceeded: In 2005, following BCP recommendations, we completed a system certification on the Agency's new procurement system. In addition, 95 percent of Agency employees and contract employees received information technology security awareness training. We also deployed an automatic client patching system to protect Agency computers, both internally and externally, from malicious attacks against our systems.

BUDGET AND PERFORMANCE INTEGRATION

THE PROGRAM

Improvements in the other areas of the President's Management Agenda – human capital, competitive sourcing, improved financial performance and expanded electronic government – will be much more effective if they are linked to results. To provide a greater focus on performance, the Administration plans to integrate performance review with budget decisions.

The standards for success for "Getting to Green" for Budget and Performance Integration are as follows:

- Integrated planning/evaluation and budget staff work with program managers to create an integrated plan/budget;

- Streamlined, clear, integrated Agency plans set forth outcome goals, output targets and resources requested in context of past results;
- Budget accounts, staff, and specifically program activities are aligned to support achieving program targets;
- Full budgetary cost is charged to mission accounts and activities; and,
- The Agency performed evaluations of program effectiveness.

We believe CPSC already met most of these standards. 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 realigned our budget programs to match our strategic goals. Finally, the Office of the Budget and the Office of Planning and Evaluation were combined through reorganization and continue to work together under the Director of the Office of Financial Management, Planning and Evaluation.

ANNUAL GOALS AND RESULTS

Annual Goals Summary		2001	2002	2003	2004	2005
22. Perform program evaluations	Goal	7	7	8	7	8
	Actual	5	4	8	5	6

22. Program Evaluations
(Carryover from 2004)

We believe that our annual performance budget makes the Agency performance-oriented by showing progress achieved on our hazard reduction goals, quality and management goals. However, for continued improvement, we must evaluate our programs and therefore will continue to set goals for performing specific evaluations as indicated in the Performance Evaluation section of the budget.

Goal: *We will conduct 8 program evaluations.*

Will Complete in 2006-2008: In 2005, the staff conducted six of the eight planned program evaluations. In 2006, the staff will complete an evaluation of the Clearinghouse and in 2008 will conduct the program evaluation of CO poisoning deaths.

PROGRAM EVALUATIONS

This section provides a summary of the evaluations we identified in our 2005 Performance Plan, as required in the Office of Management and Budget's Circular No. A-11. We conduct two types of evaluations: yearly tracking of performance measures such as injuries, deaths, and timeliness, and studies of the effectiveness of CPSC activities, such as injury and death reductions associated with specific programs and products, and customer satisfaction surveys.

A. Reducing Fire-Related Deaths

Tracking of fire-related deaths

Completed: In 2005, the staff completed its update of fire-related (non-arson) deaths, injuries, and dollar losses for the years 1992-2002.

Tracking of fireworks-related deaths

Completed: In 2005, the staff completed its update of fireworks-related deaths and injuries that occurred in 2004.

B. Reducing Child Drowning Deaths

Tracking of Child Drowning deaths

Completed: In 2005, the staff completed an update of child drowning deaths that occurred in 2000 through 2002.

C. Reducing CO Poisoning Deaths

Program evaluation of CO poisoning deaths (Carryover from 2004)

Will complete in 2008: In 2005, analysis of CO death data indicated that the differences between data developed under ICD-9 and ICD-10 were too great to allow comparison across the two systems. Therefore, the evaluation of the CO program will be postponed until we have enough data under the ICD-10 system. The earliest this might occur would be in 2008, depending on the variability of the data.

Tracking of CO deaths

Completed: In 2005, the staff completed an update of 2002 non-fire-related carbon monoxide deaths associated with consumer products.

D. Assessments by Industry

Ombudsman (Carryover from 2004)

Completed: In 2005, the staff conducted an evaluation of its Small Business Ombudsman Program in terms of usefulness and timeliness of responding to inquiries. Over 95 percent of the respondents indicated that information provided by CPSC product safety experts was useful and the information was provided in a timely manner. These results compare favorably with the CPSC annual goal of responding to all small business inquiries within three business days 80 percent of the time, which was exceeded for 2005.

E. Customer Satisfaction

Clearinghouse

Will Complete in 2006: The staff planned to conduct this survey in 2005. A large amount of data was lost during the collection period caused by the misrouting of responses by the U.S. Postal Service. Therefore, after correcting the problems encountered this past year, we will initiate a new evaluation of the Clearinghouse for 2006.

Web Site

Completed: Customer satisfaction with the CPSC Web site is one of the goals established in the latest CPSC Strategic Plan. Measuring the customer satisfaction of Web site users complements an annual performance goal for the number of Web site visits, thereby providing a comprehensive evaluation of the CPSC Web site. Ninety-four percent of the 2005 Web site customer satisfaction survey respondents indicated that they were “very satisfied” and/or “satisfied” with the Web site. This response exceeds the strategic goal established by the CPSC and compares favorably to a previous evaluation.

PROGRAM ASSESSMENT RATING TOOL (PART) SUMMARY

Program: Consumer Product Safety Commission

Rating: Results Not Demonstrated

Program Type: Regulatory Based

Agency: Consumer Product Safety Commission

Bureau: Consumer Product Safety Commission

Last Assessed: 2 years ago

Key Performance Measures	Year	Target	Actual
Long-term Measure: The rate of death in the U.S. from fire related causes (measured per million people)	1995	10.2	11.3
	1997	10.2	10.1
	1999	10.2 ^a	8.6
	2005	7.7	
Long-term Measure: The rate of death in the U.S. from electrocutions (measured per 10 million people)	1999	7.0	6.1
	2000	7.0	5.3
	2001	7.0	6.3
	2005	7.0 ^b	
Annual Measure: Recalls initiated within 20 days under the Fast Track Product Recall Program	2001	90%	95%
	2005	95%	94%

^aThis target was set in our original Strategic Plan. It was superseded by a new target of 7.7 deaths per million people.

