



**U.S. Consumer Product
Safety Commission**

Performance and Accountability Report

Fiscal Year 2004

*Saving Lives and Keeping
Families Safe*

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



November 2004



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 2004, 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 2004 Performance and Accountability Report. This report presents both financial and program performance results for 2004. 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. The performance data contained in this report are complete and reliable. This report highlights our 2004 achievements. Notably, in 2004, the CPSC:

- ④ Continued work on developing possible regulations to address the flammability of upholstered furniture and mattresses, areas representing the leading causes of residential fire deaths.
- ④ Presented recommendations to voluntary standards or code organizations to strengthen or develop 5 voluntary standards or codes, as well as monitored or participated in the development or modification of voluntary standards for 71 products. For example, staff made recommendations to strengthen the standard for portable generators to address the risk of carbon monoxide poisoning that can occur with the use of these products.
- ④ Initiated and obtained 989 corrective actions, including 354 voluntary recalls involving 216 million product units that violated mandatory safety regulations or presented a substantial risk of injury or death. Civil and criminal penalties were sought when companies violated the law.
- ④ Completed several important studies to examine different product-related hazards. For example, we evaluated current smoke alarm and wireless technologies to determine the feasibility of producing a battery-operated smoke alarm that is interconnected by wireless communication; the potential of sensors in identifying conditions that could lead to clothes dryer fires; and the exposure and risk associated with CCA-treated wood used on playground equipment.
- ④ Started the Neighborhood Safety Network program to offer safety information to groups who might be considered hard to reach, including low-income consumers, minority groups, and people who may not receive information through the general media.

- ④ Held two public hearings, one in Florida and one in Arizona, on swimming pool safety, which received significant regional and national coverage.
- ④ Issued warnings during the country's unusually severe hurricane season to warn consumers who might have lost electricity of the dangers of improper use of portable generators and charcoal grills. Our campaign was made available to state and local officials as well as other federal agencies.
- ④ Conducted public awareness campaigns on poison prevention, drowning hazards, fire hazards, fireworks safety, toy safety, electrical safety, bicycle safety, home heating safety, and safe practices following natural disasters.
- ④ Developed and implemented a Resale Round-Up program partnering with Safe Kids, the National Association of Retail & Thrift Shops and the Danny Foundation. Staff conducted safety seminars and press conferences to raise awareness of dangerous products and encouraged resale outlets to take the correct action to remove them from the secondary marketplace.

The 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.



Harold D. Stratton, Jr.
Chairman

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INSIDE THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

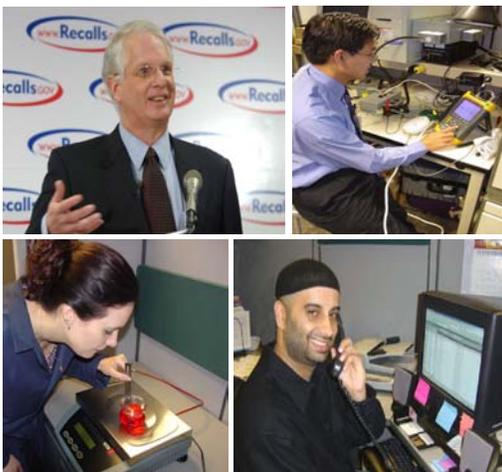
The U.S. Consumer Product Safety Commission (CPSC) is a Federal independent regulatory agency that was created in 1972 by the Consumer Product Safety Act. In addition to the Consumer Product Safety Act, CPSC also administers four other laws: the Flammable Fabrics Act, the Poison Prevention Packaging 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 15,000 types of consumer products.

DID YOU KNOW?

- ★ Each year, there are an average of about 24,400 deaths and 33.4 million injuries related to consumer products under the Commission's jurisdiction.
- ★ These injuries, deaths and associated property damage cost the American public over \$700 billion annually.



WHAT WE DO

- ★ Save the nation almost \$16 billion annually in health care, property damage, and other societal costs through our work on reducing product-related injuries and deaths from hazards such as fire, electrocution, carbon monoxide poisoning, child drowning, and child poisoning.
- ★ Complete cooperative recalls of defective products. In 2004, there were 354 recalls involving about 216 million product units.
- ★ Work cooperatively with industry and voluntary standards groups to develop safety standards. From 1990 through 2004, we have worked cooperatively with industry and others to complete 276 voluntary standards while issuing 35 mandatory rules, an eight-to-one ratio of voluntary to mandatory standards.
- ★ 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 2004, we had 11.9 million visits to our Web site and about 140,000 calls to our hotline.

APPROACHES TO PRODUCT SAFETY

HOW WE REDUCE HAZARDS

The Commission uses a variety of tools to reduce the risks of hazardous consumer products. These tools include (1) participating in the voluntary standards process and developing mandatory safety standards; (2) compliance activities such as recalls and corrective actions of hazardous products and enforcement of existing regulations; and (3) alerting the public to safety hazards and safe practices. In addition, the agency bases its actions to reduce the risks of hazardous consumer products on information developed from its extensive data collection systems that assess the causes and scope of product-related injuries. (See Figure 1 for a schematic summary of our approaches to product safety.)

Safety Standards

Much of our work in saving lives and making homes safer is through cooperation with industry. From 1990 through 2004, we have worked cooperatively with industry and others to develop 276 voluntary safety standards while issuing 35 mandatory rules, about an eight-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 organizations that develop voluntary standards. 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 can take months or it may take several years. While the development of recommendations is within our span of control and the actual development of proposed standards within our span of influence, the publication and effective dates for the consensus voluntary standards are not.

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 the 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 2004, CPSC completed 354 cooperative recalls involving about 216 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 work with companies to remove products from the marketplace if we learn that they violate mandatory safety standards or are defective, creating 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. If an evaluation justifies 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 can litigate to require a recall and if appropriate, obtain civil penalties for failure to comply with the statutes we administer.

To assist industry in cooperatively recalling products and complying with our regulations easily and quickly, we rely on two activities: Fast-Track product recalls and 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 recalled defective product represents a potential 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 twice as fast as

traditional recalls and, on the average, are implemented within the 20 days of a firm's report to CPSC provided in the program.

We also established 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 clearly understandable response from our technical staff so that firms receive the information they need within three business days.

Consumer Information

We warn the public about product-related hazards through print and electronic media, our hotline and Web site, and other outreach activities such as the Neighborhood Safety Network. We develop and provide safety information for the public through safety alerts, news releases, video news releases, publications, including the *Consumer Product Safety Review*, 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). For warnings that need to be repeated -- and most do -- we often rely on outreach by partnering with other organizations and by developing programs, such as Resale Roundup. Through the *Neighborhood Safety Network*, we will combine our partnerships into a rapid communications vehicle that utilizes email and the Internet.

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 11.9 million visits in 2004. We post and spotlight recall notices on our Web site at the same time as the news release announcing the recall. Consumers and firms can file reports of unsafe products on-line and firms are ensured of confidentiality by encrypted transfer of data. Product safety information is also available in Spanish and children can access a special section of the site, *Especially for Kids*, which has safety information. Additionally, the public can access our recalls and other safety information through www.Recalls.gov, a new Web site that is an easy-to-use portal to all federal agencies that have the authority to conduct safety recalls.

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 incident 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

Each year, we collect information about product-related injuries treated in hospital emergency rooms through our National Electronic Injury Surveillance System (NEISS). This unique system provides statistically valid national estimates of product-related injuries from a probability sample of hospital emergency rooms and is the foundation for many Commission activities. Each year, NEISS supplies about 370,000 product-related cases from a sample of about 100 hospitals. The hospitals transmit incident information electronically, and in some cases, the data are available within 24 hours after an incident. Several foreign governments have modeled their national injury data collection systems after the Commission's system.

In 2000, NEISS was expanded to provide data on all trauma-related injuries. This expanded data provides other Federal agencies, researchers, and the public with more comprehensive information on injuries from all sources, not just consumer products. The Institute of Medicine recommended the expansion of NEISS into an all injury system. The effort is being supported by reimbursable funds of \$2 million from the Centers for Disease Control and Prevention. The reimbursable funds allow us to collect non-consumer product injury data, while we continue collecting product injury data with CPSC funds.

Product-Related Deaths

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

reviews approximately 3,600 additional reports from participating medical examiners and coroners throughout the country. We also collect and review about 7,000 news clips and 12,000 other reports of product-related injuries and deaths from consumers, lawyers, physicians, fire departments and others.

Fire-Related Injuries and Deaths

We continue our operation of the new system of collecting fire death and injury data. Reduction of fire deaths and injuries is a major effort by the agency and accurate data is critical. The new system involves collecting fire incident data from fire departments and death certificates with follow-up investigations of incidents. Finally, we continue the National Burn Center Reporting System established in 2003 to capture data on clothing-related child burn injuries from the nation's burn treatment centers.

Data Utility/Emerging Hazards

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

We continue to conduct economic studies to provide specialized economic information to 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, the public may file a petition requesting that the Commission regulate a consumer product under its jurisdiction. In response to petitions, staff may prepare briefing packages for Commission consideration to grant or deny the petitions.

APPROACHES TO PRODUCT SAFETY SUMMARY

Figure 1

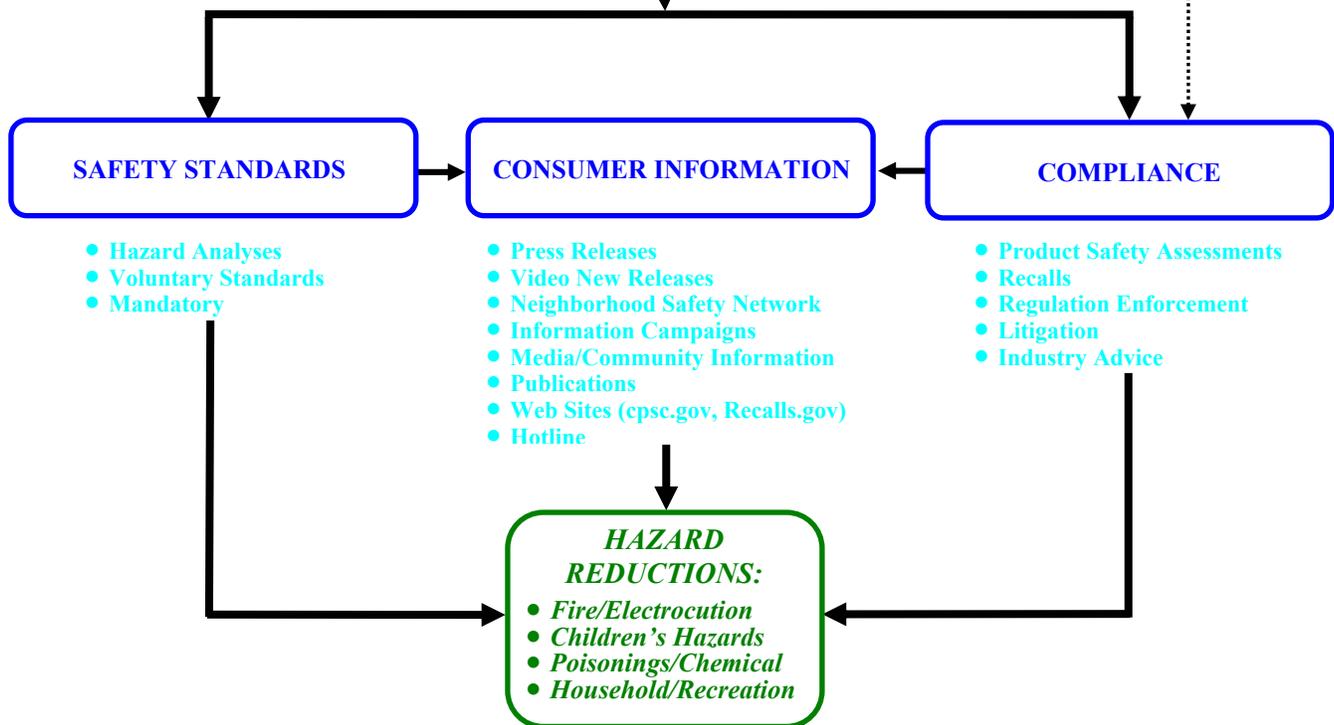
IDENTIFYING HAZARDS:

- INJURIES, DEATHS, & INCIDENTS*

 - *NEISS Hospitals*
 - *Death Certificates*
 - *Burn Center Reporting System*
 - *Medical Examiners*
 - *Hotline/Web Site Consumer Complaints*
 - *Newsclips*
 - *Investigations*
 - *Industry Reports*

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

REDUCING HAZARDS:



OVERVIEW OF THE STRATEGIC PLAN

CPSC's Mission: To reduce unreasonable risks of injury and death from consumer products and to assist consumers in evaluating the comparative safety of consumer products.

