UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

CPSC/OFFICE OF
THE SECRETARY

2000 MAY -5 A 10:40

Memorandum

Date: May 5, 2000

TO : The Commission

THROUGH: Sadye E. Dunn, Secretary
Michael S. Solender, General Counsel

FROM : Pamela Gilbert
Executive Director

SUBJECT : 2000 Midyear Review

This memorandum presents a status report on the use of Commission resources and the progress of planned projects in the first half of fiscal year 2000. This memo also presents staff proposals for adjustments in CPSC's operating plan for the second half of the year.

Resource Status

Agency spending in total through the first half of the fiscal year was 49% of the annual plan. We have $591,000 available for possible reallocation.

Current recruitment actions can bring us close to the 480 FTE target before the end of the fiscal year. Current employment, including hiring commitments, is about 472 FTEs (compared to 469 at this time last year) with active recruitment underway for vacancies, primarily for the technical directorates, compliance and the field. To date, we have had 31 departures and have hired 24 new employees. So far, through careful planning and a great effort by staff, there have been no substantial project delays because of vacancies.

Attachment A contains a summary of our resource status.

Project Status

We have reviewed agency projects in terms of progress to date, Commission direction, new information, and opportunities to advance safety initiatives. Program managers report that all projects are moving forward. I am pleased to report that we are generally on track to meet our 2000 annual performance goals.

NOTE: This document has not been reviewed or accepted by the Commission.
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Under Hazard Identification and Analysis, work continues on implementing the new All Trauma NEISS project. Data collection from some hospitals is scheduled to begin as early as May 1 with all of the first 66 hospitals reporting by July 1 and with the remaining 34 hospitals reporting by November 1.

Our Hazard Assessment and Reduction projects are moving forward. On the Phthalates project, the Chronic Hazard Advisory Panel (CHAP) is scheduled to meet in May and again, later this Summer. We are now considering independent laboratory verification of a promising method of measuring the migration of phthalates from products. The National Academy of Sciences (NAS) completed its study on potential health risks associated with flame retardant (FR) chemicals that may be used on upholstered furniture to meet a possible CPSC flammability standard. The NAS report concludes that, based on available data, a variety of FR chemicals may be used on upholstered furniture fabrics without presenting health hazards to consumers.

In the Compliance program, the Fast Track Recall program continues to be successful with over 50% of the Commission's recalls being conducted under Fast Track. In addition, we have continued to work on a wide range of product hazards, including infant carriers/car seats, a promotional toy distributed at a fast food chain, overhead sprinklers, and disposable lighters that are not child-resistant. The pilot effort on Internet commerce, Safe On-line Shopping, has been operating and seeks products that have been recalled, violate mandatory safety standards, or are unsafe. The Office of Compliance will provide a full report on the pilot effort later this month.

We continue to get safety messages to the public. We issued 8 CPSC-funded consumer information video news releases (VNR) in the first half of the year as well as 8 company-funded VNRs. The Offices of Field Operations, Compliance, Public Affairs, and Information Services conducted a very successful 2000 Recall Roundup campaign -- preliminary data show that the campaign reached over 47 million TV viewers. The CPSC website continues to experience a rapid increase in use; in April, the site received a record 400,000 visits. We are now receiving about the same number of product incident reports through our website as we are receiving through the Hotline. The new Internet development project has been implemented with a full-time contractor assisting our web team. We also expect to soon see revised graphics and color schemes on the website. We also are adding new features to the website such as the ability to order safety publications electronically, and improved publications and recall sections. The National Injury Information Clearinghouse responded to over 1,600 requests for product information in the first half of the year. The number of calls to the Hotline has not kept up with last year's record pace. However, depending on the numbers, types of recalls, and media attention in the second half of the year, the number of calls could easily increase. We maintain the capacity to handle the same number of calls as last year.

We continue to make advances in information technology. Staff requested 323 database programming tasks, a 37% increase over last year. We are on schedule to complete these tasks, which will refine our databases and lay the groundwork for future integration. We successfully converted to a new e-mail system. The agency successfully passed the Y2K test this winter. Finally, our new accounting system went into production as scheduled at the start of this fiscal year. We are now entering the second phase of development in which we are refining and enhancing the performance of the system.

New Funding Proposals

Staff has suggested about $1.8 million in new funding proposals designed to advance safety initiatives or otherwise improve agency operations. However, as we only have $591,000 in available funds, we had to make choices. After review with staff, I propose that the Commission fund the following items:

I recommend funding a series of contracts that directly advance the program work of the Office of Hazard Identification and Reduction (HIR). These include:

1. $60,000 for a 9-month pilot study to collect enhanced fire data through NEISS and other resources;
2. $100,000 for a new smoke alarm research project in partnership with the Centers for Disease Control and Prevention, U.S. Fire Administration, the Department of Housing and Urban Development, the National Institute of Standards and Technology, and possibly, Underwriters Laboratories. This is a two year effort designed to evaluate performance of existing and new technology alarms with the goal of updating the current voluntary standard;
3. $18,000 to conduct round robin testing of a promising laboratory method to measure migration of phthalates from products;
4. $20,000 to model CO emissions from furnaces to determine concentrations that would occur in a typical home;
5. $50,000 for the mattress fires project to assist with the development of a new test method. These funds would only be used if the Commission votes later this year to initiate rulemaking to address open flame mattress fires; and,
6. $10,000 for outside technical assistance related to the potential fire hazard associated with fixed room heaters.