^bThe target of 7.0 reflects the original plan. Our new Strategic Plan no longer has a goal for electrocutions because we achieved this goal under the original plan.

Recommended Follow-up Actions	Status
Develop more ambitious long-term strategic goals.	Completed
Review the conduct of cost-benefit analyses on PPPA regulations to ensure that these regulations are conducted in a more comprehensive, consistent and thorough manner, and propose legislative change when appropriate.	Action taken, but not completed
Develop a plan to systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals.	Completed

Discussion:

CPSC revised its strategic plan and set more ambitious goals for long term and annual measures, including fire-related deaths by 20 percent by 2013 and maintain the number of recalls initiated within 20 days under the Fast Track program at 95 percent. CPSC is conducting pilot cost benefit analyses on Poison Prevention Packaging Act (PPPA) regulations and formed a task force to implement a more systematic review of regulations.

Program Funding Level (in millions of dollars)		
2003 Actual	2004 Actual	2005 Actual
57	60	62

PART RECOMMENDATIONS AND STATUS

PART Recommendation 1			
Recommendation 1:	Completed Date:	On Track?	Comments on Status:
Develop more ambitious long-term goals	9/30/03	Completed	Strategic Plan developed with ambitious goals

OMB Recommendation: *"Develop more ambitious long-term strategic goals. (CPSC is now revising its strategic plan and setting new targets.)"*

Background. Under our first Strategic Plan in 1997, CPSC set 10-year strategic goals to reduce fire-related deaths, electrocutions, and carbon monoxide (CO) poisoning deaths, as well as other hazards. Targets for reductions were based on 1994 or 1995 data, the latest years for which data was available in 1997. By 2000, we exceeded the targets for these three hazard reduction strategic goals. The Agency, however, chose not to adjust targets for the strategic goals because there were major changes in the way injury and death data were collected or classified and the staff believed new baseline data was needed.

Progress. Our new Strategic Plan was adopted at the start of 2004. In this plan we set ambitious strategic goals. Staff experts met in hazard teams and developed goal candidates based on selection criteria that included the frequency and severity of product-related injuries, the addressability of the hazard, and the vulnerability of the population at risk. The staff recommended targets for each goal candidate based on their knowledge of the hazard, products likely to be targeted for injury reduction, and the extent to which remedial action could address the hazard.

This process resulted in three hazard reduction strategic goals: reducing fire-related deaths, reducing carbon monoxide (CO) poisoning deaths and preventing child drownings. Strategic goals for fire and CO poisonings are carry-over goals from the first Strategic Plan. We *changed* the target for reducing fire-related deaths to 20 percent from 1998 to 2013 from the previous goal of 10 percent from 1995 to 2005. We retained the target of 20 percent for reducing CO poisonings because new data shows that the total number of deaths is smaller (180 in 1998 and an average of 124 deaths for 1999-2000) and given this smaller universe of deaths, we believe a 20 percent reduction is an ambitious target. The strategic goal for child drownings is new and the target set based on current knowledge of the hazard. In the 2006 Performance Budget Request prepared in February 2004, we made an interim adjustment to the child drowning strategic goal based on new information and now plan to reduce child drownings by 20 percent from the 1999-2000 average by 2013.

PART Recommendation 2			
Recommendation 2:	Completion Date:	On Track?	Comments on Status:
Review the conduct of cost-benefit analyses on PPPA regulations	Dependent on identification of viable candidates	N	Pilot Study being conducted
Next Milestone:	Next Milestone Date:	Lead Org:	Lead Official:
Reassess approach to pilot study	9/30/06	Hazard Identification and Reduction	Assistant Executive Director

OMB Recommendation: *"Review the conduct of cost-benefit analyses on PPPA regulations to ensure that these regulations are conducted in a more comprehensive, consistent, and thorough manner, and propose legislative change when appropriate."*

Background. CPSC conducts cost-benefit analyses for all of its substantive regulations except for Poison Prevention Packaging Act (PPPA) regulations and regulations directed by Congress that waive the statutory requirements for cost-benefit analysis. The PPPA does not explicitly require the Commission to compare the costs and benefits of a rule, nor is it explicitly precluded. In the past, the Commission made decisions on rules based on several considerations in the Act (see PPPA sec 3, 15 U.S.C. § 1472) including the reasonableness of the proposed rule. Thus the staff has not performed cost-benefit analyses of the type that are developed for products regulated under the Federal Hazardous Substances Act, Consumer Product Safety Act or Flammable Fabrics Act.

Progress. To address OMB's recommendation and explore legal requirements, we planned to conduct "pilot" cost benefit analyses for the next several proposed PPPA briefing packages. To date, the staff considered draft cost-benefit analyses for two candidates. Because new information became available, both candidates are now being assessed to determine if they are viable for rulemaking, causing a delay in the completion of the pilot study. We plan to reassess our approach for moving forward with the pilot study.

Conducting a pilot is important. Because cost benefit analysis has not been performed in PPPA projects in the past, the staff needs to evaluate the adequacy of existing data sources and determine what additional resources may be needed. After the pilot is completed, the staff will provide recommendations for consideration by the Commission. The Commission will decide whether to use cost-benefit analysis as information for decision-making, require it for its decisions, or consider other alternatives as appropriate.