CPSC's 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; there is routine use of early warning and protection systems; state-of-the-art information technology rapidly identifies potentially hazardous products; and world safety standards are modeled on the often higher standards of the United States.

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 child drowning death rate by 20 percent.

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 is used to set the direction of the agency and allocate resources. Each year, we link annual performance goals to the strategic goals described above through projects and activities. CPSC also sets annual goals in other hazard areas that are not in the Strategic Plan (e.g., electrocutions), as well as the President's Management Agenda. This performance report includes accomplishments in both strategic and non-strategic goal areas.

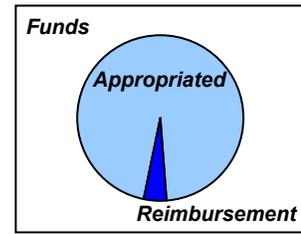
2004 PERFORMANCE SUMMARY

We met or exceeded most of our 2004 Performance Plan goals. In successful pursuit of the 2004 plan, we made these safety advances:

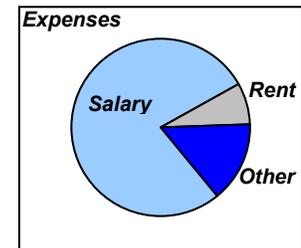
- ❖ Worked on the development of two major regulations for mattresses and upholstered furniture. These two rules, if finalized, have the potential to be the first two major rules (impact of over \$100 million) ever issued by CPSC. Throughout 2004, considerable staff time and expertise were devoted to issues related to these two major, technically complex rulemaking activities. It is unprecedented for CPSC to have two activities of this magnitude and complexity underway in the same year;
- ❖ Provided recommendations to standards-setting organizations to develop or improve 5 voluntary national safety standards;
- ❖ Monitored or participated in the development or modification of voluntary standards for 71 products;
- ❖ Initiated and obtained 989 corrective actions of potentially hazardous products, which included 354 voluntary recalls involving 216 million product units;
- ❖ Completed several important studies to examine different product-related hazards. For example, we evaluated current smoke alarm and wireless technologies to determine the feasibility of producing a battery-operated smoke alarm that is interconnected by wireless communication; the potential of sensors in identifying conditions that could lead to clothes dryer fires; and the exposure and risk associated with CCA-treated wood used on playground equipment; and
- ❖ Informed the public through CPSC's communication network. We alerted the public to hazardous products through 312 press releases and recall alerts, 13 video news releases, 1.7 million distributed publications, appearances on network TV shows, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had 11.9 million Web site visits and 140,000 callers to the hotline.

2004 RESOURCES

In 2004, of the Commission’s \$62,448,222 new general appropriated and reimbursement funds, 96% or \$59,646,000 was appropriated by Congress for CPSC mission work and 4% or \$2,802,222 was received from others as reimbursement for services provided by CPSC. 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.



Most of CPSC’s 2004 appropriated obligations of \$59,604,100 were for staff. In 2004, the Commission funded an average 461^{##} FTEs using \$46,590,273 million or 78% of appropriated funding. We obligated \$4,472,179 million or 7.5% on space rent to house our staff and product testing facility. The balance, \$8,541,648 million or 14.5%, was obligated for various support costs, such as contractual program support services, staff travel, equipment, and supplies.



2004 Appropriated Expenditures

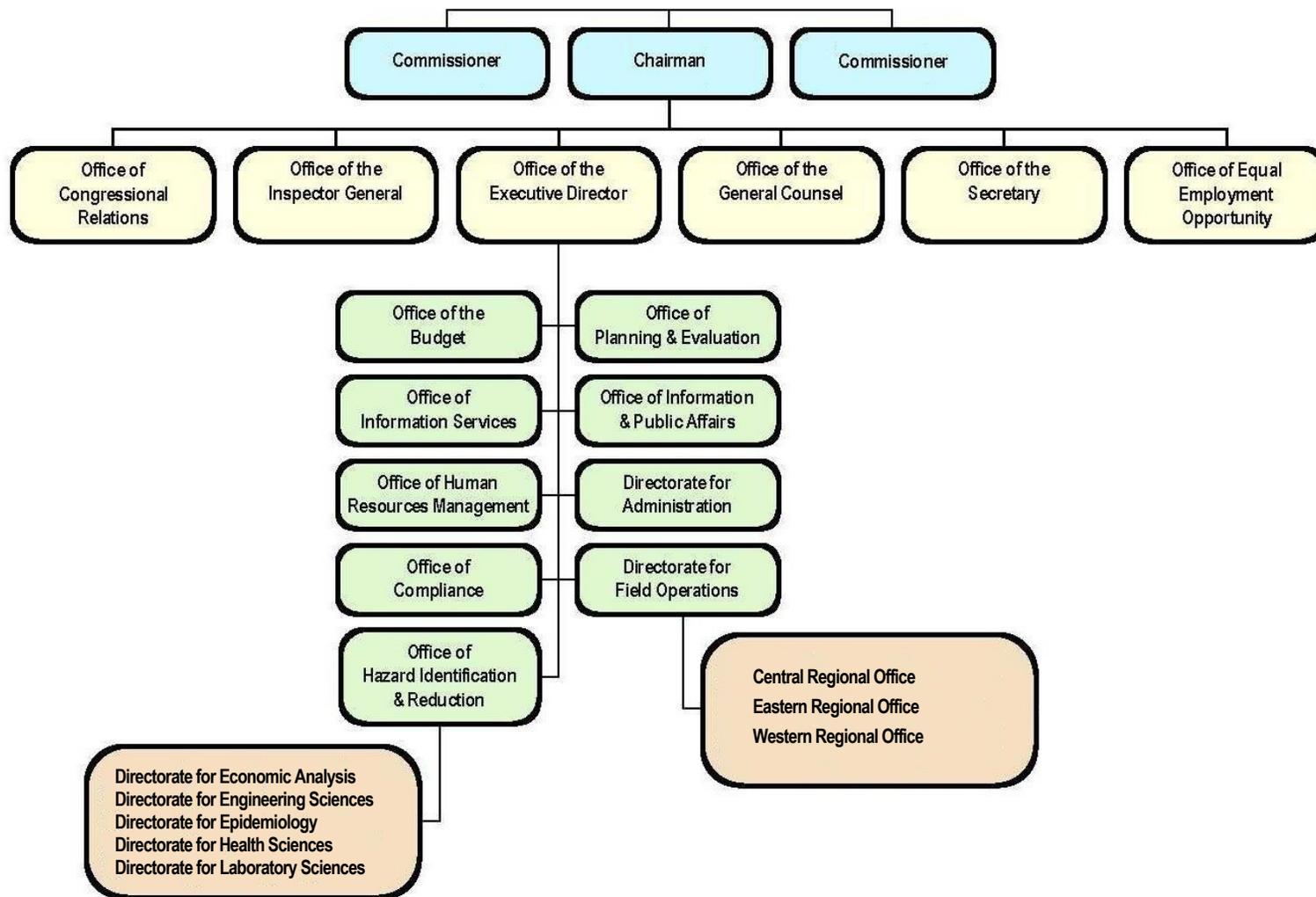
	<u>FTEs</u>	<u>Amount[#]</u>
Reducing Product Hazards		
Fire Deaths*	154	\$19,473
Electrocution Hazards.....	20	2,628
Child Drownings*	5	782
Other Children’s Hazards	83	10,674
Carbon Monoxide Poisonings*.....	12	1,629
Other Chemical Hazards.....	49	6,561
Household and Recreation Hazards.....	53	6,722
Identifying Product Hazards		
Data Collection**	67	\$9,353
Data Utility*/Emerging Hazards	18	1,782
TOTAL COMMISSION	<u>461^{##}</u>	<u>\$59,604</u>

*These are strategic goal areas.
 **Data collection activities support all hazard reduction efforts.
[#]Appropriated funds only. Dollars in thousands.
^{##} 461 FTEs represents Office of Management and Budget method using 26 pay periods; if calculated using actual days, CPSC used 465 FTEs. FTE use is affected by attrition and length of hiring process.

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 \$2,823,163 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.

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.



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 2004 review of the adequacy of management controls required under the Federal Managers' Financial Integrity Act. Letters of assurance from managers made an explicit assurance statement on 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 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 FFS 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 (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 have implemented upgraded security measures to protect our employees and facilities. We have addressed all previously identified material weaknesses in our information technology security audit and we recognize continuous security development is necessary. We are addressing human resource management challenges to meet workforce-planning needs and emphasize employee accountability. Finally, we have 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 program. Of course, our workload, in part, is dependent on events that take place in the marketplace and funding is dependent on the appropriation process, both of which are not 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 2004 was \$59.6 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.

We believe that 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 2004 actual performance with the targets as set in the 2004 Performance Plan (March 2004). The goals are in *italics* to distinguish them from the accomplishments. CPSC's 2004 performance is characterized as follows:

- Exceeded - work was accomplished beyond the target.
- Completed - performance goal met.
- Project Completed - 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 at this time.
- Will Complete - the goal was not met and will be completed in a future year.
- 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 is used to set the direction of the agency and allocate resources. Each year, we link annual performance goals to the strategic goals through projects and activities. CPSC also sets annual goals in other hazard areas that are not in Strategic Plan (e.g., electrocutions), as well as the President's Management Agenda. This performance report includes accomplishments in both strategic and non-strategic goal areas.

TWO TYPES OF ANNUAL PERFORMANCE GOALS

Our annual plans 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.

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 five years of historical data. However, the actual number of recalls, corrective actions, and news releases responding to

unpredictable events in a given year may vary from the estimate, depending on the mix of safety-related problems arising during that year.

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

KEEPING FAMILIES SAFE FROM FIRE HAZARDS

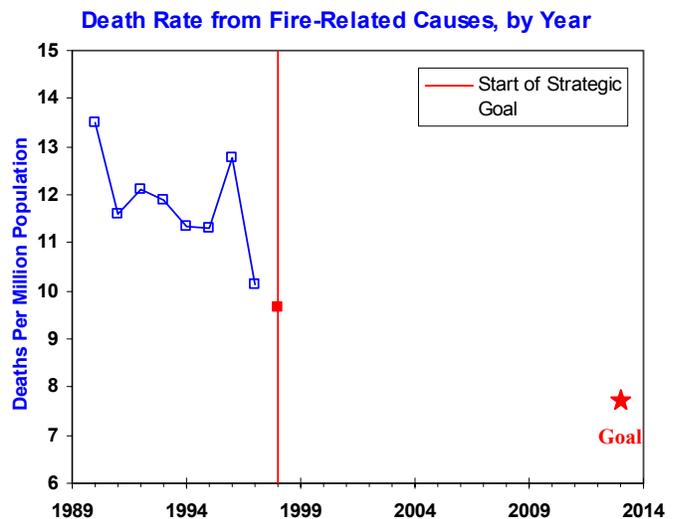
STRATEGIC GOAL: REDUCE THE RATE OF DEATH FROM FIRE-RELATED CAUSES BY 20 PERCENT FROM 1998 TO 2013.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	178	154	148	145	154
Amount	\$18,053	\$17,270	\$17,340	\$16,967	\$19,473

THE HAZARD

This nation’s fire death rate remains high. In 1999¹, an estimated 2,390 people died and 14,550 were injured because of fires in residences. These fires resulted in property losses of about \$4.24 billion. The total cost to the nation from residential fires was about \$17 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.

Cooking equipment, such as ranges and ovens, is often involved as a source of ignition in fire deaths, accounting for about 13 percent of fire deaths in recent years. Products most often ignited in fire deaths are upholstered furniture, mattresses, and bedding. In recent years, these product categories were associated with about one-third of the fire deaths.



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 nearly 15 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.

¹1999 is the latest year for which complete death data is available.

Deaths due to fire have declined substantially since 1990. In 1998, there were more than 700 fewer home fire-related deaths than in 1990. In 1999, the trend appeared to continue, although the 1999 estimate is not strictly comparable to those for previous years due to changes in the system for coding fire data.²

Standard-setting and compliance activities contributed to the general decline in fires and fire deaths and show that the agency is effective in reducing fire hazards. These activities include work on cigarette ignition-resistant mattresses and upholstered furniture, heating and cooking equipment, electrical products, general wearing apparel, children's sleepwear, child-resistant lighters, fireworks, smoke alarms, and residential fire sprinklers.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
Safety Standards						
1. Prepare candidates for rulemaking	Goal	1	2	3	3	3 ^b
	Actual	0	2	3	2	3
2. Present recommendations to voluntary standards or code organizations	Goal	5	6	3	3	3
	Actual	3	4	4	3	2
3. Complete data analysis and technical review activities	Goal	7	13	14	12	10 ^c
	Actual	4	8	12	7	5
4. Monitor or participate in voluntary standards and code revisions	Goal	*	*	*	17	14
	Actual	20	15	15	17	14
Compliance						
5. Pursue for recall or other corrective action	Goal	455	505	505	350 ^a	270 ^a
	Actual	529	614	367	270	385
6. Conduct port-of-entry surveillance	Goal	2	2	2	2 ^a	2 ^a
	Actual	2	3	3	3	2
Consumer Information						
7. Conduct public information efforts	Goal	5	6	7	7	5
	Actual	5	6	7	7	5
8. Issue press releases and Web recall alerts	Goal	45	45	45 ^d	45 ^d	60 ^{d,e}
	Actual	48	53	88	72	100
9. Produce video news releases	Goal	5	5	6 ^d	5 ^d	5 ^d
	Actual	8	5	8	7	7
10. Respond to requests for publications	Goal	160,000	160,000	160,000	200,000	260,000
	Actual	222,000	259,500	289,000	354,500	321,000

*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.