I also recommend an additional $15,000 for HIR staff travel and other operating expenses. The increased funding is necessary to support increased voluntary standards development.

Information technology continues to be essential to CPSC productivity. I recommend these investments:

1. $230,000 to replace 124 of our oldest desktop computers. This will enhance efficiency and productivity in a wide range of program offices, as well as begin a needed replacement cycle;
2. $24,000 to begin the replacement in the field of the combination printer/copier/scanner/fax machines that are relied on by our telecommuting staff;
3. $21,000 to replace our existing automated procurement system with a newer, more capable system; the existing system is being discontinued by its developer and support will not be available;
4. $10,000 to provide a limited number of Compliance staff with remote access to CPSC data; and,
5. $7,000 to improve the sound system in our hearing room for roundtable meetings.

Finally, I recommend $26,000 for the following space renovations to facilitate the work of our staff:

1. Enclose a limited number of workstations in the Office of Compliance. This will provide additional privacy for sensitive compliance negotiations with industry; and,
2. Provide additional privacy to the Equal Employment Opportunity staff to conduct sensitive consultations.

These recommendations for funding reflect the highest priorities of the program managers. The items proposed for current funding are described in Attachment B. The balance of the staff requests is described in Attachment C. This list is not in priority order – if funds become available, purchases would be prioritized on the basis of agency need, funding prospects for next year, and consideration of additional new items that may develop later this year.

Next Steps

The staff will brief you on May 12. The staff and I are available to review these recommendations and related materials with you prior to this meeting. A separate decision meeting on the proposed actions, if necessary, will be scheduled. Upon Commission action, the staff will begin to implement approved changes.

I will keep the Commission informed of staff progress on approved proposals. If additional funds become available by the end of year, I will apprise the Commission of spending plans.

Thank you for your consideration.

Attachment(s)

2000 MIDYEAR REVIEW
RESOURCE SUMMARY
(dollars in thousands)

	Operating Plan	Current Estimate	Available Resources
FTEs.....	480	475	+5
Budget.....	$51,857*	$51,266	+$591

*Includes $3.043 million reimbursement income beyond the $48.814 million appropriation.

Attachment B

2000 MIDYEAR REVIEW
PROPOSED NEW FUNDING

Fire data pilot study to collect data through NEISS and other sources	$60
Smoke alarm research project to evaluate performance of existing and new technology alarms	100
Phthalate round robin testing of laboratory method to evaluate phthalate migration	18
CO modeling for home furnace emissions	20
Mattress fire technical assistance in developing a test method	50*
Fixed room heaters- outside technical assistance	10
Travel and other operating expenses in support of voluntary standards development	15
Information Technology:	
Desktop computer replacement of 124 of our oldest desktop computers	230
Printer/copier/scanner/fax replacement for field telecommuters	24
Procurement system replacement	21
Remote access to databases for a limited number of compliance staff	10
Sound system improvements in hearing room to facilitate roundtable meetings	7
Space Renovations:	
Compliance workstation enclosures to facilitate compliance negotiations and *EEO space reconfiguration* to facilitate counseling work	26
Total	$591

* These funds would only be used if the Commission votes later this year to initiate rulemaking to address open flame mattress fires.

2000 MIDYEAR REVIEW
UNFUNDED REQUESTS
(Not Listed in Priority Order)

Hazard Identification and Reduction:	
Copier replacement for laboratory	$12
Spectrometer replacement for laboratory	60
Water chiller replacement for laboratory	25
Space renovation – enclose workstations in ES and HS	45
Space renovation – reconfigure HIR office space	38
Space renovation – reconfigure ES work area	4
Laboratory equipment - various items	27
Laboratory space renovations – new mechanical lab/renovate machine shop	19
Engineering Sciences equipment – various items	40
Filing and storage equipment – various items	17
Training – various group and individual training courses	35
Thermal analysis system – for chemical testing in laboratory	75
Student partnership – Worchester Polytechnic/ES work on mechanical codes	5
Product Population Model update – economic analysis tool	225
Market studies – for possible economic research	4
Smoke alarm research – second installment funding	100
Field:	
Public affairs displays – replace 2 older displays	7
Information Services:	
Hotline equipment training – allows staff changes to equipment/software.	3
AV equipment upgrades – improvements to video capability in hearing room	7
Laboratory telephone system replacement	35
Headquarters Voice mail replacement	16
Information Technology:	
Laptop computer replacement – 25 to begin replacement cycle for field	88
Personnel system replacement – data requirements study to begin using GSA system	70
Backup website load balancing	5
Color printer replacement – for Compliance	4
Special drives - for Compliance	2
Desktop faxing capability – for Compliance	25
Color printer replacement (2) – for laboratory	7
Videoconferencing capability - for laboratory	4
Ruggedized laptop computer - for laboratory fireworks testing	5
Color printer – for Office of Planning and Evaluation	4
Dedicated desktop computer with CD-RW – for Health Sciences document imaging	6
Internet security - intrusion detection software/backup security firewall	23
Network improvements - increased memory for network servers/new cards	36
Laptop computer – for support of new accounting system	3
Security expertise – contract support for periodic network security assessments	25
Windows 2000 – replace current Windows 95 operating and application software	100
Total	$1,206