PART Recommendation 3			
Recommendation 3:	Completion Date:	On Track?	Comments on Status:
Develop a plan to systematically review its current regulations	06/01/05	Completed	Systematic plan for review of rules developed

OMB Recommendation: *"Develop a plan to systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals."*

Background. In the detailed section of its PART analysis, OMB agreed that we systematically review our current regulations but recommended that a more formal procedure be established. In the past, CPSC used a number of different methods to review mandatory and voluntary standards to assure that they are necessary. During the course of these reviews, if the staff found evidence that supported the need to revise a specific regulation, the staff initiated action. For example, a detailed review of the Commission's regulation on the flammability of clothing textiles showed that the procedures and test equipment specified in the standard was outdated. These outdated procedures resulted in confusion by industry and other affected parties in how to apply the standard's requirements. As a result of the review, the staff sent a briefing package to the Commission that recommended the publication of an advance notice of proposed rulemaking to update the standard to reflect current technologies and practices.

Progress. We formed a task force comprised of the staff from the offices of the General Counsel, Directorate for Economic Analysis, Compliance, Budget, Planning and the Inspector General with the goal of implementing a more formal systematic review. The task force updated CPSC's inventory of rules and further refined the inventory by identifying those rules that the staff considered substantive. This refined inventory was then used to select the rules for systematic review in the pilot study.

For the second phase of the project, the task force directed the staff to conduct a pilot study to review one rule from each statute (with the exception of the Refrigerator Safety Act). The pilot package addressing the four rules reviewed in the pilot study was completed and sent to the Commission. Subject to the availability of personnel and fiscal resources and the priority of other needs for Commission action, the results of the pilot program are being applied to implement a systematic review process for the remainder of CPSC's substantive regulations. The systematic review is now being implemented. For 2005, five rules were reviewed.

BALANCE SHEET

FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>2005</u>	<u>2004</u>
Entity Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 10,089,918	\$ 9,007,352
Advances To Others (Note 3)	-	536
Accounts Receivable (Note 4)	25,050	9,490
Equipment (Note 5)	2,686,587	2,764,412
Total Entity Assets	<u>12,801,555</u>	<u>11,781,790</u>
Non-Entity Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury	9,116,860	2,819,216
Accounts Receivable	1,755,650	1,022,107
Total Non-Entity Assets	<u>10,872,510</u>	<u>3,841,323</u>
Total Assets	<u><u>\$ 23,674,065</u></u>	<u><u>\$ 15,623,113</u></u>
Liabilities:		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accrued Benefits	\$ 2,599,947	\$ 1,567,698
Accounts Payable	397,328	319,357
Total Liabilities Covered by Budgetary Resources	<u>2,997,275</u>	<u>1,887,055</u>
Liabilities Not Covered by Budgetary Resources		
Intragovernmental Liabilities:		
Actuarial Federal Employees' Compensation Act Liabilities	371,661	314,437
Accrued Annual Leave	3,373,107	6,102,362
Imputed Cost	3,627,493	3,624,554
Unemployment Insurance	4,102	-
Other Liabilities (Note 6)	10,872,510	3,841,323
Total Liabilities not Covered by Budgetary Resources	<u>18,248,873</u>	<u>13,882,676</u>
Total Liabilities	<u><u>\$ 21,246,148</u></u>	<u><u>\$ 15,769,731</u></u>
Net Position:		
Balances		
Unexpended Appropriations	7,092,643	7,120,297
Cumulative Results of Operations	(4,664,726)	(7,266,915)
Total Net Position	<u>2,427,917</u>	<u>(146,618)</u>
Total Liabilities and Net Position	<u><u>\$ 23,674,065</u></u>	<u><u>\$ 15,623,113</u></u>

STATEMENT OF NET COST FOR THE YEAR ENDED SEPTEMBER 30, 2005

Costs:	2005	2004
Intragovernmental/Public Gross Costs		
Benefits Expenses	\$ 5,487,756	\$ 5,396,595
Operating Expenses	59,225,008	57,299,302
Unfunded Annual Leave	3,373,107	6,102,362
Imputed cost	3,627,493	3,624,554
Unemployment Insurance	4,102	
Federal Employees Compensation Fund	371,661	314,437
Total Gross Costs	<u>72,089,127</u>	<u>72,737,250</u>
Less: Earned Revenue		
Intragovernmental Earned Revenue	(2,769,775)	(2,802,222)
Donated Revenue	(13,315)	(2,891)
Earned revenues from the Public	(59,045)	(167,223)
Total Revenues	<u>(2,842,135)</u>	<u>(2,972,336)</u>
Total Net Costs	<u><u>\$ 69,246,992</u></u>	<u><u>\$ 69,764,914</u></u>

STATEMENT OF CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2005

	2005		2004	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
Net Position, Beginning Balance	\$ (7,266,915)	\$ 7,120,297	\$ (6,531,914)	\$ 8,066,853
Budgetary Financing sources:				
Appropriations Received	-	62,650,000	-	60,000,000
Reimbursement Received	(2,769,775)	2,769,775	(2,802,222)	2,802,222
Rescission	-	(501,200)	-	(354,000)
Advances To Others	-	-	536	-
Accounts Receivable	25,050	-	9,490	-
Donated Revenue	(13,315)	13,315	(2,891)	2,891
Appropriations Used	64,575,894	(64,575,894)	63,036,573	(63,036,573)
Increase cost in capitalize equipment	378,574	-	52,991	-
Cancellation of expired year	-	(383,650)	-	(361,096)
Decrease prior year unfunded cost	10,031,327	-	8,788,427	-
Total Financing Sources	72,227,755	(27,654)	69,082,904	(946,556)
Net Cost of Operations	(69,246,992)	-	(69,764,914)	-
Prior Period Adjustment	(378,574)	-	(52,991)	-
Ending Balances	\$ (4,664,726)	\$ 7,092,643	\$ (7,266,915)	\$ 7,120,297

