UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

CPSC/OFFICE OF THE SECRETARY

1999 MAY -5 A

Memorandum

Date: May 5, 1999

TO : The Commission

THROUGH: Sadye E. Dunn, Secretary
Jeffrey Bromme, General Counsel

FROM : Pamela Gilbert
Executive Director

SUBJECT : 1999 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 1999. 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 51% of the annual plan. Because of lower than planned employment and other savings, we have $403,000 available for possible reallocation. This is about 27% less than we had last year at midyear. This decrease is largely due to increased hiring.

Current recruitment actions should bring us close to the 480 FTE target before the end of the fiscal year. Current employment is about 469 FTEs (compared to 461 at this time last year) with active recruitment underway for vacancies, primarily for the technical directorates, compliance and the field. 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 a review of 1999 annual performance goals for the three core functional areas (Hazard Assessment and Reduction, Compliance, Consumer Information) showed that almost all of these goals will be achieved this fiscal year. We expect to exceed some goals while a few other goals may take longer to complete due to factors beyond the agency's control.

NOTE: This document has not been reviewed or accepted by the Commission.
Initial nh Date 5/5/99

CPSA 6 (b)(1) Cleared
No Mfrs/Prvt Lblrs or Products Identified
5/5/99

Under Hazard Identification and Analysis, planning is underway to begin implementing an all trauma NEISS in FY 2000. HAR projects are moving forward. Staff has completed and sent to the National Academy of Sciences toxicological reviews of 16 chemicals that could be used as fire retardants on upholstered furniture. On the Phthalates project, work is underway to convene a Chronic Hazard Advisory Panel (CHAP) and pilot testing has begun for the behavioral observation study on children's mouthing behavior. On the Clothes Dryer activity, we are expanding the planned work to include an expert review of staff analysis of dryer fires.

Staff proposes that the agency drop the project on the design and development of a "robotic thumb" to be used to assess the child-resistance of cigarette lighters. A recent assessment concludes that to continue the development of a mechanical means to simulate a child's thumb will require substantial outside technical assistance. Given the limited resources available for this project and the competing demands of other project work, we recommend that the project be terminated. Thus, funding of $37,000 is now available for other use. This amount is included in the $403,000 available funds discussed earlier.

In the Compliance program, the Fast Track Recall program continues to be successful with about 50% of the Commission's recalls being conducted under Fast Track. Staff has expanded its activities in the areas of in-wall electric heaters, CO detectors, fire sprinklers, multi-use children's products, electrical appliances, home exercise equipment and powered garden equipment. Staff is also studying ways to further enhance the effectiveness of recalls.

Our ability to get safety messages to the public continues to expand. The CPSC-funded consumer information video news release (VNR) for the Toy Basketball Net recall was seen by 54 million TV viewers and the Playpen Rivets VNR was seen by 47 million TV viewers. The company-funded VNR for the Fisher-Price Powerwheels recall was seen by 45 million TV viewers. The Offices of Field Operations, Compliance, Public Affairs, and Information Services conducted a very successful 1999 Recall Roundup campaign -- preliminary data show that the campaign reached over 32 million TV viewers. The Hotline is receiving calls at a record pace. At the current rate, the Hotline will receive more than 500,000 calls in 1999, nearly double the number received in 1998. The CPSC website is also experiencing a rapid increase in use: the total number of user sessions has quadrupled over the past year to 100,000 per month. The National Injury Information Clearinghouse has responded to over 2,000 requests for product information thus far this year.

We continue to make advances in information technology. As a result of our 1998 investment, we installed over 250 new staff computers and provided over 1,200 individual training sessions for agency employees. CPSC's staff deserves a great deal of credit for successfully completing this major activity on top of its regular workload.

There have been 185 database programming tasks requested by staff. We are on schedule to accomplish these tasks. This work refines our databases and lays the groundwork for future integration. We have also upgraded our website access and reliability to handle the growth in internet visits. Finally, as we reported to OMB, the agency has completed making all its critical systems and equipment Year 2000 compliant. One major system, our accounting system, is now being tested and is on schedule for full implementation by the start of fiscal year 2000.

New Funding Proposals

Staff has suggested about $2.1 million in new funding proposals designed to advance safety initiatives or otherwise improve agency operations. However, as we only have $403,000 in available funds, we had to make choices. After review with staff, I propose that the Commission fund the following items:

I recommend funding the Office of Hazard Identification and Reduction (HIR) request of $95,000 for the Upholstered Furniture project. With these funds, HIR will purchase laboratory materials needed for round robin testing and contract for a skin absorption study of selected fire retardent chemicals. I also recommend funding the $20,000 HIR request for staff travel. Travel in support of program efforts is essential, particularly in development of standards. I also recommend funding the $5,000 HIR request for purchase of fire sprinkler samples for testing and analysis.

The laboratory provides critical support to both our Compliance and HAR functions. I recommend funding the HIR request of $50,000 for a laboratory design consultant to develop a long-range site plan to ensure efficient use of the limited laboratory space and guide future investments.

I recommend that we relocate three of our field offices at an estimated total cost of $100,000. The San Francisco office and New York City offices need to move to avoid major future rent increases. The Dallas office is being relocated because, with telecommuting, its need for space is reduced – the new location will save money in the future.

