United States
CONSUMER PRODUCT SAFETY COMMISSION
Washington, D.C. 20207

CPSC/OFFICE OF THE SECRETARY

Office of the Executive Director

1998 OCT 23 A 8: 32

MEMORANDUM

**DATE:** October 23, 1998

**TO :** The Commission

**Through:** Sadye E. Dunn, Secretary
Jeffrey S. Bromme, General Counsel

**FROM :** Pamela Gilbert
Executive Director

**SUBJECT:** 1999 Operating Plan

This memorandum requests Commission approval of the 1999 operating plan. The proposed operating plan adjusts the agency's activities in the President's 1999 budget request to reflect Commission decisions or changes occurring in programs or projects since development of the 1999 budget.

**Overview**

The starting point for the development of the 1999 plan was our 1999 budget request and 1998 experience. CPSC's 1999 appropriation, as approved by the Congress and the President, is $47 million. This level is $2 million more than 1998. Most of the increase ($1.3 million) funds annual increases in salaries and space rent However, $225,000 of the increase allows the agency to continue funding levels established in 1998 for staff training, promotions, and awards. The Congress added $500,000 to the original request to conduct research related to our upholstered furniture effort.

The agency faces one unfunded increase estimated at $130,000 for an increase in the federal pay raise scheduled for January 1999. This additional .5 percent was agreed to by the Congress and the President after the agency's 1999 request was submitted to the Congress. However, because our employment at the beginning of this fiscal year is below ceiling, we can absorb the cost increase with no program disruption.

Agency employment is currently about 20 below our funded employment ceiling of 480. In 1998, the agency hired 29 new employees but 41 employees left. Almost half the departing employees were retirees. Our goal is to reach full employment in 1999 through pending and planned recruitment actions.

NOTE: This document has not been reviewed or accepted by the Commission.
Initial rh Date 10/22/98

CPSA 6 (b)(1) Cleared
X No Mfrs/Prvtlbls or Products Identified

**Program Changes**

The major changes to Commission programs are described below.

***Hazard Identification and Analysis (HIA).*** There are no substantial changes from the 1999 request. Work will continue to collect death and injury data, investigate incidents, research emerging hazards, and conduct economic studies in support of hazard reduction efforts.

We have reassigned staff time equaling one FTE from HIA program work to provide greater technical support to the Hazard Assessment and Reduction program. This FTE change will not affect the HIA program's planned work. We added contract funds of $10,000 to purchase MECAP and news clips based on current cost estimates.

***Hazard Assessment and Reduction (HAR).*** The proposed plan maintains most 1999 HAR initiatives. These include work on: mechanical model for child-resistance testing for cigarette lighters; the role of wallcoverings in residential fires; advanced technology arc fault protection devices; voluntary standards requirements for portable heaters, residential sprinklers, swimming pool alarms, shock protection devices, and all-terrain-vehicles (ATVs); youth basketball injury study; playground injury study; and prevention of carbon monoxide poisonings.

We have added staff time equaling two FTEs to provide additional technical support needed by various HAR projects in 1999. Highlighted changes proposed in the HAR program include:

*Fire-Related Hazards -*

- Adding three FTEs to the existing upholstered furniture effort due to revised time estimates, $500,000 to implement the toxicological research on flame retardant chemicals required by the 1999 appropriation legislation, and $50,000 for possible additional technical support.
- Adding $10,000 to the cigarette lighter evaluation study to finish collecting information and samples related to fires started by children playing with lighters.
- Adding $28,000 to the planned wallcovering initiative to collect samples and data from fire departments.
- Adding two FTEs to extend the 1998 work to complete a briefing package on updating the general wearing apparel standard.
- Adding $5,000 for data and samples from fire departments for the planned activity on residential sprinklers.
- Deleting the electrical fire investigation guide (-$5,000) because investigation training funded in 1998 eliminates the need for the guide.
- Adding staff time (less than .5 FTE) to comply with the appropriations requirement to review the recent Commission sleepwear rule revisions.
- Deleting $22,000 in contract funds for fire/gas/electrical codes and standards due to staff reestimate of support needs.