STATEMENT OF BUDGETARY RESOURCES FOR THE YEAR ENDED SEPTEMBER 30, 2005

Budgetary Resources:	2005	2004
Budget authority:		
Appropriation received	\$ 62,650,000	\$ 60,000,000
Unobligated balances-beginning of period	951,041	546,857
Spending authority from offsetting collections	2,842,135	2,972,335
Recoveries of prior year obligations	748,259	1,187,094
Cancellation of expired year	(383,650)	(361,096)
Rescission	(501,200)	(354,000)
Total Budgetary Resources	\$ 66,306,585	\$ 63,991,190
Status of Budgetary Resources:		
Obligations incurred	65,278,237	63,040,149
Unobligated balances currently available	95,332	63,702
Unobligated balances not available	933,016	887,339
Total Status of Budgetary Resources	\$ 66,306,585	\$ 63,991,190
Outlays:		
Obligations incurred	65,278,237	63,040,149
Less: Spending authority from offsetting collections and adjustments	(3,590,395)	(4,159,429)
Obligated balance, net - beginning of period	8,056,311	8,929,454
Less: Obligated balance, net - end of period	(9,061,570)	(8,056,311)
Total Outlays	\$ 60,682,583	\$ 59,753,863

STATEMENT OF FINANCING

FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>2005</u>	<u>2004</u>
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations incurred	\$ 65,278,237	\$ 63,040,149
Less: Collections	(2,842,135)	(2,972,336)
Less: Adjustment-downward	(748,259)	(1,187,093)
Net Obligations	<u>61,687,843</u>	<u>58,880,720</u>
Other Resources		
Obligations-Beginning of the Period	8,056,311	8,929,454
Imputed Cost	<u>3,627,493</u>	<u>3,624,554</u>
Total Resources Used to Finance Activities	73,371,647	71,434,728
Resources Not Funding Net Cost of Operations		
Total Capitalized costs	(744,109)	(861,333)
Other/Accrual/Accounts Payable prior year	(1,887,055)	(1,409,558)
Change in Undelivered Orders	<u>(6,064,295)</u>	<u>(6,169,255)</u>
Total Resources Used to Finance the Net Cost of Operations	\$ 64,676,188	\$ 62,994,582
Total Cost not Requiring Resources		
Depreciation	821,934	353,533
Financing Sources Yet to be provided		
Actuarial Federal Employees' Compensation Act Liabilities	371,661	314,437
Unfunded Annual Leave	3,373,107	6,102,362
Unemployment Insurance	4,102	-
Net Cost of Operations	<u>\$ 69,246,992</u>	<u>\$ 69,764,914</u>

STATEMENT OF CUSTODIAL ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2005

Gross Revenue Activity	2005	2004
Sources of Cash Collections:		
Civil Penalties and Fines	\$ 9,107,885	\$ 2,811,203
FOIA and Misc collections	8,975	8,013
Fees Collected-DOJ	6,471	3,947
	<hr/>	<hr/>
Total Custodial Revenue	9,123,331	2,823,163
Disposition of Revenue Collected:		
Amounts to be Transferred to:		
Treasury General Fund	9,116,860	2,819,216
Retained by Justice Department-Fees	6,471	3,947
Net Custodial Activity	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

Fund Accounting Structure

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

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

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

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

Basis of Accounting and Presentation

The financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, financing and custodial activities of the CPSC, in accordance with

accounting principles generally accepted in the United States of America and the form and content requirements of OMB Bulletin 01-09. They have been prepared from the books and records of the CPSC and include the accounts of all funds under the control of the CPSC.

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

Budget Authority

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

Fund Balances with the U.S. Treasury

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

Advances and Prepayments

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

Accounts Receivable

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

Property and Equipment

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

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

Accounts Payable and Accrued Liabilities

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

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

Accrued Leave

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

Retirement Plans and Other Benefits

Federal Employee benefits consist of the actuarial portions of future benefits earned by Federal employees, but not yet due and payable. These costs include pensions, other retirement benefits, and other post-employment benefits. These benefits are administered by the Office of Personnel Management (OPM) not CPSC. Since CPSC does not administer the benefit plans, the CPSC does not recognize any liability on the Balance Sheet for pensions, and other retirement benefits. CPSC does, however, recognize the imputed costs related to these benefits on the Balance Sheet, the Statement of Net Cost, and the Statement of Financing.

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

The Thrift Savings Plan (TSP) is a defined contribution retirement savings and investment plan for employees covered by either CSRS or FERS. CSRS participating employees may contribute up to 10 percent of earnings for 2005 but do not receive a matching contribution from the CPSC. FERS participating employees may contribute up to 15 percent for 2005. For FERS employees, the CPSC's automatic contribution is 1 percent of the employee's gross pay to the TSP. The CPSC matches dollar for dollar on the first 3 percent of basic pay for each pay period. Each dollar of the next 2 percent of basic pay is matched 50 cents on the dollar. CPSC contributions are recognized as current operating expenses.

Federal Employees' Compensation Act (FECA)

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

Employee Health Benefits and Life Insurance

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

Net Position

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

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

Revenues and Other Financing Sources

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

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

CPSC to use.

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

Reimbursable Work Agreements (Exchange) - The CPSC recognizes reimbursable work agreement revenue when earned, i.e. goods have been delivered or services rendered. CPSC has reimbursable agreements which generated collections from trading partners totaling \$2.7 million in 2005. The CPSC's reimbursable agreements are with the following trading partners: the Center for Disease Control, Federal Emergency Management Agency, HHS and the Health Resources and Services Administration. The majority of these agreements are for CPSC to utilize its hospital reporting system to collect injury data, self-inflicted violence, adverse events due to therapeutic drugs (ADEs), and conduct research into improvements to residential smoke alarm and detectors of interest to the trading partners.