^bThis goal was increased by one activity, Clothing Textile Standard Update which was carried over from 2003.

^cThis goal was increased by two activities, Emergency Escape Masks and Gas Grills/LP Gas Systems from 2003.

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

^eThis goal now includes Web recall alerts.

²A new revision of the National Fire Incident Reporting System (NFIRS), the nationwide system for coding information about fires, went into effect in 1999.

Safety Standards

1. Prepare for Commission consideration 3 candidates for rulemaking or other alternatives

Clothing Textile Standard Update



2004 Carryover from 2003: *In 2002, an ANPR [Advance Notice of Proposed Rulemaking] was published to begin the process of updating the standard to address changes in test equipment, consumer practice, environmental law, and textile product cleaning techniques. In 2003, work on this project was delayed while staff focused on the higher priority mattress/bedding project. In 2003, staff reviewed public comments on the clothing textile standard ANPR and prepared a project plan to address these comments and develop amendments for an NPR. While some preliminary work on the amendments is planned for 2004, staff will give priority to the mattress/bedding project.*

Completed: In 2004, staff reviewed literature and other information on current consumer care practices for textiles. We prepared draft recommendations for amendments to the clothing textile standard, including changes in equipment, reorganization of the standard, clarification to the procedure and refurbishing methods.

Mattresses & Bedding Material

(small open flame)
390 deaths
2,090 injuries



2004 Plan: *Combustion of mattresses and bedding materials continues to be one of the main contributors of residential fire deaths. Many of the fire deaths could potentially be addressed by an open-flame standard. Small open-flame ignition sources, such as lighters, matches, and candles caused most of the losses to children under age 15 (both as victims and fire starters). In 2002, the Commission voted to publish an ANPR to develop a mandatory standard to reduce the severity of mattress fires. In 2004, staff will prepare a briefing package with a draft proposed standard for Commission consideration, taking into consideration the public comments received on the ANPR, continuing research sponsored by the mattress industry, and rulemaking in California. The proposed standard for the open-flame ignition of mattresses will include test methodology, acceptance criteria, and record keeping requirements. A separate screening test is also being developed for enforcement purposes.*

Completed: This high priority activity focuses on developing a possible regulation to address open flame ignition of mattresses, one of the leading causes of residential fire deaths with an average of 400 deaths each year. In 2004, staff

prepared a draft briefing package that included a summary of comments received on the ANPR, collective research findings, draft proposed test method with performance criteria and compliance requirements, basis for evaluating effectiveness, economic input, preliminary cost-benefit analysis, and technical rationale. Options for addressing bedclothes issues were also included in the package. The briefing package is available at <http://www.cpsc.gov/library/foia/foia05/brief/mattressespt1.pdf> and includes a draft proposed rule for mattresses and a draft ANPR for bedding.

Upholstered Furniture

420 deaths
1,080 injuries



2004 Plan: *The staff is developing a possible rule to address the risk of fire associated with ignitions of upholstered furniture. In 2002, staff held a public meeting to receive comments on the direction of the project and coordinated efforts with other government agencies and voluntary standards organizations. In October 2003, the Commission expanded the rulemaking proceeding to include both small open flame and smoldering cigarette ignition risks. In 2004, staff will analyze public comments on the Advance Notice of Proposed Rulemaking (ANPR), prepare an options package for the Commission, and continue to work with the California Bureau of Home Furnishings, industry/voluntary standards groups, and the U.S. Environmental Protection Agency on issues related to possible rulemaking.*

Completed: This high priority activity, substantially completed in 2004, focuses on developing a possible regulation to address the flammability of upholstered furniture, the leading cause of residential fire deaths with an average of over 400 deaths each year. In 2004, staff analyzed public comments on the October 2003 ANPR, submitted technical comments to the EPA on a draft *Significant New Use Rule* for flame retardant chemicals, and continued to work with the California Bureau of Home Furnishings and industry/voluntary standards groups. The CPSC staff held meetings to solicit input from these groups on potential testing approaches that could be considered in a mandatory standard. CPSC's laboratory conducted testing to help evaluate various approaches and to respond to certain ANPR comments. A briefing package will be sent for Commission consideration in early 2005.

2. Prepare and present recommendations to voluntary standards or code organizations to strengthen or develop 3 voluntary standards or codes

Gas Grills

<10 deaths

30 injuries



2004 Plan: *In 1998, there were an estimated 500 gas grill fires attended by fire services, resulting in an estimated 30 injuries and an estimated property loss of \$13 million. Reports of incidents with gas grills suggest problems with leaking fuel at the tank connection, delayed ignition, overfilled tanks and leaking hoses. There have also been reports that the "Overfill Prevention Devices" required by NFPA in 2002 have been subject to damage in shipment and use, rendering them inoperable. In 2003, staff began engineering and human factors evaluations of the incident data to determine likely causes of grill fires and possible improvements to grills to prevent these fires. In 2004, the results of this evaluation will be used to make recommendations on the voluntary standards, as appropriate.*

Project Completed: Results from staff evaluations indicate that voluntary standards recommendations, adopted in 1995, appear to have effectively addressed the hazard. For these reasons and given the low number of injuries and deaths, no recommendations to the voluntary standards are appropriate at this time.

Smoke Alarms

2,390 deaths

14,550 injuries³



2004 Plan (Carryover from 2003): *Some tests have raised concerns over smoke alarm response to certain fires. The National Institute of Standards and Technology (NIST), in partnership with CPSC and four other organizations, conducted full-scale tests in 2001 and 2002. The purpose was to identify potential improvements in performance/installation requirements, test methods, alarm methods, and alarm technology for residential applications and consumer information. The NIST report was not completed in 2003, so our review did not happen in 2003, as planned. In 2004, we will complete analysis of the test results and, if warranted, prepare recommendations for voluntary standards. Consumer safety information will also be updated.*

Completed: In 2004, CPSC staff completed a review and analysis of the test results from NIST smoke alarm testing. The staff did not make any recommendations for improvements to the voluntary standards and codes at this time because staff is participating in task groups and the Underwriters Laboratories

³Improvements to safety standards for smoke alarms potentially affect all fire-related injuries and deaths addressed in this plan.

Standards Technical Panel (STP) to help review and interpret the results of the NIST report. Recommendations from the different task groups and STP may be submitted to the appropriate voluntary standards committees in the future with CPSC staff support.

Smoke Alarms, Sound Effectiveness

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

2004 Plan: *In comparison to the rest of the population, older adults have significantly higher fire death rates. The elderly tend to experience 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 a sleeping child. In 2004, 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. If feasible, staff will construct a prototype demonstration unit and make recommendations for improvements to the voluntary standard, as appropriate.*

Will Complete in 2005: Staff did not complete this goal in 2004 due to unexpected higher priority work on finger injuries to children, including amputations, associated with paper shredders. Recommendations for improvements to the voluntary standard will be made in 2005, if appropriate.

3. Complete 10 data analyses and technical review activities.

Electrical Lighting

20 deaths
310 injuries
(light fixtures, lamps, and light bulbs for 1999)



2004 Plan: *In 1999, light fixtures, lamps, and light bulbs were collectively associated with an estimated 20 deaths and an estimated 310 injuries. In 2003, staff began collecting data associated with all types of lighting equipment. In 2004, lighting incidents will be categorized by several characteristics, including specific product, type of injury involved, consumer use environment, and frequency of occurrence. We will use this information to conduct follow-up evaluations of individual products or product categories that have been identified. Future staff recommendations will be aimed at the voluntary standards applicable to those lighting products most responsible for deaths and injuries.*

Will Complete in 2005: In 2003, staff began a two-year data collection effort for incidents associated with electrical lighting products. In 2004, staff completed assignments of investigations for the incidents associated with electrical lighting; however, not all investigation reports have been received for review. A detailed review and analysis of the data

Electrical Receptacles

10 deaths
50 injuries (1999)



will be completed in 2005.

2004 Plan: *To determine the causes of receptacle failures that result in overheating and fire, in 2004, staff will begin a two-year data collection effort by enrolling fire departments in the study and developing a questionnaire and sample collection procedure for fire investigators. In 2005, staff will complete the data collection, conduct an engineering evaluation of the collected samples to determine causes of failure, and write a final report. Information developed will be used to support changes to the voluntary standard for receptacles in 2006.*

Completed: In 2004, staff began enrolling fire departments and developed a comprehensive guideline for use by investigators to collect incident data and samples involving receptacle fires. Data collection will continue in 2005.

Emergency Escape Masks



2004 Carryover from 2003: *Emergency escape masks are products marketed as a safety device to protect users against deadly toxic smoke while evacuating a fire, chemical or other emergency in the home and other locations. These products have the potential to reduce 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. Staff will conduct performance tests and human factors analyses for products marketed as emergency escape masks. In 2004, recommendations for development of a performance standard may be made, as appropriate.*

Will Complete in 2006: In 2003 work on emergency escape masks was expanded to include those designed to protect against chemical, biological, radiological, and nuclear (CBRN) hazards. 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, 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. Due to the delay in USFA funding, testing and accompanying Human Factors analyses will be conducted in 2005. In 2006, recommendations to the voluntary standard may be made, as appropriate.

Fire Indicators

2004 Plan: *Numerous fire reports are received each year identifying the cause as combustibles being too close to an electrical product. Most electrical product standards use an artificial fire indicator in their flammability tests to determine if a product represents a potential fire hazard, and most testing laboratories use artificial fire indicators to represent potential ignition sources. In 2002, staff worked with the University of Maryland to determine the adequacy and variability of current fire indicators and to establish heat flux ranges that affect fire risk. In 2003, additional tests were conducted to determine how multiple thicknesses of fire indicators and/or household combustibles affect fire risk. In 2004, as a carryover from 2003, staff will evaluate voluntary standards and product incident data to determine which standards are candidates for being updated to include quantifiable heat flux performance standards.*

Completed: In 2004, staff substantially completed the project by evaluating 16 voluntary standards to assess potential for including quantifiable heat flux measurements in performance criteria. Staff's draft report, *Fire Indicators Project Report-April 2004* was posted on the CPSC Web site at <http://www.cpsc.gov/volstd/research/Fi.pdf> under the pilot program seeking public comment on draft CPSC staff research reports. This report examined the feasibility of considering quantitative heat flux requirements in place of artifact fire indicator requirements (e.g., using a layer of terry cloth). In 2005, the staff will review comments received in response to the Web posting, complete an evaluation of product incident data. Depending upon the results of the staff analysis, additional testing may be needed in 2006 to support recommendations to revise voluntary product standards.

Gas Grills/LP Gas Systems



2004 Carryover from 2003: *In 1998, there were an estimated 500 grill fires attended by fire services. To address the risk of fires and explosions of gas grills from such causes as leaking fuel at the tank connection, delayed ignition, overfilled tanks, valves and leaking hose. CPSC staff will complete a technical review of the incident data and conduct any necessary laboratory testing. In 2004, results of this evaluation will be used to make recommendations to the voluntary standards, as appropriate.*

Project Completed: Staff completed Engineering and Human Factor analysis of the data in 2004. The data did not show a pattern of failure that could be addressed through the voluntary

standards. The number of fires, injuries and deaths continues to be at about the same level as when the previous voluntary standard revisions were put in place in 1995, while the number of grills in use increased from 33 million to 57 million. These results indicate that recommendations adopted in 1995 appear to have effectively addressed the hazard.

Mobile Homes

5.4 deaths per 100,000 housing units

2004 Plan: *From 1994 to 1998, there were 5.4 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, staff will review existing data to determine which products appear to be causing fires in mobile/manufactured homes and examine and investigate new incidents. Data from this review will be used to develop recommendations to revisions to voluntary standards, building codes, and fire codes in 2005.*

Will Complete in 2005: In 2004, staff completed a review of in-depth investigation data involving manufactured homes. However, the information was not sufficiently detailed to determine appliance failure modes; therefore, no safety proposals were developed for voluntary standards groups. In 2005, 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.