*Children's Products* -

- Deleting one FTE and $230,000 planned for the completion of the now cancelled anthropometric study.
- Adding .5 FTE to complete the briefing package responding to the bunk beds ANPR.
- Adding 1.5 FTEs and $50,000 to accelerate the year 2000 work on the development of practical and effective passive restraints to prevent head injury for a variety of children's products. The effort will take two years to complete.
- Adding 1.5 FTEs and $100,000 to accelerate the year 2000 update of the agency's age determination guidelines. This entire project consists of three $100,000 increments. Funding of additional increments will be considered at midyear review.
- Deleting one FTE for the bicycle helmet testing guide since this was completed in 1998.
- Deleting $8,000 in contract funds based on staff reestimate of support need.

*Sports and Recreation* - Deleting 2.5 FTEs as a result of reestimating staff time needs. Deleting $50,000 planned for ATVs; staff time remains available for ATV work.

*Chemical Hazards* - Deleting two FTEs and $5,000 in contract funds as a result of reestimating work needs. Work on chemical hazards, carbon monoxide poisoning and poison prevention continue as planned

*Testing and Evaluation Support* - Adding $52,000 (for a total of $77,000) for outside expertise, such as peer review, to address unanticipated needs and unplanned activities. The proposed plan maintains the laboratory equipment funding increase from $65,000 to $100,000 in the President's request.

A total of $15,000 in contract funds are transferred to operating expenses in support of various HAR projects. The amount of $10,000 in contract funds is also transferred to the HIA program. Finally, the proposed plan includes an increase of $20,000 for staff travel to support voluntary standards work and staff development activities. We will consider additional funding at midyear review.

***Compliance.*** There are no substantial project changes in this program. Work on Section 15 will continue with an emphasis on technologically-complex hazards that pose substantial risk of injury or death. The full range of regulated products activities continues. New work includes implementation of ATV monitoring that complements the proposed industry ATV action plan and a new emphasis to stop the sale of lawn mowers that fail to comply with the mandatory standard. A plan for conformance monitoring of voluntary standards in 1999 will be submitted separately to the Commission for approval.

The proposed plan includes an increase of $2,000 for Office of Compliance staff travel. We will consider additional funding at midyear review.

***Consumer Information.*** There are no substantial changes under the Consumer Information program. Work will continue under its Continuing Publications and Outreach, Clearinghouse, and Public Information Services (including the Hotline) subprograms. FTEs decrease by one to reflect a reestimate of staff time required by the Clearinghouse and FOIA efforts, as well as support required of the technical directorates.

***Agency Management.*** There are no substantial changes under this program.

***Information Technology.*** In 1998, we were able to make considerable progress in updating our information technology. We purchased pentium level personal computers, related software, and training to give all staff the same modern equipment and software base. We are now in the process of issuing the equipment and software and training the staff. Our goal is to complete this effort by January 1999 or sooner.

We also entered into an agreement with the Department of Commerce to upgrade our accounting system. This is in the process of implementation and is expected to be completed by March 1999.

Attached is a summary of resource changes by program (attachment A), a summary of FTEs by organization (attachment B), and a listing of 1999 voluntary standards work (attachment C)

**Next Steps**

The staff will brief you on November 2. Following the Commission decision, the staff will make any adjustments directed by the Commission and will submit the operating plan to the House and Senate Appropriations subcommittees for their required approval. This plan will guide Commission work during 1999. We will review our progress and the need for changes next spring at midyear review.

**Conclusion**

The proposed operating plan continues all major activities and priorities of the Commission, reflects changes since the 1999 budget was last approved by the Commission, and provides for new initiatives. As noted, we are proposing limited resource changes to meet these objectives; careful monitoring will make sure the adjustments are appropriate over time. We are confident that the operating plan for 1999 will allow CPSC to continue to make important advancements in product safety for American consumers.