Annual Appropriations (Financing Source) – The CPSC receives financing sources through direct appropriation from the general fund of the Treasury to support its operations. The annual appropriation available for 2005 was \$62,148,800.

Transactions with Related Parties

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

Note 2 – Fund Balance with Treasury

Fiscal Year 2005

	Entity	Non-Entity	Total
General Funds	\$10,089,918		\$10,089,918
Miscellaneous Receipts		\$8,975	8,975
Fines and Penalties		\$9,107,885	\$9,107,885
Total	\$10,089,918	\$9,116,860	\$19,206,778

Status of Fund Balance with Treasury:

	Not Available	Obligated	Unobligated Available	Total
Entity	\$933,016	\$9,061,570	\$95,332	\$10,089,918
Non-Entity:				
Miscellaneous Receipts	\$8,975			\$8,975
Fines and Penalties	\$9,107,885			\$9,107,885
Total	\$10,049,876	\$9,061,570	\$95,332	\$19,206,778

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

Other Information: Miscellaneous Receipts and Fines and Penalty balances amounting to \$8,975 and \$9,107,885, respectively, are not available to CPSC activities and are classified as non-entity assets. A corresponding liability is also recorded on the balance sheet.

Note 3 – Cash and Other Monetary Assets

Cash and Other Monetary Assets consist of outstanding travel advances.

Note 4 – Accounts Receivable

The CPSC's entity receivables of \$25K are due from CPSC employees. These receivables are balances owed the Agency due to payroll adjustments. These are current receivables in which employees are making installment payments to repay the debt. CPSC's non-entity receivables are composed of Civil Fines and Penalties and Freedom of Information Act activity. CPSC maintains these accounts in a custodial capacity.

Note 5 – Property, Plant & Equipment (PP&E)**Fiscal Year 2005**

Classes of PP&E	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life in Years
Equipment	\$7,558,803	(\$5,366,750)	\$2,192,053	5-12
ADP Software	\$950,945	(\$456,411)	\$494,534	5
Total	\$8,509,748	(\$5,823,161)	\$2,686,587	

Note 6 – Other Liabilities

Other liabilities are composed of receivables and collections for Civil Penalties and Fines, and Freedom of Information Act (FOIA) fees. These balances reflect Treasury's balance on the FMS-6655, Report of Unavailable Receipt Transactions, as of 9-30-05. CPSC maintains these accounts in a custodial capacity.

REQUIRED SUPPLEMENTARY INFORMATION

Deferred Maintenance

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

Intragovernmental Amounts

See Note 1 on financial statements, Revenues and Other Financing Sources.

Statement of Budgetary Resources

The statement is prepared on a total Commission basis.

Statement of Custodial Activity

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

Segment Information

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

**INSPECTOR GENERAL'S AUDIT REPORT OF 2004 FINANCIAL
STATEMENTS**



**United States
CONSUMER PRODUCT SAFETY COMMISSION
Washington, DC 20814**

OFFICE OF THE INSPECTOR GENERAL

Audit Report

**CONSUMER PRODUCT SAFETY COMMISSION'S
FISCAL YEAR (FY) 2005 FINANCIAL STATEMENTS**

Date Issued: November 8, 2005

Consumer Product Safety Commission Audit of Financial Statements For Fiscal Year 2005

Summary: In our financial statements audit of the Consumer Product Safety Commission (CPSC) for fiscal year 2005, we found:

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

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

Opinion on Financial Statements: The financial statements, including the accompanying notes, presents fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, CPSC's assets, liabilities, and net position; net costs; changes in net position; budgetary resources; reconciliation of net costs to budgetary obligations; and custodial activity as of September 30, 2005 and for the year then ended.

Opinion on Internal Control: The Consumer Product Safety Commission maintained, in all material respects, effective internal control over financial reporting (including safeguarding assets and prevention of fraud) and compliance as of September 30, 2005. CPSC's internal controls provided reasonable assurance that misstatements, losses, or noncompliance material in relation to the financial statements would be prevented or detected on a timely basis. Our opinion is based on criteria established under 31 U.S.C. 3512 (c), (d), the "Federal Managers' Financial Integrity Act;" the Office of Management and Budget (OMB) Circular A-123, "Management Accountability and Control;" revised OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements;" attestation standards established by the American Institute of Certified Public Accountants (AICPA), the Government Accountability Office (GAO), "Government Auditing Standards" (The Yellow Book); and the "GAO/President's Council on Integrity and Efficiency (PCIE) Financial Audit Manual."

Systems' Compliance with FFMIA Requirements: Our tests for systems' compliance with Federal Financial Management Improvement Act requirements found that the Consumer Product Safety Commission's financial management systems substantially comply with Federal financial

management systems' requirements, Federal accounting standards, and comply with the Treasury Financial Manual and the United States Government Standard General Ledger at the transactional level; as required by the FFMIA. Our opinion is based on criteria established under the "Federal Financial Management Improvement Act" (FFMIA) of 1996.

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

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

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

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

- **Financial Reporting:** Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.

- **Compliance with laws and regulations:** Transactions are executed in accordance with laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements and any other laws, regulations, and government-wide policies identified by OMB audit guidance.

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

In order to fulfill these responsibilities, we (1) examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements, (2) assessed the accounting principles used and significant estimates made by management, (3) evaluated the overall presentation of the financial statements, (4) obtained an understanding of internal control related to financial reporting (including safeguarding assets and detection of potential fraud), compliance with laws and regulations (including execution of transactions in accordance with budget authority), and performance measures reported in Management's Discussion and Analysis, (5) tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control, (6) considered the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act, (7) tested whether CPSC's financial management systems substantially complied with the three FFMIA requirements, and (8) tested compliance with selected provisions of the following laws and regulations: the Prompt Payment Act., the Debt Collection Improvement Act of 1996, the Anti-Deficiency Act, the Improper Payments Information Act of 2002, and Various Pay and Allowance Acts.