Panel Boards and Circuit Breakers

120 deaths
390 injuries
(1998)



2004 Plan (Carryover from 2001): *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 2001, staff initiated a project to evaluate the circuit breaker/panel board system. In 2003, we continued exploratory test work started in 2002 and we continued to monitor and review fire incident reports. In 2004, staff will complete data collection, analysis of the data and samples collected, and reports of the study results. Recommendations for changes to the voluntary standards or building codes may be identified and submitted to the appropriate organizations in 2005.*

Will Complete in 2005: Laboratory analysis of failed panel boards is critical to the project. Obtaining failed samples has proved to be difficult. Electrical contractors who replace failed panel boards in the field typically discard them. In 2004, staff increased its efforts to obtain failed panel boards, with CPSC field investigators contacting electrical contractors to request that failed panel boards be provided to us. Also in 2004, staff

prepared an article for use in official newsletters of electrical contractor associations asking for help from contractors in collecting failed panel boards. In 2005, staff will reexamine the project scope and goals if there is an insufficient number of incident units for analysis. Also in 2005, staff will continue laboratory testing of new panel boards, using more sensitive measurement equipment that was acquired in 2004. Staff will examine if there is discernible degradation in the electrical connection after accelerated on-off cycling of the breakers.

Range/Oven Extinguishing Systems

90 deaths
2,650 injuries



2004 Plan: *Range/oven fires account for extensive residential fire losses. Range/oven-extinguishing systems are marketed 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. Staff will evaluate range/oven extinguishing systems by developing market information, reviewing applicable safety standards, and conducting laboratory testing. If warranted, in 2005, staff will develop recommendations for a voluntary standard for these products.*

Will Complete in 2006: Work on this project was delayed while staff focused on the higher priority flammability work. In 2004, staff purchased testing equipment and plans to test range extinguishing systems in 2005. Also in 2005, staff will review market information and applicable safety standards. If warranted, staff will make recommendations for voluntary standards in 2006.

Residential Fire Survey (Smoke Alarm Effectiveness Study)

2,390 deaths
14,550 injuries



2004 Carryover from 2003: *In 2003, staff worked with a contractor to prepare a probability telephone survey to identify the current causes of reported and unreported fires and the extent to which smoke alarms provided the first warning of a fire. Injury and other data (including fire extinguisher use and sprinkler operation) will also be collected. A special effort is being made to obtain data on fires in the lower socioeconomic stratum of the sample, since fire is related disproportionately to low income and lower education levels. Data collection begins in 2004 and continues for one year. In 2005, staff will prepare a report that will identify the extent to which smoke alarms have contributed to a reduction in serious fires and suggest avenues for future action by CPSC and others to improve their effectiveness.*

Completed: In 2004, staff worked with a contractor and conducted a questionnaire pre-test; made modifications to the questionnaire to ensure that respondents understood the

questions correctly; obtained OMB clearance; and conducted a pilot of the full questionnaire before full-scale interviewing. Data collection began in 2004 and will continue for one year. Following completion of data collection and analysis, staff will prepare a report that will identify the causes of reported and unreported fires, the role of smoke alarms and other fire safety devices in reducing serious fires, and suggest avenues for future action by CPSC and others to improve the effectiveness of fire safety devices.

Smoke Alarms, Wireless Technologies

2004 Plan: *In 2003, an evaluation of current smoke alarm and wireless technologies was conducted to determine the feasibility of producing a battery-operated smoke alarm that is interconnected by wireless communication. Prototypes of residential smoke alarms incorporating wireless technology were constructed. In 2004, as a carryover activity, staff will conduct follow-on tests to demonstrate the benefits of interconnected battery-operated smoke alarms. This information will be used to make recommendations to UL and/or the National Fire Protection Association in 2005, as warranted.*

Completed: Staff conducted tests of sound level losses using non-interconnected smoke alarms in actual homes. Tests showed that if the initiating smoke alarm is in a remote area of the home, such as the basement, and the smoke alarms in the home are not interconnected, the sound loss may be significant enough that it may not be heard by older adults who have hearing loss at higher frequencies (where smoke alarms operate) or the alarm may not be loud enough to wake sleeping adults. The results of these tests were used to evaluate the benefits of interconnected smoke alarms and the potential use of secondary audio (lower-frequency) devices that could be triggered by an activated smoke alarm. This work will be used to support recommendations to UL and/or NFPA in 2005.

4. Monitor or participate in 14 voluntary standards revisions

Voluntary Standards

2004 Plan: *Monitor or participate in the development or modification of voluntary standards for products such as arc fault circuit interrupters, clothes dryers, hair dryers, surge suppressors, portable fans, heaters, sprinklers, and candles.*

Completed: Staff monitored or participated in the development or modification of 14 voluntary standards for the following products:

- Candles
- Escape Masks
- Fire Sprinklers
- Gas Grills
- Heaters
(vented/unvented)
- Ranges/Ovens
- Turkey Fryers
- AFCIs
- Clothes Dryers
- Portable Fans
- Hair Dryers
- Electric Heaters
- Surge Suppressors
- Smoke Alarms

Compliance

5. Recalls/Corrective Actions

2004 Plan: *Initiate recalls or other corrective actions for a projected 270 products that violate mandatory safety standards or unregulated products that present a substantial risk of fire-related death and injury. We reduced the estimated number of fire-related recalls for 2003 and 2004 because there has been a reduction in the amount of support that the U.S. Customs and Border Protection is able to provide us since the September 11th attack. Customs notifies us of shipments of potentially hazardous consumer products at ports of entry and a reduction in this support will reduce the number of hazardous products we will be able to identify. Recently, Customs and CPSC signed a revised Memorandum of Understanding that allows CPSC access to two major Customs databases and this access may help offset the reduced Customs support.*

Exceeded: In 2004, we identified and corrected 385 violations relating to products that failed mandatory fire safety standards or presented a substantial risk of fire-related death (see examples below). Of these, we obtained 90 recalls involving nearly 10 million product units. In addition to an increase in U.S. Customs and Border Protection support in 2004, we focused our domestic and retail surveillance efforts in identifying a number of flammability violations for mattresses, futons and carpets.



For example, CPSC obtained a recall for 540,000 gas-powered hand tools because of a fuel line defect that could allow gas and fuel vapor to leak and pose a fire hazard to consumers.



Also, CPSC obtained a recall of 287,000 radio controlled toy trucks because of a problem with the circuit board that causes the truck to overheat posing a fire and burn hazard.

6. Import Surveillance

2004 Plan: *Conduct port-of-entry surveillance for 2 products for which fire safety standards are in effect.*

Completed: In 2004, CPSC Field staff and the U.S. Customs and Border Protection prevented over 4.5 million fireworks and approximately 800,000 cigarette lighters and multipurpose lighters from entering the country.

Consumer Information

7. Public information efforts, including at least 1 partnership with industry and/or a fire safety group

December Holiday Hazards



2004 Plan: *Continue to remind consumers about the fire hazards associated with holiday decorations. During the winter holiday season, issue an annual news release to warn about the risk of fire from defective decorative holiday light strings and natural trees, as well as provide tips on the safe use of candles and fireplaces. Include similar information in regional Christmas/winter holiday safety campaigns to warn about the risk of fire.*

Completed: In 2004, we issued a news release warning of the hazards associated with holiday decorations and emphasized the potential fire-related hazards of candles and Christmas trees. A CPSC official was interviewed on the nationally broadcast *CBS Morning Show* on these topics on December 24, 2003. More than 25 print, radio and television media outlets, including the Fort Lauderdale Sun Sentinel and the Times-Herald (Vallejo, California) covered this story. CPSC also participated in a joint news conference with Immigration and Customs Enforcement warning consumers of fraudulent electrical products, including holiday lights. News media, such as AP Radio, the Washington Post, and the Los Angeles Times, ran articles on the story.

The CPSC Field staff conducted activities to promote fire safety throughout the country and discussed hazards such as candle and fireplace fires. This included newspaper articles and television and radio interviews that occurred in metropolitan areas such as Boston, Philadelphia, Chicago and Los Angeles. The staff made presentations to 40 groups including schools, fire departments and local consumer groups. Twenty-four exhibits were staffed at locations like Children's Hospital in Orange County, California. Other exhibits were held with Safe Kids chapters and Head Start and the Children & Fire Safety

Program in Massachusetts. Our regional efforts reached a potential audience of 12.9 million people.

Fireworks



2004 Plan: *Conduct a national fireworks safety campaign prior to the Fourth of July aimed at increasing public awareness of the need for safety. The national campaign will alert consumers to the common hazards associated with legal and illegal fireworks. Field staff will work with fire departments to demonstrate the dangers of fireworks and conduct safety campaigns at the community level in cooperation with such groups as hospitals, youth groups, and schools.*

Completed: CPSC held the annual fireworks news conference on the National Mall in Washington, DC, and issued print and video news releases on fireworks safety. At the press conference, CPSC partnered with the U.S. Department of Justice; Homeland Security; and the Bureau of Alcohol, Tobacco, Firearms and Explosives. More than 13 national news stations provided news coverage including CBS, ABC, NBC, FOX, CNN, BELO and Cox Broadcasting, and UPI and Scripps Howard wire services. CPSC's Chairman appeared on the CBS *Early Show*, which reaches a potential audience of 13 million viewers. We also posted *Fireworks Safety Tips* on our Web site "Press Room," which is visited by journalists and consumers alike. In addition, through the *Neighborhood Safety Network* program, we prepared and disseminated a fireworks safety poster, reaching more than 2,000 grassroots organizations.

The Field staff worked with state and local organizations in Washington, Oregon, New York and California to promote fireworks safety and prevent illegal fireworks from being sold. We also participated in media events promoting fireworks safety that included a radio interview that reached about 500,000 listeners; a television public service announcement with Washington State Fire Marshals that aired for several days prior to July 4th; and a joint press conference with the Bureau of Alcohol, Tobacco, and Firearms and the Washington State Fire Marshals that was aired on all four major television channels.

General Fire Hazards

2004 Plan: *Develop and conduct a major information and education campaign throughout the year to prevent fire hazards by such activities as issuing press releases, video news releases, and partnering with other agencies. Other initiatives include Field staff safety campaigns involving radio interviews,*



local press publications, presentations to state and local product safety groups and partnering with other injury prevention organizations, as appropriate.

One element of the campaign may include publicizing the results of a NIST study, sponsored by CPSC and others, that looks at the effectiveness of smoke alarms. This is the result of concerns that current smoke alarms may not awaken young children and older consumers. Another element will include a partnership with the Department of Homeland Security (DHS) and UL, to participate in a hazardous extension cord campaign focusing on possibly dangerous extension cords with counterfeit UL labels. The campaign will include a press conference and video news release.

Completed: We issued multiple news releases and video news releases that addressed fire hazards. Through our Web site “Press Room” we publicized “National Fire Prevention Week” as well as tips on safely using outdoor grills and turkey fryers. We also publicized the availability of CPSC’s *Space Heater Safety Brochure*. We participated in publicizing a NIST study on the effectiveness of smoke alarms and in press activities jointly with the DHS and UL on the hazards of counterfeit extension cords. The Field staff conducted over 100 activities in support of Fire Safety. These included 44 radio interviews, 11 on-camera interviews, presentations to community groups and partnering with State and Local officials on numerous topics. These regional activities reached a potential audience of about 13 million people.

Halloween Hazards

2004 Plan: *Continue to remind consumers of the flammability hazards associated with costumes and other Halloween hazards. Issue a news release to continue warnings about the risk of fire associated with homemade children’s costumes, jack-o-lanterns, and other Halloween decorations. Promote availability for television and radio interviews. Continue to conduct field Halloween safety campaigns in collaboration with key public officials and/or private agencies to warn about costume flammability when carrying candles and using matches and lighters. Provide similar information to elementary schools.*

Completed: We issued our annual seasonal Halloween safety print and video news releases, which provided tips to prevent injuries to trick-or-treaters and emphasized the hazard of



wearing costumes not made of flame-resistant fabrics. Our video news release reached a potential audience of about 13 million viewers, including CNN's Daybreak program. *The Wall Street Journal* and other print media issued local Halloween safety articles with national coverage. In addition, CPSC's Chairman appeared on the nationally broadcasted morning news program, *Good Morning America* on fire safety issues pertaining to children during Halloween activities.

Field staff conducted 46 activities in support of Halloween Safety. These included presentations to schools and community organizations, 12 radio interviews, 8 television interviews and 9 newspaper articles. In the New England states, Field staff conducted joint presentations with Dunkin Donuts. Our regional efforts reached a potential audience of about 13.5 million people.