Our new director of Equal Employment Opportunity and Minority Enterprise (EEOME) has reviewed the agency's program and recommends $5,000 to strengthen the program. I concur in this recommendation. I also recommend funding $3,000 for office equipment to improve security in EEOME and to increase the efficiency of our FOIA activities in the Office of the Secretary.

The fax system operating in the Office of Information and Public Affairs (OIPA) is a key component of our success in getting our safety messages out quickly and effectively. I recommend $25,000 to upgrade the OIPA fax capability in order to ensure continued reliability. OIPA also requested funding for up to 3 more video news releases (VNRs). The agency currently has used or committed to 8 VNRs of its annual funded number of 11. I propose funding for 2 additional VNRs at $16,000; OIPA can fund an additional VNR by reallocating its own funds. I propose that funding for an additional VNR be considered later in the year if the need arises.

The Hotline has received more than 267,000 calls in the first half of this year, a 59% increase over the same period last year (168,000 calls). In fact, we received more calls in the first half of this year than we received during the entire year in 1998. This means that we are reaching more consumers than ever before. However, this growing call volume has driven up costs for both our operator contract and the related telephone charges. I request funding of $65,000 to continue operating the Hotline at its present volume. Related to this growth, I also recommend funding $3,000 for Spanish translations of new Hotline scripts.

Finally, I request funding of $16,000 to handle increased agency local and long distance calls by staff. I believe this increase is due to a greater workload at both headquarters and in the field.

These recommendations for funding reflect the highest priorities of the program managers. The items proposed for current funding are described in Attachment B. Items that I recommend as our next priority for funding are described in Attachment C. This second group may be funded later in the year if additional monies become available. 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. Attachment D contains the balance of the staff requests. It is very unlikely we will have funding for these items.

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, can 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)

Attachment A

1999 MIDYEAR REVIEW
RESOURCE SUMMARY
(dollars in thousands)

	Operating Plan	Current Estimate	Available Resources
FTEs.....	480	475	+5
Budget.....	$47,780*	$47,377	+$403

*Includes $780 in reimbursement income beyond the $47 million appropriation.

Comments:

- $184 of the projected surplus is due to lower than planned FTE use.
- $219 of the projected surplus results from $37 savings with the deletion of the robotics project, $147 in undistributed NEISS overhead reimbursement income, $25 in space rent savings, and $10 in travel savings.

Attachment B

1999 MIDYEAR REVIEW
PROPOSED NEW FUNDING

Travel to include representing agency at standards development meetings (HIR)	$20
Upholstered furniture materials needed to support round robin testing ($35) and dermal penetration testing of selected fire retardent chemicals ($60)	95
Sprinklers – purchase of samples	5
Laboratory design consultant to develop long-range site plan	50
Relocation of Field Offices (New York, San Francisco, Dallas) to avoid significant future GSA rent increases	100
Equal employment opportunity support costs for travel and investigation and counseling services	5
Fax upgrade to replace obsolete and unsupportable OIPA fax system to ensure future reliability	25
Video news releases (2) to meet increased demand	16
Hotline contract and telephone charges to meet increased volume of consumer calls	65
Spanish translation for Hotline materials to meet increased demand	3
Office equipment for Offices of Secretary and Equal Opportunity	3
Agency telephone charges to meet increased call volume by agency staff	16
Total	$403

Attachment C

1999 MIDYEAR REVIEW
SECOND PRIORITY FUNDING

Age determination guidelines – begin project	$50
Video News Release (1) to meet increased demand	7
Fax upgrade to provide backup and extra capacity when needed by OIPA fax operation and to provide headquarters staff with desktop fax capability	20
Audio/visual equipment update in hearing room	33
Hotline answering equipment upgrade	60
Network backup (Headquarters) improvement consisting of replica software for mission critical file servers ($65) and improved network interface cards ($6)	71
Network backup (Field) improvement by adding additional server to field network	30
Enhanced desktop computer for Engineering Sciences to handle selected applications	4
Network hubs upgrade for Field and Laboratories	23
Laboratory network server replacement for more speed and storage capacity	6
Printer replacement or upgrade of remaining older printers (4) at Headquarters	9
Internet access server upgrade or replacement to handle future volume growth	7
Statistical survey software for customer service surveys	2
Sample storage design preliminary to relocation of warehouse to laboratory site	60
Total	$382

Attachment D

1999 MIDYEAR REVIEW
BALANCE OF FUNDING REQUESTS

Samples for testing - portable electric heaters, gas log sets, and wall heaters	29
Laboratory tools and materials – milling machine ($17); machine tools ($17); gas oven electronic ignition testing ($7); thermal analyzer ($77); computerized gas dilution system ($46); digital camera ($3)	167
Engineering Sciences materials - small tools/reference books ($2); digital camera/video equipment ($5); fault tree analysis software ($2); electrical testing equipment ($2); thermoplastic testing equipment ($10); finite element stress testing software ($10); and cami dummy – newborn size ($3)	34
File cabinets (5) to improve storage in HIR offices	3
SEM/XRE testing equipment for lab to assess surface degradations	250
Product population model update – accelerate effort included in 2000 budget	185
Information technology enhancements	467
Office space reconfigurations in the offices of Compliance ($100) and HIR ($35)	135
Total	$1,270