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

We did not test compliance with all laws and regulations applicable to the CPSC. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2005. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

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

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

CONTRIBUTING STAFF

Christopher W. Dentel, Inspector General

Frank Giordano, Auditor

Arlene Williams, Auditor

MANAGEMENT'S RESPONSE

UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: November 7, 2005

TO : Christopher Dentel
Inspector General

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

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

SUBJECT : Audit of FY 2005 Financial Statements

I have reviewed the audit report on the financial statements for Fiscal Year 2005. I concur with the findings and opinions expressed in the report.

MANAGEMENT REPRESENTATION



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: November 7, 2005

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

THROUGH: Patricia Semple *ps*
Executive Director

FROM : Edward E. Quist, Director, Office of Financial Management, Planning and Evaluation *eeq*
Deborah P. Hodge, Director, Division of Financial Services *dph*

SUBJECT : Fiscal Year 2005 Financial Statements – Management Representation

This letter is in connection with your audit of the U.S. Consumer Product Safety Commission's (CPSC) balance sheet as of September 30, 2005 and the related statements of net costs, changes in net position, budgetary resources, financing, and custodial activity, for the year then ended for the purposes of (1) expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles; (2) expressing an opinion on CPSC's internal control as of September 30, 2005; (3) reporting whether the CPSC financial management systems substantially comply with federal financial management systems requirements, applicable federal accounting standards (generally accepted accounting principles); and the *U.S. Government Standard General Ledger* at the transaction level as of September 30, 2005, and (4) testing for compliance with applicable laws and regulations.

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

We confirm, to the best of our knowledge and belief, the following representations made to you during the audit pertaining to the 2005 financial statements:

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

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

3. We have made available to you all:
 - a. Financial records and related data;
 - b. Where applicable, minutes of meetings of the Commission or summaries of actions of recent meetings for which minutes have not been prepared; and
 - c. Communications from the Office of Management and Budget (OMB) concerning noncompliance with or deficiencies in financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or disclosed in the notes to the financial statements.
5. We believe that there are no uncorrected misstatements, both individually and in the aggregate, to the financial statements.
6. The CPSC has satisfactory title to all owned assets, including plant, and equipment; such assets have no liens or encumbrances; and no assets have been pledged.
7. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
8. Liabilities under which the Commission is contingently liable have been properly reported or disclosed.
9. Accounts receivable or payable, including civil penalty and freedom of information act (FOIA) assessments, have been properly recorded and disclosed.
10. All intragovernmental transactions and balances have been appropriately recorded, reported, and disclosed. We have reconciled intragovernmental transactions and balances with the appropriate trading partners for the four fiduciary transactions identified in Treasury's *Intragovernmental Fiduciary Transactions Accounting Guide*, and other intragovernmental asset, liability, and revenue amounts as required by OMB Bulletin 97-01, as amended.
11. There are no:
 - a. Possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency;
 - b. Material liabilities or gain or loss contingencies that are required to be accrued or disclosed that have not been accrued or disclosed; or
 - c. Unasserted claims or assessments that are probable of assertion and must be disclosed that have not been disclosed.
12. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
13. No material events or transactions have occurred subsequent to September 30, 2005 that has not been properly recorded in the financial statements information or disclosed in the notes.
14. We believe that there has been no material fraud (intentional misstatements or omissions of amounts or disclosures in financial statements and misappropriation of assets that could have a material effect on the financial statements) or any fraud involving management or employees involved in the preparation of financial statements.
15. We are responsible for establishing and maintaining internal control.

16. Pursuant to the Federal Managers Financial Integrity Act, we have assessed the effectiveness of CPSC's internal control in achieving the following objectives:
 - a. Reliability of financial reporting – transactions are properly recorded, processed, and summarized to permit the preparation of financial statements and stewardship information in accordance with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use or disposition;
 - b. Compliance with applicable laws and regulations – transactions are executed in accordance with (i) laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements and (ii) any other laws, regulations, and governmentwide policies identified by OMB in its audit guidance; and
 - c. Reliability of performance reporting – transactions and other data that support reported performance measures are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management.
17. Those controls in place on September 30, 2005, provided reasonable assurance that the foregoing objectives are met.
18. We have disclosed to you that there are no significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives and identified those we believe to be material weaknesses.
19. There have been no changes to internal control subsequent to September 30, 2005 or other factors that might significantly affect it.
20. We are responsible for implementing and maintaining financial management systems that comply substantially with federal financial management systems requirements, federal accounting standards (generally accepted accounting principles), and the *U.S. Government Standard General Ledger* at the transaction level.
21. We have assessed the financial management systems to determine whether they comply substantially with these federal financial management systems requirements. Our assessment was based on guidance issued by OMB.
22. The financial management systems complied substantially with federal financial management systems requirements, federal accounting standards, and the *U.S. Government Standard General Ledger* at the transaction level as of September 30, 2005.
23. We are responsible for CPSC's compliance with applicable laws and regulations.
24. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
25. We have disclosed to you that we believe there are no known instances of noncompliance with laws and regulations.

LEGAL REPRESENTATION

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

U.S. v. Purrington CV-04-577-S-BLW

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

Injunction for violations of Federal Hazardous Substances Act, 15 U.S.C. 1261

3. Progress of the case.

Discovery/pretrial litigation

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

Not a defense case; no counter claim against the Government

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

Remote – Sanctions are always possible in litigation not probable to exceed 10,000.