Lighters



2004 Plan: *Warn consumers about the risk of fire due to children under 5 years old playing with lighters. Issue a news release about hazards of cigarette lighters and multi-purpose lighters. These lighters are required to incorporate child-resistant features to help prevent their operation by children under age 5. Field staff will conduct safety campaigns using activities such as radio interviews, local press publications, presentations to state and local product safety groups and partnering with other injury prevention organizations, as appropriate.*

Completed: We issued a news release that highlighted the requirement for a child safety mechanism. We issued multiple recalls and recall alerts that warned consumers about the dangers of unsafe cigarette lighters and multi-purpose lighters. CPSC staff, including the Chairman, made presentations to elementary school groups that emphasized the dangers of lighters.

The Field staff partnered with groups such as Safe Kids, Atlanta Juvenile Fire Setters Program, and community workers in the Los Angeles Hispanic neighborhoods to promote lighter safety. Seven radio interviews were conducted in areas such as Philadelphia, Arkansas, and San Francisco. One interview was conducted on Internet radio.

8. Press Releases/Recall Alerts

2004 Plan: *Issue 60 press releases and Web recall alerts to inform the public about products presenting a risk of fire-related death.*

Exceeded: In 2004, we issued 77 press releases and 23 recall alerts to alert the public to hazardous products presenting a risk of fire-related death.

9. Video News Releases

2004 Plan: *Produce 5 video news releases (VNRs) for products that present a fire hazard and 1 VNR for fireworks safety.*

Exceeded: In 2004, we produced 7 VNRs that addressed fire-related hazards. These VNRs reached a total potential audience of 51.5 million television viewers.

10. Publications

2004 Plan: *Respond to consumer requests for a projected 260,000 checklists, booklets, and safety alerts warning about fire hazards. The number of publications does not include those downloaded from our Web site.*

Exceeded: In 2004, we responded to requests and distributed 321,000 publications that addressed fire-related hazards. The number distributed does not include those downloaded from http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html on our Web site. The most requested distributed publications were: *Smoke Detectors Can Save Your Life*, *Home Fire Safety Checklist*, and *Home Safety Checklist for Older Consumers*.

KEEPING FAMILIES SAFE FROM ELECTROCUTIONS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	23	25	23	22	20
Amount	\$2,293	\$2,569	\$2,724	\$2,667	\$2,628

THE HAZARD

In 2000, there were about 150 deaths from consumer product-related electrocutions⁴ and an estimated 5,900 electric shock injuries. Total societal costs in the U.S. associated with consumer product-related electrocutions and electric shock were about \$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 have been successful and the annual number of consumer product-related electrocutions declined by 35 percent from 1994 to 2000. Past efforts may continue to produce results, particularly provisions in the national Electrical Code. We continue to work in this area but not at the level of intensity of a strategic goal.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Monitor or participate in voluntary standards revisions	Goal	*	*	*	2	2
	Actual	2	2	4	2	2
<i>Compliance</i>						
2. Pursue for recall or other corrective action	Goal	25	15	15	15 ^a	20 ^a
	Actual	22	13	31	18	35
<i>Consumer Information</i>						
3. Conduct public information efforts	Goal	1	1	1	2	2
	Actual	1	1	3	2	2
4. Issue press releases and Web recall alerts	Goal	8	8	8 ^b	8 ^b	15 ^{b,c}
	Actual	11	9	25	21	35
5. Produce video news releases	Goal	1	1	1 ^b	1 ^b	2 ^b
	Actual	2	1	1	3	1
6. Respond to request for publications	Goal	45,000	45,000	45,000	60,000	80,000
	Actual	83,000	80,000	102,000	115,500	92,000

*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.

⁴2000 is the latest year for which fatality data is available.

Safety Standards

1. Monitor or participate in 2 voluntary standards revisions

Voluntary Standards

2004 Plan: Monitor or participate in the modification of the National Electric Code and voluntary standards for products such as ground fault circuit interrupters (GFCIs).

Completed: Staff monitored or participated in the development or modification of 2 voluntary standards for the following:

- GFCIs
- National Electric Code

Compliance

2. Recalls/Corrective Actions

2004 Plan: Seek 20 recalls or other corrective actions for products that present a substantial risk of electrocution.

Exceeded: In 2004, we pursued for recall or other corrective action 35 products that presented an electrocution hazard to consumers. These actions resulted in 34 recalls of over 1.7 million product units.



For example, CPSC obtained a recall of 186,000 space heaters because the power cord connection can overheat and cause the cord to separate from the space heater posing a fire, burn, and shock hazard.



Additionally, CPSC obtained a recall of 359,000 electric hand held hair dryers because they were not equipped with an immersion protection device to prevent electrocution if the hair dryer falls into water.

Consumer Information

3. Public information efforts

Electrical Safety

2004 Plan: In 2004, we will publicize electrical safety by issuing a press release promoting National Electrical Safety Month. Field staff will continue to promote the use of GFCIs to prevent electrocution through such activities as radio interviews, local press publications, presentations to state and local product safety groups, and partnering with other injury



prevention organizations, as appropriate.

Completed: We substantively completed this goal although we decided not to issue a press release because no single emerging or exigent electrical hazard was identified in 2004. Instead, CPSC used a \$20,000 grant from the U.S. Fire Administration to update its 1996 “Wired for Safety” video. The video now includes information on arc-fault circuit interrupters (AFCIs) and was edited to be a more effective communication and education tool. We distributed 100 tapes and more than 50 CDs to the Electrical Safety Foundation International, which provides tapes to consumers and electricians; nearly 100 tapes and CDs to dozens of members of the National Rural Electrical Cooperative Association, to be used for training; and multiple tapes to the National Safety Council, which planned to offer the tape to members online.

CPSC also played a critical role in promoting our forum on AFCI technology. CPSC staff secured an AP wire story on the event, which was picked up by numerous newspapers nationwide, and conducted an interview with a TV station in Boston. Throughout the year, CPSC staff conducted dozens of print and radio interviews on electrical safety when using power tools, appliances and electrical cords.

CPSC Field staff conducted seven presentations to senior groups in areas such as Arizona and New Jersey, and discussed topics that included GFCIs, hairdryers, holiday lights and other electrical products. A live radio interview was conducted in Michigan that reached an audience of 500,000.

Swimming Pools

2004 Plan: *Swimming pools constructed before the early 1980s should be checked for electrocution hazards. The electrical components of older pools (e.g., underwater lighting, electrical wiring, etc.) may need to be repaired or replaced because of the effects of corrosion and weathering. Also, the electrical systems for these pools should be updated with GFCIs as these pools were constructed before GFCIs were required for pools. In 2004, Field staff will work with State Safety Inspectors to distribute CPSC informational literature to targeted audiences, including operators of public pools and owners of residential pools.*

Completed: We issued a press release and a video news release that emphasized electrical safety tips surrounding swimming pools. In addition, CPSC’s Chairman held public Hearings in Florida and Arizona on swimming pool safety.

Both of these events received significant regional coverage, as well as national Wire Service news reports.

Staff also attended meetings and worked with the International Consumer Product Health and Safety Organization to present pool safety information. The audience included state and local officials, manufacturers, and retailers of consumer products. During a multi-state western regional state workshop, staff convened a drowning prevention panel to address efforts being conducted at various state and local levels to reduce drowning incidents.

4. Press Releases/Web Alerts

2004 Plan: *Issue 15 press releases for products presenting a risk of electrocution.*

Exceeded: In 2004 we issued 24 press releases and 11 recall alerts to warn the public about hazardous products that present risks of electrocution or electric shock hazards.

5. Video News Releases

2004 Plan: *Produce 2 video news releases (VNR) for a product presenting a risk of electrocution.*

Not Met: In 2004, we produced 1 VNR (instead of 2) that addressed electrocution or electric shock hazards. This VNR reached a total potential audience of 2 million television viewers.

6. Publications

2004 Plan: *Respond to consumer requests for an estimated 80,000 safety alerts, checklists and booklets. The number of publications does not include those downloaded from our Web site.*

Exceeded: In 2004, we responded to requests and distributed 92,000 publications that addressed electrocution hazards. The number distributed does not include those downloaded from http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html on our Web site. The most requested distributed publications were: *Childproofing Your Home-12 Safety Devices to Protect Your Children, Home Safety Checklist for Older Consumers, and Fire Safety Checklist for Older Consumers.*

KEEPING CHILDREN SAFE FROM DROWNING

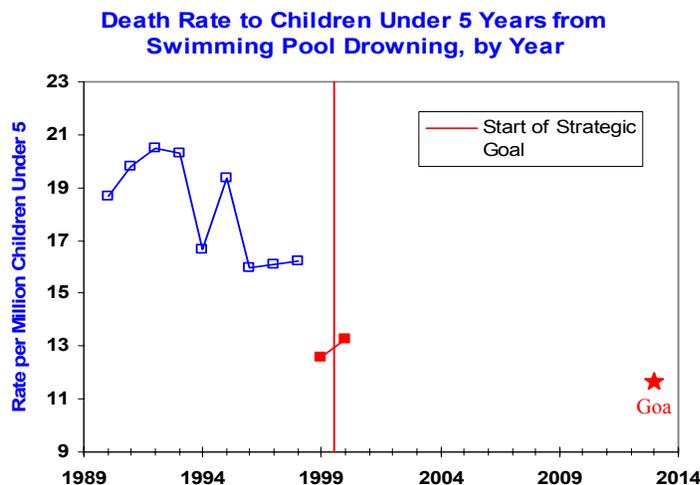
STRATEGIC GOAL: REDUCE THE RATE OF SWIMMING POOL AND OTHER AT-HOME DROWNINGS OF CHILDREN UNDER 5 YEARS OLD BY 10 PERCENT FROM THE 1999-2000 AVERAGE BY THE YEAR 2013.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	--	--	--	--	5
Amount	--	--	--	--	\$782

--Data not available. While the agency did work in this area, resource data is not available to reflect the work done on Children’s Drownings prior to 2004. Resources for work done prior to 2004 are included in resources for the activity “Keeping Children Safe from Other Hazards.”

THE HAZARD

Annually, an average of 248 children younger than 5 years of age drowned in swimming pools nationwide in 1999-2000.⁵ The total cost to the nation from child pool drownings and near-drownings is nearly \$1.9 billion. Near-drowning incidents may range from complete recovery to irreversible brain damage. Most of these cases involve residential pools. Drowning in swimming pools occurs not just when people are outside or using the pool, but also when young children leave the house without a parent or caregiver realizing it.



CPSC has also received information about other causes of drowning in and around the home. Recent data show that at least two-thirds as many children under age 5 (an average of about 167 reported deaths annually in 1999-2000) drown from other hazards around the home. Many of these deaths involve common household products, such as bathtubs, 5-gallon buckets, toilets, spas, hot tubs, and landscape ponds.

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 in the home after suffocation hazards;
- and (3) proposed strategies show that a systematic approach appears to be potentially effective.

⁵The discontinuity of rates between 1999, 2000 and earlier data shown in the graph above may be at least partially the result of a different method to determine the number of deaths in 1999 and 2000 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.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Prepare candidates for rulemaking	Goal	*	1	1	1	1
	Actual	--	0	1	1	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	*	*	0	2	3
	Actual	--	--	0	2	3
3. Monitor or participate in voluntary standards revisions	Goal	*	*	*	2	5
	Actual	1	2	2	2	5
<i>Compliance</i>						
4. Pursue for recall or other corrective action	Goal	*	*	*	*	1 ^a
	Actual					1
5. Monitor existing voluntary standard	Goal	*	*	*	*	1
	Actual	--	--	--	0	0
<i>Consumer Information</i>						
6. Conduct public information efforts	Goal	*	*	*	1	2
	Actual	--	--	2	1	2
7. Issue press releases and Web recall alerts	Goal	*	*	*	*	2 ^{b,c}
	Actual	0	0	5	4	6
8. Produce video news releases	Goal	*	*	*	*	2 ^b
	Actual	0	0	1	2	2
9. Respond to requests for publications	Goal	*	*	*	*	95,000
	Actual	94,000	97,500	107,500	123,500	99,000

*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)



2004 Plan: In May 2001, CPSC voted to initiate rulemaking for baby bath seats in response to a petition to ban these products. The CPSC published an advance notice of proposed rulemaking (ANPR) in August 2001. In 2003, the staff briefed the Commission, discussing incident data, the status of the applicable voluntary standard, the staff's recommended bath seat requirements, a preliminary regulatory analysis, and public comments received on the ANPR. The staff received oral comments from the public on the same date. In 2004, staff will evaluate these comments and provide additional support as necessary as the Commission decides whether to continue rulemaking or take other action to address bath seat hazards.

Completed: In October 2003, the Commission voted to proceed with a Notice of Proposed Rulemaking. In 2004, we reviewed public comments that were received following publication of the NPR in December 2003. Staff also continued working with ASTM on the voluntary standard, which was approved and published in July 2004. We continue to evaluate new incidents as we hear about them. In 2005, staff will continue to provide support as necessary as the Commission decides whether to continue rulemaking or take other action to address bath seat hazards.