Attachments

ATTACHMENT A

1999 OPERATING PLAN
PROPOSED CHANGES BY PROGRAM
(dollars in thousands)

| Program | President's Request FTEs | President's Request Contract Dollars | Proposed Operating Plan FTEs | Proposed Operating Plan Contract Dollars | Change FTEs | Change Contract Dollars | Comments |
|---|---|---|---|---|---|---|---|
| I. HAZARD IDENTIFICATION AND ANALYSIS: | | | | | | | |
| SURVEILLANCE DATA..... | 25 | $1,232 | 25 | $1,242 | -- | +$10 | Increased contract need for MECAP & incident reports. |
| INVESTIGATIONS..... | 21 | 60 | 21 | 60 | -- | -- | |
| EMERGING HAZARDS..... | 10 | 7 | 9 | 7 | -1 | -- | Decreased FTE need. |
| ECONOMIC STUDIES..... | 2 | 7 | 2 | 7 | -- | -- | |
| PROGRAM SUPPORT..... | 5 | 21 | 5 | 21 | -- | -- | |
| TOTAL, PROGRAM... | 63 | $1,327 | 62 | $1,337 | -1 | +$10 | Contract funds transferred from HAR. |

| Program | President's Request FTEs | President's Request Contract Dollars | Proposed Operating Plan FTEs | Proposed Operating Plan Contract Dollars | Change FTEs | Change Contract Dollars | Comments |
|---|---|---|---|---|---|---|---|
| II. **HAZARD ASSESSMENT AND REDUCTION:** | | | | | | | |
| **FIRE/ELECTROCUTION HAZARDS.....** | **26** | **$93** | **31** | **$659** | **+5** | **+$566** | Adds FTEs for upholstered furniture (3), gen. wearing apparel (2); adds funds for upholstered furniture ($550), cigarette lighters ($10), wallcoverings ($28), residential sprinklers ($5); deletes funds for fire investigation guide (-$5);other (-$22). |
| **MECHANICAL/CHILDREN:** | | | | | | | |
| Children's Products... | 9 | 238 | 10.5 | 150 | +1.5 | -88 | Adds FTEs for bunk beds (.5), passive restraints (1.5), age determination (1.5); deletes FTEs for anthropometric study (-1), bicycle helmets (-1); adds funds for passive restraints ($50), age determination ($100); deletes funds for anthropometric study (-$230), other (-$8). |
| Sports & Recreation... | 5 | 50 | 2.5 | -- | -2.5 | -50 | Deletes FTEs for ATVs (-1), other (-1.5), deletes funds for ATVs (-$50). |
| Mechanical Code & Std. | 5 | -- | 5 | -- | -- | -- | Staff time available for ATV work. |
| **Subtotal..** | **19** | **288** | **18** | **150** | **-1** | **-138** | |
| **CHEMICAL HAZARDS.....** | **20** | **90** | **18** | **85** | **-2** | **-5** | Reduced FTE/contract need. |
| **LAB/PROGRAM SUPPORT...** | **18** | **191** | **18** | **243** | **--** | **+52** | Adds $52 for contract support. |
| **TOTAL, PROGRAM...** | **83** | **$662** | **85** | **$1,137** | **+2** | **+$475** | $500 added by Congress; -$10 to HIA; -$15 to HAR operating exp. |