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Patricia Kennedy (REDACTED)

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of:** _____

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

Jerome J. Mahoney and Rebecca G. Mahoney v. U.S. Consumer Product Safety Commission (3rd. Cir. No. 04-3953)

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

On January 30, 2003 CPSC settled a case against Daisy Manufacturing Co., Plaintiffs seek to have the settlement set aside alleging irregularities in connection with the settlement.

3. Progress of the case.

On September 30, 2004 the District Court Judge granted the government's motion to dismiss the action. Final judgment was entered on Oct 1, 2004. Plaintiffs filed a notice of appeal on October 8, 2004 in the United States Court of Appeals for the Third Circuit.

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

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

REMOTE – the chance of an unfavorable outcome is slight.

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

No damages – Plaintiffs are seeking injunctive relief. Note: On September 2, 2005 Third Circuit Court of Appeals affirmed District Court decisions dismissing lawsuit against CPSC.

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

*Melissa Hampshire, CPSC (REDACTED)
Drake Cutini, DOJ
Patricia Gugin, AUSA*

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

*GEICO A/S/O (REDACTED)
(Claim under the Federal Tort Clams Act)*

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

On April 7, 2005, Claimant's insured, (REDACTED) and a Commission employee, (REDACTED) were in a car accident in East Lyme, Connecticut. (REDACTED) rear-ended (REDACTED) when he stopped after beginning to make a right hand turn at a stop light. (REDACTED) was driving a government car and performing official duties at the time of the accident.

3. Progress of the case.

On September 30, 2004 the District Court Judge granted the government's motion to dismiss the action. Final judgment was entered on Oct 1, 2004. Plaintiffs filed a notice of appeal on October 8, 2004 in the United States Court of Appeals for the Third Circuit.

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

The claim was substantiated and payment was made.

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

PROBABLE – An unfavorable outcome is likely to occur.

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

REMOTE – the chance of an unfavorable outcome is slight.

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

\$1,344.24 has been paid.

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Melissa Martin, Assistant General Counsel for General Law, (301) 504-7636

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

(REDACTED) v. CPSC, EEO No. 140-2005-00305x

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

Applicant for employment claims his non-selection was due to discrimination based on age, gender, and disability. Seeks back pay (ca \$50,000) and unspecified compensatory damages.

3. Progress of the case.

In discovery; agency anticipates filing for summary judgment.

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

Agency will contest vigorously.

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, (REDACTED)

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

(REDACTED) v. CPSC, EEO No. 120-2005-00575x

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

Applicant for employment claims his non-selection was due to discrimination based on race and national origin. Seeks back pay (ca \$10,000) and \$250,000 compensatory damages.

3. Progress of the case.

In discovery; agency anticipates filing for summary judgment.

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

Agency will contest vigorously.

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Margaret Plank, (REDACTED)

PENDING OR THREATENED LITIGATION**AGENCY: Consumer Product Safety Commission****Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

(REDACTED)

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

Violations of Federal Hazardous Substances Act, 15 USC 1261

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

Not a defense case/no anticipated counter-claim

4. An evaluation of the likelihood of unfavorable outcome. (Choose one.) (REDACTED)

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

Sanctions are always possible – not to exceed \$10,000.

6. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Patricia Kennedy, (REDACTED)

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

ICON Health and Fitness, Inc. v. U.S. Consumer Product Safety Commission (D.Ct. N.D. Utah) Case No. 1:05CV00079

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

No money damages sought - injunctive relief only. Reverse Freedom of Information Act suit to prevent agency from releasing documents in response to FOIA request.

3. Progress of the case.

Complaint filed on June 7, 2005. On August 9, 2005, Court granted parties' Joint Motion for a Stay to allow Settlement discussions. Stay further extended to December 7, 2005.

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

Letter on Consumer Product Safety Commission's review of documents provided to Plaintiff. Awaiting Plaintiff's response.

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

No damages - this action seeks injunctive relief only.

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Melissa Hampshire (CPSC), (REDACTED)

Michael Hyde (DOJ), (REDACTED)

PENDING OR THREATENED LITIGATION

AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds
the agency/component materiality
threshold of: _____**

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

USA v. Larry Lomaz, case No. 5:99 CV 2240, N.D. Ohio

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

Order to Show Cause Why Defendant Should Not Be Found in Contempt. No financial liability of the USA..

3. Progress of the case.

Pending Magistrate's Findings of Fact and Conclusions of Law.

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

See #2 above.

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

_____ PROBABLE – An unfavorable outcome is likely to occur.

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

_____ REMOTE – the chance of an unfavorable outcome is slight.

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

No damages against USA.

7. The name and phone number of the government attorney handling the case (and names and phone numbers of any outside legal counsel/other lawyers representing or advising the government in the matter.)

Harriet Kerwin (CPSC), (REDACTED)

Jeffrey Steger (DOJ), (REDACTED)

INSPECTOR GENERAL'S SUMMARY OF MANAGEMENT CHALLENGES

The Reports Consolidation Act requires that the Office of the Inspector General identify the most serious management and performance challenges facing the agency and the agency's progress towards meeting these challenges. The Inspector General concludes that the most serious management and performance challenges to the Department are in the following areas:

Adoption of Performance Based Management,
Human Resources,
Information Security, and
Protection of Agency People and Facilities.

Adoption of Performance Based Management: Performance-based management seeks to shift the focus of government performance and accountability away from a preoccupation with activities—such as grants or inspections—to a focus on the results or outcomes of those activities—such as real gains in safety and health. The Congress has put in place a statutory framework to instill performance-based management into federal agencies. This framework includes the Chief Financial Officers (CFO) Act and related financial management legislation; information technology reform legislation, including the Clinger-Cohen Act of 1996 and the Paperwork Reduction Act of 1995; and the Government Performance and Results Act of 1993 (GPRA). In developing this framework, the Congress sought to create a more focused and performance-based management and decision making process within the federal government.