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

Information Collection



2004 Plan: *In 2004, staff will conduct a literature review on topics related to pool and home drowning and will research pool barrier codes, laws, and regulations. This information will help staff to define relevant issues, identify gaps in current knowledge, establish priorities, develop methodologies for collecting further information, and solidify objectives in addressing this national problem. Data on child drowning deaths will also be updated to track progress toward the strategic goal. Future activity may include the development of plans, including site selection and investigative guidelines, for an in-depth epidemiological study of residential pool drownings and/or near-drownings to determine the circumstances involved.*

Completed: In 2004, staff conducted a literature review of the circumstances involved in children's drowning. This review will be ongoing and maintained in draft form to accommodate additional information as the body of knowledge grows in this hazard area. The staff researched pool barrier codes, laws, and regulations and found that a working compilation by locale was not practical due to the fragmented and changing nature of these requirements across the United States. In 2004, staff also completed an update of data on drownings of young children in swimming pools and other products in and around the home.

Regional Meetings

Children < 5 years
248 pool drowning deaths
167 other home drowning deaths

2004 Plan: *As CPSC begins to develop strategies to reduce childhood drowning in residential swimming pools, it will be essential to involve outside parties. In 2004, staff will conduct a series of regional stakeholder meetings to obtain information and recommendations on how to address this problem. Invitees may include parents/caregivers, city and county code enforcement staff, injury prevention specialists, state/local health officials, fire department/emergency medical service*

officials, and legislative staff. Specific review areas may include: (1) review of local drowning and near-drowning data; (2) review and examination of regional/local pools, barrier codes, laws, and regulations; (3) review and examination of viable pool barriers and their effectiveness; (4) education approaches for parents and caregivers on pool hazards and drowning prevention; and (5) networking approaches with local coalitions, code officials, and legislators to encourage the adoption of pool barrier recommendations.

Completed: In July and August 2004, CPSC held Public Hearings on Swimming Pool Safety in Tampa, Florida and Phoenix, Arizona. Written and oral testimony was provided by a variety of groups and individuals: state and local legislators, building code officials, emergency first responders, community groups, interest groups, leaders of the pool and spa industry, and the parents and siblings of drowning victims. The hearings were well attended and provided useful information that will be used to update CPSC's pool safety guidelines and raise awareness of the drowning problem in the U.S.

Sensor Technology, Pool Area



2004 Plan: *Unattended children can face a risk of injury or death from features such as swimming pools and landscaping ponds. Many child drownings could be prevented if the conditions leading to the hazard are detected and stopped before the child reaches the water. Emerging sensor technologies are highly sensitive to minute changes in physical movements, potentially allowing for early detection and warning. The intent of this project is to demonstrate the ability of a system to continuously monitor areas that can pose hazards to children, such as pool areas, and provide a warning when a child has entered those areas.*

In 2004, staff will develop the engineering parameters that can be used to discriminate children from adults and determine the sensors that can exploit those factors with the greatest contrast. In 2005, we will design a prototype system using optical, acoustic, pressure-sensing, or other types of sensors to detect persons in the area of interest and to discriminate children from adults.

Exceeded: An anthropometric study was performed to determine which factors distinguishing children from adults are most robust and easily measured using sensor technology. Three factors were identified: height, foot length, and cognition. In addition, and beyond what was planned for 2004, we performed an engineering study using a simple prototype design to evaluate these parameters. Multiple sensors were

acquired and tested to determine their ability to discriminate children from adults. The study identified the factors involved with sensor use, system design parameters, and multiple sensor configuration considerations. The study is currently in review and will be posted on our Web site.

3. Monitor or participate in 5 voluntary standards revisions

Voluntary Standards

2004 Plan: *Staff will monitor or participate in the development of or revisions to safety standards for 5 products such as suction release devices, pool alarms, and pool flotation devices.*

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

- Baby Bath Seats
- Pool Flotation Devices
- Pools/Spas
- Suction Relief Devices
- Swimming Pool Alarms

Compliance

4. Recalls/Corrective Actions



2004 Plan: *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 2004, we conducted 1 recall involving about 7,500 inflatable water slides because they had an excessive length of rope attached to the safety mat that presents a risk of entanglement in water.

5. Voluntary Standards

2004 Plan: *Monitor 1 existing voluntary standard related to child drowning.*

Will Complete in 2005: In 2004, the staff began collecting product samples for evaluation in 2005. This activity was delayed due to higher priority work on child drowning.

Consumer Information

6. Public Information Effort



2004 Plan: CPSC will develop and conduct two major information and education campaigns. These campaigns will include press releases and video news release broadcasts to inform about the hazards of drowning to children, including information on pool alarms, pool safety and in-home drowning hazards. Field staff will kick off their “April Pools Day” campaign to participate in injury prevention conferences and work with state/local groups in communities to promote the use of pool alarms that meet the new ASTM standard. Talking points will include swimming pool safety for toddlers 1-5 years old, pool safety for older children and families, and pool barriers.

Completed: CPSC conducted two public information efforts to inform the public of drowning hazards to children in 2004. We issued two press releases on pool and spa safety and also to announce public hearings in Tampa and Phoenix. The Tampa hearing garnered a national AP story as well as stories on all local Tampa television network affiliates. Similarly, the Phoenix hearing generated a number of television and newspaper stories in Arizona. Prior to the hearing, the CPSC Chairman was interviewed on television for the Phoenix NBC affiliate station morning news.

Staff issued a press release and video news release before Memorial Day that emphasized the importance of having “layered protection” such as barriers and pool alarms to prevent drownings. The video was widely used by local stations across the country, including Los Angeles, Chicago, Philadelphia, Tampa, Miami and others. The tips from the press release were used on ABC’s *Good Morning America* show and a CPSC Spanish specialist was interviewed on Univision’s national *Aqui Y Ahora* program. In September, CPSC conducted its in-home drowning prevention campaign, which included a press release and video news release, warning consumers of drowning hazards from bathtubs, hot tubs, spas, buckets and other containers. The VNR was widely used by Hispanic media and had 32 broadcasts in the top 25 television markets.

Field staff, in their kick-off campaign, conducted seven seminars with consumer groups and state and local officials to promote pool safety including the American Red Cross in Dallas and Healthy Pregnancy classes in Milwaukee and

Buffalo. Formal presentations were made to the National State and Territorial Injury Prevention Directors Association and the Boston Health Commission, various Safe Kid coalitions and child care services.

7. Press Releases/Recall Alerts

2004 Plan: *Issue 2 press releases or Web recall alerts to inform the public about hazardous products presenting a risk of drowning.*

Exceeded: In 2004, we issued 5 press releases and 1 recall alert for products presenting a risk of drowning.

8. Video News Releases

2004 Plan: *Produce 2 video news releases (VNRs) on the risk of drowning*

Completed: In 2004, we produced 2 VNRs that addressed child drowning hazards. These VNRs reached a total potential audience of 5.6 million television viewers.

9. Publications

2004 Plan: *Respond to consumer requests for a projected 95,000 checklists, booklets, and safety alerts warning about drowning hazards.*

Completed: In 2004, we responded to requests and distributed 99,000 publications that addressed child drowning hazards. The number distributed does not include those downloaded from http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html on our Web site. The most requested distributed publications were: *Safety Barrier Guidelines for Home Pools*, *Childproofing Your Home-12 Safety Devices to Protect Your Children*, and *Water Safety Tips: Baby Safety Month*.

KEEPING CHILDREN SAFE FROM OTHER HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	107	113	102	108	83
Amount	\$11,202	\$12,364	\$12,276	\$12,812	\$10,674

Note: Includes some work done on Child Drowning prior to 2004.

THE HAZARD

Non-drowning hazards to children are associated with a wide-range of consumer products. Examples include choking and suffocation hazards related to some children's toys; strangulation, suffocation and entrapment risks to infants in their sleep environments; strangulation from window blind cords and clothing drawstrings; and various hazards with infant products, such as highchairs and strollers.

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

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Prepare candidates for rulemaking	Goal	*	*	2	3	2 ^a
	Actual	--	--	0	1	0
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	3	4	8	2	6
	Actual	2	3	8	2	3
3. Monitor or participate in voluntary standards revisions	Goal	*	*	*	28	27
	Actual	22	22	30	28	27
<i>Compliance</i>						
4. Pursue for recall or other corrective action	Goal	*	*	270	225	250 ^b
	Actual	327	356	259	259	312
5. Conduct import surveillance	Goal	*	*	*	1	1 ^b
	Actual	1	1	1	1	1
6. Monitor existing voluntary standards and/or conduct industry special programs	Goal	2	2	2	1	1 ^b
	Actual	1	1	3	1	2

Annual Goals Summary continued		2000	2001	2002	2003	2004
<i>Consumer Information</i>						
7. Conduct public information efforts	Goal	4	4	3	5	7 ^c
	Actual	4	4	3	4	5
8. Issue press releases/Web alerts	Goal	*	*	*	*	70 ^{d,e}
	Actual	79	79	62	69	89
9. Produce video news releases	Goal	*	*	*	*	6 ^d
	Actual	23	13	7	7	4
10. Respond to requests for publications	Goal	*	*	*	*	840,000
	Actual	842,000	902,000	896,000	852,000	699,500

*No goal established for that year.

--Data not available.

^aThis goal was increased to include Bed Rails and Crib Slat Integrity projects carried over from 2003.

^bEstimate 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.

^cThis goal was increased to include Playground Equipment and Window Guard projects carried over from 2003.

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

^eThis goal now includes Web recall alerts.

Safety Standards

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

Bed Rails



2004 Carryover from 2002: Staff plans to complete an NPR for Commission consideration.

Will Complete in 2005: In 2002, staff worked on refining and clarifying the draft proposed performance requirements for children's bed rails, as presented to the Commission in a 2001 briefing package. Staff also worked with a voluntary standards task group and participated in an extensive inter-laboratory test program during the summer of 2002 to evaluate the reproducibility of the proposed test procedures. The draft NPR was deferred until 2003 to allow time for testing to refine requirements.

In 2004, the industry, CPSC staff, and other interested parties worked together on the ASTM subcommittee to revise the ASTM standard to incorporate what was being proposed in a mandatory standard. The revised voluntary standard was approved in April 2003. By statute, the Commission cannot issue a mandatory rule if a voluntary standard adequately addresses the hazard and there is substantial conformance with that voluntary standard. Rulemaking will remain on hold pending a staff evaluation of industry conformance to the updated voluntary standard. This monitoring program began in September 2004, after the voluntary standard had been in effect for a sufficient time for industry to meet new requirements.

Crib Slat Integrity



2004 Carryover from 2003: *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. Staff will complete an assessment of industry conformance to the voluntary standard and develop recommendations as to whether to continue or terminate rulemaking.*

Will Complete in 2005: Staff will continue this activity into 2005, and will prepare an options package for Commission consideration as to whether to continue or terminate rulemaking in this area. Additional incident data collection and analysis are required to sufficiently evaluate industry compliance before the options package can be completed.

2. Complete 6 testing, data collection, hazard analysis, or technical review activities

Age Labeling by Developmental Age

2004 Plan: *Current practice for age recommendations in product standards and product labeling relies on ages expressed in numbers. Such numbers have an aura of exactness where none exists, given the variability of most children's development. Some children will achieve skills several months before another child. An alternative method of describing a child's development uses a brief description of what children can do, for instance, "can roll over unaided," "pull to stand," or "walk." These milestones will be reached at slightly different ages by children, but still provide a clear behavior caregivers will know and can be used to recommend specific product appropriateness. In 2004, staff will determine the categories of products that would benefit from developmental stages as age recommendations and compile a reference list of relevant developmental milestones for use during standards development and for giving advice to manufacturers.*

Completed: Staff determined categories of products by surveying existing and draft standards of juvenile products for behavioral developmental information on labels and in user manuals or instructions. Unexpectedly, many examples of behaviorally-based user recommendations were identified. These findings were described in a final project report with an analysis of the benefits and disadvantages of the various types of user recommendations and a reference list of relevant milestones. It is available on our Web site at <http://www.cpsc.gov/BUSINFO/adg.pdf>. Staff will continue to encourage the appropriate use of behaviorally-based user recommendations.

Bed Rails

14 deaths (1999 - 2000)

2004 Plan: *From 1990 to 2000, CPSC received reports of 14 young children, mostly younger than 2 years of age, who died with these products. Most became entrapped in a space between the bed rail and the mattress. In October 2000, CPSC published an Advance Notice of Proposed Rulemaking 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. In 2002 and 2003 staff continued activities to develop appropriate performance requirements and the proposed rule. In 2004, staff will focus on the evaluation of test methods and new bed rail designs. Staff may also prepare a briefing package for Commission consideration as to whether to continue rulemaking.*

Completed: Rulemaking will remain on hold pending a staff evaluation of industry conformance to the updated voluntary standard. This program began in September 2004, when the voluntary standard had been in effect for a sufficient time for industry to meet new requirements, and will not be completed until 2005. During 2004, staff participated in the voluntary standards group to evaluate and refine the test methods specified in the voluntary standard.