| Program | President's Request FTEs | President's Request Contract Dollars | Proposed Operating Plan FTEs | Proposed Operating Plan Contract Dollars | Change FTEs | Change Contract Dollars | Comments |
|---|---|---|---|---|---|---|---|
| **III. COMPLIANCE:** | | | | | | | |
| **FIRE/ELECTROCUTION HAZARDS.....** | 50 | $256 | 50 | $256 | -- | $-- | |
| **MECHANICAL/CHILDREN...** | 111 | 135 | 111 | 135 | -- | -- | |
| **CHEMICAL HAZARDS.....** | 17 | 150 | 17 | 150 | -- | -- | |
| **PROGRAM SUPPORT.....** | 14 | 135 | 14 | 135 | -- | -- | |
| **TOTAL, PROGRAM...** | 192 | $676 | 192 | $676 | -- | -- | |
| **IV. CONSUMER INFORMATION:** | | | | | | | |
| **CONTINUING PUBLICATION/ OUTREACH.....** | 16 | 124 | 16 | 124 | -- | -- | Includes distribution services; ongoing/seasonal activities. |
| **CLEARINGHOUSE.....** | 8 | -- | 7 | -- | -1 | -- | Reduce FTE need. |
| **PUBLIC INFORMATION SERVICES:** | | | | | | | |
| Hotline/Info.Center & Internet..... | 1.5 | 477 | 1.5 | 477 | -- | -- | |
| Correspondence/FOIA & CPSA..... | 17 | -- | 17 | -- | -- | -- | |
| Other Info. Services.. | 7.5 | 130 | 7.5 | 130 | -- | -- | Includes recalls & alerts; media relations; video communications. |
| **Subtotal..** | 26 | 607 | 26 | 607 | -- | -- | |
| **PROGRAM SUPPORT.....** | 4 | -- | 4 | -- | -- | -- | |
| **TOTAL, PROGRAM...** | 54 | $731 | 53 | $731 | -1 | -- | |

| Program | President's Request FTEs | President's Request Contract Dollars | Proposed Operating Plan FTEs | Proposed Operating Plan Contract Dollars | Change FTEs | Change Contract Dollars | Comments |
|---|---|---|---|---|---|---|---|
| V. **AGENCY MANAGEMENT:** | | | | | | | |
| **COMMISSIONER AND STAFF** | 13 | -- | 13 | -- | -- | -- | |
| **COMMISSION ADVICE/ LEGAL GUIDANCE:** | | | | | | | |
| Cong. Relations..... | 3 | -- | 2 | -- | -1 | -- | FTE to Office of Compliance. |
| Inspector General..... | 3 | -- | 3 | -- | -- | -- | |
| OEEO..... | 2 | -- | 2 | -- | -- | -- | |
| OGC Lit./Ethics..... | 3 | -- | 3 | -- | -- | -- | |
| OS General..... | 2 | 2 | 2 | 2 | -- | -- | |
| **Subtotal..** | **13** | **2** | **12** | **2** | **-1** | **--** | |
| **EXECUTIVE DIRECTION:** | | | | | | | |
| Executive Director.... | 4 | -- | 4 | -- | -- | -- | |
| Budget Operations..... | 4 | -- | 4 | -- | -- | -- | |
| **Subtotal..** | **8** | **--** | **8** | **--** | **--** | **--** | |
| **GENERAL ADMIN. SERVICE** | 54 | 109 | 55 | 109 | +1 | -- | Increased ADP FTE requirement. |
| **TOTAL, PROGRAM...** | **88** | **$111** | **88** | **$111** | **--** | **--** | |
| ***TOTAL COMMISSION.....*** | ***480*** | ***$3,507*** | ***480*** | ***$3,992*** | **--** | ***+$485*** | $500 added by Congress; -$15 to HAR operating exp. |