The challenges for the CPSC in this area include (1) defining appropriate results-oriented goals and measures, (2) aligning organizations and programs in response to current and emerging demands, (3) rationalizing crosscutting federal program efforts, (4) creating performance-based intergovernmental partnerships, and (5) developing the capability to gather and use program performance information to make decisions.

Great progress has been made in the past several years at shifting the focus of the CPSC towards outcome based management. In order to continue to meet these challenges with the resources available to it, the CPSC initiated a major reorganization. In FY 2006 the OIG will work on issues related to both the measurements of performance essential to properly employing Performance Based Management and on the impact and effectiveness of the reorganization.

Human Resources: The challenges facing the CPSC's management of human resources include: dealing with the increasing number of federal employees who will become eligible to retire over the next several years; utilizing the right mix of training and recruiting to ensure that the agency's workforce has the optimum skills to perform its duties and is sufficiently diverse to represent the citizens it serves; and ensuring that its employees are held accountable for living up to the public trust placed in them by the citizens of the United States.

To deal with these and other manning challenges the CPSC recently conducted an "early out" program to attempt to reshape its workforce. Additionally, the management of the CPSC has, appropriately, initiated action to ensure that its workforce is held accountable to the high standards to which the American public holds government employees. Management has either

recently revised, initiated or is preparing to initiate new policies and procedures and/or training in the following areas: Use of the Government Travel Card, Personal Use of Government computer systems and other equipment, Time and Attendance policies, Nepotism and Unprofessional Relationships, Procurement Policies, and Interaction with contractors and their employees. In FY 2006 an audit of the CPSC's training program will be conducted.

Information Technology Security: The increase in the use of the Internet, coupled with the dramatic expansion in computer interconnectivity, has changed the ways that the government, the nation, and much of the world communicate and conduct business. Without adequate safeguards, computer-supported CPSC operations could be at enormous risk and allow individuals and groups with malicious intent to intrude into inadequately protected systems. Among the worst scenarios, this access could allow intruders to launch attacks against other computer networks and systems, disrupt operations, commit fraud, or obtain sensitive information.

The CPSC recognizes that, as funding allows, more must be done to develop fully, and ensure the continuity of, its information systems security program. An evaluation of the CPSC's Information Security System was performed to meet the requirements of the Federal Information Security Management Act (FISMA), and to determine whether timely and appropriate corrective actions had been taken to correct the material weaknesses identified during the prior audit. The evaluation found that substantial improvements had been made in the past year and all previously identified material weaknesses have been addressed and a mandatory computer security training program implemented. Continuing to stay in front of the ever changing threats in this area will be an ongoing challenge to the CPSC for the foreseeable future.

Protection of Our People and Facilities: Protecting its employees and safe guarding the assets entrusted to it continues to be one of the Commission's highest priorities.

Hundreds of thousands of people work in federally owned or leased facilities and thousands of visitors pass through these facilities each year. The tragedies that occurred during and following Hurricane Katrina highlight the importance of having emergency procedures in place to evacuate personnel from federally owned or leased facilities. The CPSC has recognized the need to have such procedures in place and is in the process of revising its Occupant Emergency Program (OEP).

The CPSC has also implemented security measures (guard, electronic locks, mandatory wearing of photographic identification badges, employee awareness programs, etc.) to help ensure the physical safety of its workforce and their personal property.

As with all Federal agencies, the CPSC has also faced challenges relating to safeguarding the federal property entrusted to it. The various challenges faced in this area include theft (by employees or outside individuals), fraud (by contractors and manufacturers) and negligence by government employees. The CPSC has recently revised its Property Management System to help it meet these challenges and begun providing increased training regarding government procurements in order to reduce the likelihood of fraud or mismanagement of government contracts.

ABBREVIATIONS

AFCI	Arc-Fault Circuit Interrupter
ANPR	Advance Notice of Proposed Rulemaking
ASTM	ASTM International, formerly American Society for Testing and Materials
ATV	All terrain vehicle
BCP	Business Continuity Plan
CBRN	Chemical, biological, radiological, and nuclear
CFO	Chief Financial Officer
CO	Carbon Monoxide
CPSC	Consumer Product Safety Commission
EMS	Emergency Medical Staff
EPA	Environmental Protection Agency
FAIR	Federal Activities Inventory Reform
FISMA	Federal Information Security Management Act
FFS	Federal Financial System
FOIA	Freedom of Information Act
FR	Federal Register
FTE	Full-time equivalent
GFCI	Ground Fault Circuit Interrupter
GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
HPV	High Production Volume
IAF	International Aquatic Foundation
IARC	International Agency for Research on Cancer
ICCVAM	Interagency Coordinating Committee on the Validation of Alternative Methods
ICD	International Statistical Classification of Diseases and Related Health Problems
IT	Information Technology
MEMS	Microelectromechanical system sensor
MOU	Memorandum of Understanding
NAHFE	National Association of Hispanic Federal Executives
NEC	National Electric Code
NEISS	National Electronic Injury Surveillance System
NFIRS	National Fire Incident Reporting System
NICHD	National Institute of Child Health and Human Development
NPPS	National Program for Playground Safety
NPR	Notice of Proposed Rulemaking
NSN	Neighborhood Safety Network
NSPI	National Spa and Pool Institute
OEP	Occupant Emergency Plan
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PPPA	Poison Prevention Packaging Act
SAC	Small Agency Council
SNL	Sandia National Laboratories
TSCA	Toxic Substances Control Act
UL	Underwriters Laboratories, Inc.
VERA	Voluntary Early Retirement Authority
VNR	Video News Release
VSIP	Voluntary Separation Incentive Payment

**U. S. Consumer Product Safety Commission
Washington, DC 20207**