Crib Slats

138 incidents

12 deaths

5 injuries



2004 Plan: *From January 1985 to September 1996, CPSC received reports of 138 incidents in which crib slats appeared to disengage from the side panels of cribs. When this occurs, children are at risk of becoming entrapped between the remaining slats or 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, 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. In 2004, staff plans to complete its evaluation of industry conformance to the revised voluntary standard and, as appropriate, prepare a briefing package for Commission consideration as to whether to continue rulemaking.*

Will Complete in 2005: Additional incident data collection and analysis are required to sufficiently evaluate industry

Indoor Play Surfacing



compliance. This technical work is needed before staff can complete a briefing package for Commission consideration as to whether to continue or terminate rulemaking in this area.

2004 Plan: *The purpose of this project is to develop information on the range of available surfacing for use under indoor play equipment at daycare centers, preschools, etc. CPSC staff receives calls from the public asking for advice on the type and amount of surfacing that is needed under the equipment. In 2004, staff will identify the range of currently available manufactured playground safety mats and test them according to the ASTM test method for playground surfaces. This should provide a reasonably comprehensive summary of the types and protectiveness of surfacing product now on the market. Staff will develop consumer information and/or participate in voluntary standards activities related to playground surfacing in 2005, if appropriate.*

Will Complete in 2005: In 2004, staff developed a test plan for this effort and identified and purchased currently available indoor play area surfacing materials. Testing was delayed due to time needed to make special adjustments to the test rig to accommodate composite play surfaces and to repair damage to electrical test equipment caused by a lightning strike at our laboratory. In 2005, staff will complete testing and report the results, including any relevant issues or recommendations for the related voluntary standard.

Playground Surfacing/ Long Bone Injuries

60,000 injuries



2004 Plan: *Fractures are the most commonly reported playground-related injury and most of these involve the wrist, lower arm, and elbow. In 2004 and 2005, staff will continue efforts to address playground hazards, including addressing the frequency and severity of injuries to the lower arm. In 2004, staff will conduct a literature review to obtain information on the effects of various types of protective surfaces on long bone injuries (e.g., fractures of the lower arm). If future studies are warranted, it is expected that they would include evaluation of the interactions among various loose-fill or "solid" protective surfaces and body mechanics that result in injury. Information developed as a result of this project may be used in support of playground equipment/surfacing voluntary standards activities and public information efforts.*

Completed: In 2004, CPSC contracted with the National Program for Playground Safety (NPPS) to conduct a literature survey. CPSC staff reviewed the results of the NPPS survey as

well as literature available through other sources. Long bone injuries appear to be dependent on the angle of impact with the surface, the reaction of the falling participant, e.g., to put out an arm to break the fall, and the height of the fall.

At this stage, there is relatively little research in the literature that shows a benefit with impact-absorbing surfacing in reducing long bone injuries. In 2005, staff will make recommendations for follow-up activities to further investigate long bone injuries, if warranted.

Public Playground Handbook Revision

227,000 injuries



2004 Plan (Carryover from 2003): *The CPSC Handbook for Public Playground Safety is widely used by local governments, school districts, park commissions, and others and provides information on the safe design and layout of public playgrounds. Periodic revision of the handbook is needed to address new information that has implications for playground safety and playground design, such as updated injury hazard patterns, revisions to the ASTM voluntary standard for public playground equipment, and new federal guidelines governing access to playgrounds by disabled persons. In 2004, staff will revise the handbook based on a 2003 staff assessment and any other recently published research having implications for playground safety.*

Will Complete in 2005: Due to higher Commission priorities on drowning prevention, this project was deferred to 2005. Staff has completed the comparison of the ASTM standard to the CPSC handbook and obtained comments from the ASTM subcommittee members. Many comments recommended revising the CPSC handbook to create a more consumer friendly format.

3. Monitor or participate in 27 voluntary standards revisions

Voluntary Standards

2004 Plan: *Staff will monitor or participate in the development of or revisions to 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
- Baby Swings
- Infant Carriers, Soft
- Playground Equipment, Aquatic

- Baby Walkers
- Bassinets/Cradles
- Bed Rails
- Toddler Beds
- Blind Cords
- Bunk Beds
- Diaper Changing Tables
- Cribs
- Recreational Helmets
- High Chairs
- Infant Bedding and Accessories
- Infant Carriers
- Infant Carriers, Frame
- Playground Equipment Children <2 Years
- Playground Equipment, Home
- Playground Equipment, Public
- Playground Equipment, Soft
- Playground Surfacing
- Play Yards
- Shopping Carts
- Strollers
- Toy Safety

Compliance

4. Recalls/Corrective Actions **2004 Plan:** *Obtain 250 recalls or other corrective actions on hazardous products that present a substantial risk of injury to children or violate CPSC’s safety standards.*

Exceeded: In 2004, we obtained 312 voluntary corrective actions for products that presented a substantial risk of injury to children or that violated mandatory safety standards. This included 92 recalls involving about 11 million product units.



For example, CPSC obtained a recall of 300,000 strollers because if the stop pins are bent or missing or the seat not fully attached, the seat can partially detach from the frame during use and the infant could be injured in a fall.



Additionally, 538,000 portable play yards with raised changing tables were recalled because instructions and labels needed to be revised. If children are placed in these portable playyards when changing table is still in place, they can crawl under and lift the table up. If this occurs, a child’s head and neck can become trapped causing a strangulation hazard.

5. Import Surveillance **2004 Plan:** *Conduct 1 port-of-entry surveillance activity for toys and children’s products that present a substantial risk of injury to children.*

Completed: In 2004, we conducted 1 port-of-entry



surveillance activity in this hazard area. CPSC and the U.S. Customs and Border Protection enforce toys or children's products in accordance with CPSC's safety standards. In 2004, with increased support from U.S. Customs and Border Protection, we prevented about 160 shipments containing over 1.3 million units of toys and other children's products from entering the United States.

6. Voluntary Standards

2004 Plan: *Continue monitoring distributor and retail activities involving sales of adult all-terrain vehicles (ATVs) to children under the ATV industry safety program.*

Exceeded: In 2004, CPSC investigators, both Field staff and State contractors, conducted random undercover inspections on ATV dealers around the country to determine if they complied with the age recommendations in the promotion and sale of ATVs. One hundred sixty three undercover investigations were conducted, and while the final results have not been completed, the level of non-conformance is high, and appears to be comparable to that found in previous years. Compliance staff has notified the distributors of the dealer violations so that they can conduct appropriate corrective action.

We exceed our goal because in 2004, staff also completed a conformance monitoring program for skateboard helmets and sent a report to the Commission summarizing the results.

Consumer Information

7. Public information efforts

Back-to-School Safety



2004 Plan: *As millions of children head back to school; CPSC will warn parents, teachers, and caregivers to look for hidden hazards to help prevent injuries and deaths to children. CPSC will again promote its Back to School Safety Checklist, which offers tips on making schools, childcare facilities and playgrounds safer. CPSC will issue a press release on back-to-school safety issues that includes tips to help keep children safe. Consumer Information Officers will conduct their annual ABC's of school safety efforts through media interviews and presentations to schools and daycare centers.*

Will Complete in 2005: Through press activities and via our Web site "Press Room," which is visited by journalists and consumers alike, we publicized the availability of our free *Back to School Safety Checklist* brochure. We also issued a press release on the tip-over hazard of folding mobile tables used in

schools. In 2005, we will issue a press release on back-to-school safety issues in our program "ABC 123 National Back-to-School Safety."

Bicycle Safety



2004 Plan: CPSC estimates that there are more than a half-million consumers treated in hospital emergency rooms for bicycle-related injuries. Each year, about 900 consumers die in bicycle crashes. CPSC plans to continue to promote March as Brain Injury Awareness Month and May as Bicycle Safety Month. We will issue press releases giving safety tips and bring attention to the large amount of information about bicycle safety available on our Web site.

Completed: We publicized March as "Brain Injury Awareness Month" and May as "Bicycle Safety Month." In 2004, we issued two press releases urging the use of bicycle helmets and posted four story suggestions in our on-line press room promoting bicycle helmet safety. Through numerous recall press releases and recall alerts, we provided a stream of bicycle safety information to consumers, including the availability of free safety brochures. In addition, through the *Neighborhood Safety Network* program, we prepared and disseminated a bicycle helmet safety poster. The Field staff activities included four radio interviews in California, Pennsylvania, and Delaware. Nine presentations supporting helmet and bike safety were conducted in areas such as Atlanta, Detroit, and Buffalo. An Internet radio interview was also conducted.

Holiday Toy Recall Roundup



2004 Plan: Conduct a major information and education campaign, to include a press release and a video news release, on previously recalled children's products, especially toys, to warn gift givers of potential hazards. This event is held just before Thanksgiving, to allow consumers to be warned before the December gift-giving holidays. We will also warn consumers who purchased gifts for children earlier in the year to check with CPSC to be sure they haven't been recalled. Along with this warning, CPSC also is promoting the new Federal recall Web site, www.Recalls.gov. It is designed to give consumers easier access to all recall announcements.

Completed: We conducted a major public information campaign prior to the Thanksgiving Day holiday on previously recalled children's products, especially toys, to warn gift givers of potential hazards. We issued two press releases and a VNR that reached a potential audience of 27.5 million where we warned consumers who purchased toys for children before the holiday gift-giving season to check with CPSC to be sure they



Playground Equipment



Recreational Activities

hadn't been recalled.

The CPSC Chairman also announced the launch of www.Recalls.gov a new federal Web site designed to give consumers easier access to recall announcements from all federal agencies that work to keep consumers safe from harm. We issued a press release to promote the site and also posted information on CPSC's on-line press room. From November 2003 through September 2004, more than 900,000 visitors logged on to the site.

2004 Plan (Carryover from 2003): *Issue a news release to promote the new Home Playground Equipment Handbook. Promote and distribute the new handbook for home playground equipment and continue to promote through a Web site story suggestion to the media and distribute the existing handbook for public playground equipment. From 1990 to August 2000, there were reports of at least 90 deaths to children under the age of 15 involving home playground equipment. Almost three-fourths of the deaths in home locations resulted from hangings from ropes, cords, homemade rope swings, and other similar items.*

Will Complete in 2005: We will defer this effort until the Handbook is available for release in 2005. We publicized "National Playground Safety Week" in April. In addition, staff participated in numerous print and broadcast interviews on playground safety issues, including the hazards of soccer goal tip-over. We also issued numerous playground equipment recalls and recall alerts during the year. Field staff conducted a seminar on Playground Safety with the daycare directors in Rockland County, New York.

2004 Plan: *Issue seasonal news releases to promote the use of head protection/safety gear with recreational activities such as riding scooters, in-line skating, skiing, and snowboarding. Field staff will partner with state and local officials to promote recreational safety including radio interviews for seasonal sport activities. We plan to issue a news release about recreational activities in 2004.*

Completed: We publicized the importance of proper safety protection during the use of recreational activities, including a press release for a new safety warning for the sport of paint ball after a teenager died from being struck in the head by a paint ball canister. CPSC posted several story suggestions in our on-line press room promoting safety during recreational activities,



including the *Sports and Recreation Recall Round-Up* story suggestion of March 2004. Staff participated in numerous print and broadcast interviews, particularly in the spring and summer months, on recreational safety tips.

Field Staff completed numerous activities to promote the use of head protection/safety gear with recreational activities. For example, we partnered with the Hawaii Department of Health, Injury Prevention Program, Keiki Injury Prevention Coalition and Safe Kids Hawaii to conduct a Bicycle Helmet Safety Program to promote injury prevention in the state of Hawaii.

Staff also conducted presentations at the New Hampshire Injury Prevention Conference and discussed winter safety including sledding, skating, snow boarding and winter drowning. The State of New Mexico conducted an Injury Prevention Conference and staff participated in a breakout session on child head injuries. Field staff also hosted an exhibit at the State of California Childhood Injury Prevention Conference and provided CPSC safety publications to state and local partners. Additionally, an interview was conducted with a local newspaper in Illinois discussing the hazards associated with improperly secured soccer goals that reached an audience of approximately 800,000.