Attachment B

## FTEs BY ORGANIZATION

| Organization | On Board 1/ | 1999 Request | 1999 Op. Plan | Change 2/ |
|---|---|---|---|---|
| Commissioners | 11.0 | 13.0 | 13.0 | -- |
| Office of the Secretary | 14.5 | 14.5 | 14.5 | -- |
| Office of Congressional Relations | 2.0 | 3.0 | 2.0 | -1.0 |
| Office of the General Counsel | 12.6 | 14.0 | 14.0 | -- |
| Office of EEOME | 1.0 | 2.0 | 2.0 | -- |
| Office of the Inspector General | 2.0 | 3.0 | 3.0 | -- |
| Office of the Executive Director | 5.0 | 4.0 | 4.0 | -- |
| Office of Human Resource Mgmt. | 9.6 | 9.0 | 9.0 | -- |
| Office of Information Services | 32.4 | 29.5 | 31.5 | +2.0 |
| Office of the Budget | 4.0 | 4.0 | 4.0 | -- |
| Office of Planning and Evaluation | 5.0 | 6.0 | 6.0 | -- |
| Office of Information and Public Affairs | 10.0 | 12.0 | 12.0 | -- |
| Office of Compliance | 41.5 | 46.0 | 46.0 | -- |
| Office of Hazard Identification and Reduction | 150.9 | 154.5 | 154.5 | -- |
| Directorate for Administration | 31.2 | 29.0 | 29.0 | -- |
| Directorate for Field Operations | 130.3 | 136.5 | 135.5 | -1.0 |
| Total | 463.0 | 480.0 | 480.0 | -- |

1/ As of October 10, 1998. (Includes pending hires and separations.)
2/ FTE changes reflect the following:
Congressional Relations: -1 FTE to Compliance
Information Services: +1 FTE each from HIR and Compliance
HIR: +1 FTE from Field Operations; -1 FTE to Information Services
Compliance: +1 FTE from Congressional Relations; -1 FTE to Information Services
Field Operations: -1 FTE to HIR

Attachment C

# 1999 OPERATING PLAN
# VOLUNTARY STANDARDS ACTIVITIES

| **Fire/Gas Codes & Standards** | **Mechanical Codes & Standards** | **Children's Products (Other)** |
|---|---|---|
| 1. Candles | 21. All Terrain Vehicles | 49. Bassinets & Cradles |
| 2. Corrugated Ducts: Furnaces | 22. Escalators | 50. Bed Rails |
| 3. Fire Blankets | 23. Garage Door/Gate Operators | 51. Cribs |
| 4. Fire Escape Ladders | 24. Go Karts/Fun Carts | 52. Infant Bedding |
| 5. Fire Extinguishers | 25. Nail Guns | 53. Mini Hammocks |
| 6. Fire Sprinklers | 26. Saws, Chain | |
| 7. Fireworks Devices | 27. Saws, Table | **Sports and Recreation** |
| 8. Gas Systems: Overpressure | 28. Snowblowers | 54. Exercise Equipment |
| 9. Gas Water Heaters | | 55. Soccer Goals |
| 10. National Fuel Gas Code | **Children's Products (Head)** | 56. Treadmills |
| 11. Ranges and Ovens | 29. Activity Centers, Stationary | |
| | 30. Bicycles | **Carbon Monoxide (CO)** |
| **Electrical Codes & Standards** | 31. Furniture Tipover | 57. Camping Equipment |
| 12. Arc Fault Circuit Interrupters | 32. Helmets, Bicycle | 58. CO Detectors |
| 13. Battery Operated Toys | 33. Helmets, Bicycle Racing | 59. Furnaces, Central |
| 14. Clothes Dryers | 34. Helmets, Horseback Riding | 60. Unvented Gas Appliances |
| 15. Dishwashers | 35. Helmets, Roller Skating | 61. Unvented Gas Room Heaters |
| 16. Electric Reinspection | 36. Helmets, Skateboarding | |
| 17. Heaters, Portable Electric | 37. Helmets, Skiing | **Poison Prevention** |
| 18. Polymeric Materials | 38. Helmets, Snowboarding | 62. Child Resistant Packaging |
| | 39. High Chairs | |
| **Electrocutions** | 40. Infant Carriers | |
| 19. Ground Fault Circuit Interrupters | 41. Playground Equipment, Children Younger Than 2 | |
| 20. National Electrical Code | 42. Playground Equipment - Home | |
| | 43. Playground Equipment- Public | |
| | 44. Playground Equipment - Soft | |
| | 45. Playground Surfacing | |
| | 46. Swings, Baby | |
| | 47. Trampolines | |
| | 48. Window Guards | |

10/13/98