Resale Round-Up



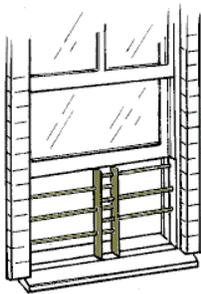
2004 Plan: *Conduct a major information and education campaign, to include a press conference, press release and a video news release, on previously recalled products, many of which pose threats to young children. This year's event will feature the "hottest" products recalled by CPSC, and focus on the most dangerous products resold at thrift and consignment stores or at yard and garage sales. Partners will include National Safe Kids Campaign and the National Association of Resale and Thrift Shops (NARTS).*

Completed: We issued a news release and held a major press conference conducted at the National Press Club in Washington, D.C. where we warned consumers of previously recalled products, such as old cribs, certain models of cedar chests and window blind cords. Led by CPSC's Chairman, the press conference and the subsequent national campaign also included the participation of National Safe Kids and NARTS. The Chairman was also interviewed on national television. In addition, we established a prominent "Most Wanted" list of dangerous products as a permanent feature on the front page of our Web site. After considering the number of previous videos produced on cribs, baby walkers, and playpens, and based on

our experience in working with the broadcast media, CPSC made a decision that a VNR of the products featured in Resale Round-Up would not be an effective use of resources. Instead, CPSC focused on garnering maximum earned media through attendance at a news event to launch the campaign.

We also partnered with Safe Kids, NARTS and the Danny Foundation. Field staff conducted 40 safety seminars nationwide for thrift stores' management. The safety seminars created an environment where the secondary marketplace became more aware of dangerous consumer products. In Washington state, Field staff worked with the State Health Department and the Seattle Children's Hospital on a 30-second public service announcement (PSA) regarding recalled and hazardous children's products. The PSA ran for a couple of weeks throughout Washington.

Window Guards



2004 Carryover from 2003: *Field staff will work with state and local groups in communities to promote the use of window guards that prevent falls and meet the ASTM standard. Part of this work will include developing model legislation for adoption by state and local jurisdictions.*

Project Completed. The agency decided on another approach to address this problem by continuing to work with state and local groups to promote the use of window guards. In 2004 staff conducted a television interview on window guard safety, reaching approximately 2.5 million households. Staff also discussed window guard safety at the Kids Can't Fly program in the Boston area. As a result, the Boston Health Commission renewed its outreach efforts at health clinics and libraries. They will also install window guards on public high-rise housing and request that all 39 hardware stores within the city stock them.

8. Press Releases

2004 Plan: *Issue 70 press releases, including Web recall alerts, to alert the public to products presenting a risk of injury to children.*

Completed: In 2004, we issued 73 press releases and 16 recall alerts to warn the public about products presenting a risk of injury to children.

9. Video News Releases

2004 Plan: *Produce 6 video news releases (VNRs) for products presenting a risk of injury to children.*

Not Met: In 2004, we produced 4 VNRs that addressed other children's hazards. These VNRs reached a total potential

audience of 56 million television viewers.

10. Publications

2004 Plan: *Respond to consumer requests for a projected 840,000 checklists, booklets, and safety alerts warning about injury hazards. The number of publications does not include those downloaded from our Web site.*

Not Met: In 2004, we responded to requests and distributed almost 700,000 publications that addressed other children's hazards. The goal was an estimate based on a historical trend. In recent years, consumers have turned increasingly to the Internet to obtain the information they want. The number of publications distributed does not include those downloaded from http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html on our Web site. The most requested distributed publications were: *Childproofing Your Home-12 Safety Devices to Protect Your Children*, *Child Care Safety Checklist*, and *The Safe Nursery: A Buyers Guide*.

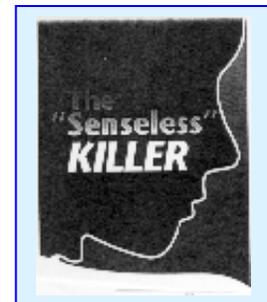
KEEPING FAMILIES SAFE FROM CARBON MONOXIDE POISONINGS

STRATEGIC GOAL: REDUCE THE RATE OF DEATH FROM CARBON MONOXIDE POISONING BY 20 PERCENT FROM THE 1999-2000 AVERAGE BY THE YEAR 2013.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	14	14	15	12	12
Amount	\$1,417	\$1,416	\$1,691	\$1,563	\$1,629

THE HAZARD

Carbon monoxide (CO) is a poisonous gas that has no smell, color or taste -- truly a "senseless" killer. Burning any fuel, such as gas, oil, wood, or coal produces this gas, so that any fuel-burning appliance is a potential CO source. At higher concentrations in the blood CO can cause cognitive impairment, loss of consciousness, coma, and death.



The latest available data show that in 1999 and 2000 an average of 124 people died from unintentional CO poisoning-related incidents, excluding incidents involving auto exhaust and fires, at a societal cost of approximately \$620 million each year. Because some symptoms of moderate CO poisoning may mimic common illnesses such as influenza or colds, there may be a high incidence of missed initial diagnoses. Not only are victims frequently unaware of exposure to CO, but also health care providers may not suspect, or check for, CO poisoning. While some symptoms of CO poisoning are reversible, delayed neurological effects can develop following severe poisonings, especially those involving prolonged unconsciousness. Prompt medical attention is important to reduce the risk of permanent damage.

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

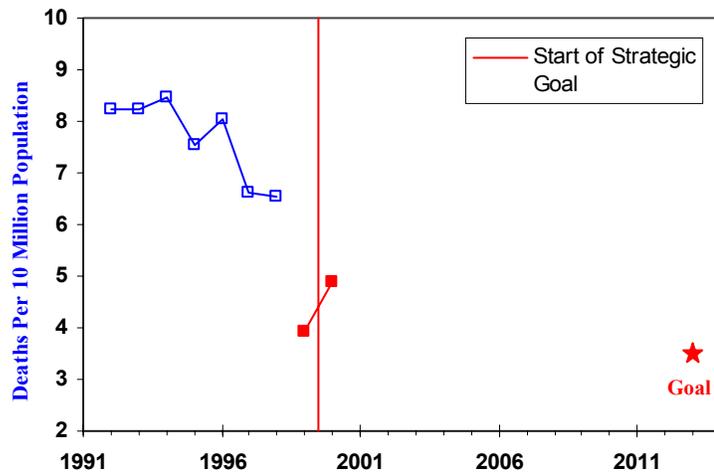
OUR PROGRESS

Under our previous Strategic Plans (1997 and 2000), we had a target to reduce the rate of CO poisoning deaths due to consumer products by 20 percent from 1994 to 2004. From 1994 to 1998, the death rate was reduced by 23 percent. To further reduce the death rate, we decided to retain this as a strategic goal in our Strategic Plan with a target of 20 percent reduction from the 1999-2000 average by 2013.

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 1999-2000 was 124. The discontinuity of rates may be at least partially the result of a different method to estimate the number of deaths in 1999 and 2000 than was used in previous years.⁶

We used a number of interventions to 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.

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



2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Prepare and present recommendations to voluntary standards/code organizations	Goal	2	1	*	3	3
	Actual	2	0	--	2	2
2. Monitor or participate in voluntary standards revisions	Goal	*	*	*	4	3
	Actual	7	4	4	4	3
<i>Compliance</i>						
3. Pursue for recall or other corrective action	Goal	2	2	2	2 ^a	2 ^a
	Actual	2	6	11	2	1
4. Monitor existing voluntary standard	Goal	*	*	*	*	1
	Actual	--	--	--	0	0

⁶This 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.

Annual Goals Summary continued		2000	2001	2002	2003	2004
<i>Consumer Information</i>						
5. Conduct public information efforts/partnerships	Goal	2	2	1	3	3
	Actual	1	1	3	3	3
6. Issue press releases/Web recall alerts	Goal	1	3	1 ^b	1 ^b	5 ^{b,c}
	Actual	0	3	8	6	7
7. Produce video news release	Goal	*	*	*	*	1 ^b
	Actual	0	0	2	1	3
8. Respond to requests for publications	Goal	50,000	50,000	50,000	50,000	65,000
	Actual	53,000	66,500	84,500	97,000	82,500

*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.

Safety Standards

1. Prepare and present 3 recommendations to voluntary standards/code organizations to strengthen or develop a voluntary standard

CO Alarms

80 CO deaths (1999-2000 average)



2004 Plan: (Carryover from 2003): *In 1999-2000 there was an estimated yearly average of 124 CO deaths associated with consumer products. An estimated 80 of those deaths occurred in homes. Many of these fatalities might have been prevented by the use of CO alarms. It has been 10 years since the standard for CO alarms was developed. Based on testing and technology review, staff will make recommendations to the current UL standard, as warranted.*

Completed: In 2004, staff developed and presented 5 recommendations, based on CO alarm test data, to the Underwriters Laboratories Standards Technical Panel for CO Alarms. All of the recommendations were accepted, and working groups have begun developing the necessary standard modifications to resolve CPSC staff concerns.

Engine-Driven Tools

20 deaths



2004 Plan: *In 1999-2000, there were an average estimated 20 deaths per year associated with using generators and other engine-driven tools in confined spaces. Work done to date by CPSC and other government agencies (National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention) indicates that better product warning language and development of engine control technologies are needed to reduce the CO poisoning hazard. Staff began product testing in 2003. In 2004, staff will continue tests and*

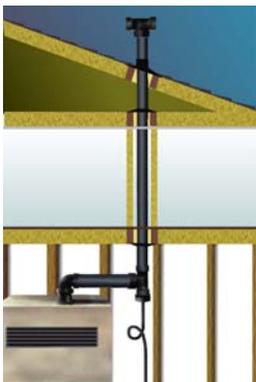
develop recommendations to the draft Underwriters Laboratories Inc. (UL) standard 2201 for "Portable Engine Generator Assemblies," as appropriate.

Exceeded: In 2004, staff made recommendations to improve the draft UL standard for portable generators. Staff has continued testing commercially-available portable generators and done modeling work to characterize the health hazard. Staff also held a public forum, with representatives from industry, voluntary standards organizations, retailers, consumer groups, health officials, and other government agencies attending, to present incident data and other staff analyses to help define the hazard and to discuss possible solutions to reduce the hazard.

Staff issued a safety alert on portable generators, which highlighted the CO poisoning hazard, and worked with the U.S. Fire Administration, Red Cross, and other government agencies to further its distribution. During the active 2004 hurricane season, staff provided assistance to the Florida and North Carolina Departments of Health regarding this hazard as well as encouraged retailers to post CPSC's safety alert where generators were sold. The project will continue into 2005 with staff investigating 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.

Vented Gas-Fired Appliances

59 deaths



2004 Plan: *In 1999-2000 there were an average of 59 CO-related deaths associated with gas-fired heating appliances. In 2002, staff began to examine sensor use in non-furnace heating appliances such as boilers, vented space heaters, and wall furnaces. Staff will continue to work to develop supportive data and examine relevant technologies to assist the voluntary standards committee in developing performance requirements to prevent the production of CO or shut the appliance off in response to the production of elevated levels of CO in the flue passageways. In 2004, staff will provide recommendations, if warranted, to require CO sensor technology in vented gas-fired appliances.*

Will Complete in 2006: In 2001, staff proposed that the central furnace standard require shutdown when CO levels within appliances exceeded the standard. In 2004, staff shared results of CO combustion sensor testing completed in 2003. Staff also worked with industry to: (1) develop a test plan to evaluate the use of CO/combustion sensors in gas appliances

and (2) develop a request for proposals to solicit bids from testing contractors to conduct the work. However, the industry schedule for finalizing the work plan and awarding a contract to perform required tests prevented the staff from making specific recommendations to amend the standard in 2004.

Also in 2004, CPSC entered into an agreement with 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. In 2005, staff will continue to work with industry to evaluate sensors and develop a performance standard for their use in vented gas heating appliances. Staff will also work closely with SNL on development, integration and testing of a MEMS sensor prototype.

2. Monitor or participate in the revision of 3 voluntary standards

Voluntary Standards

2004 Plan: *Monitor or participate in the development or modification of voluntary standards for products such as gas-fired appliances, CO alarms and engine-driven tools.*

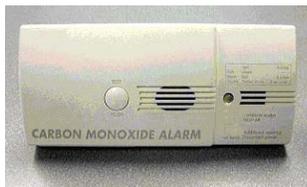
Completed: Staff monitored or participated in the development or modification of 3 voluntary standards for the following products:

- CO Alarms
- Gas Fired Appliances, CO Sensors
- Engine-Driven Tools (Generators)

Compliance

3. Recalls/Corrective Actions

2004 Plan: *Obtain 2 recalls or other corrective actions for unregulated products that present a substantial risk of CO poisoning.*



Not Met: In 2004, CPSC obtained 1 recall involving about 72,000 carbon monoxide alarms because the alarms fail to detect CO after 1 year of operation due to an internal software problem. These CO alarms do not provide an “end of life” signal or other indication of inoperability, even if the test button is depressed.

We are currently testing and evaluating a number of other products that may present a risk of CO poisoning. The number of recalls and corrective actions completed was less than our estimate, which is 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. We will adjust future annual goals accordingly.

4. Voluntary Standards

2004 Plan: *Monitor 1 existing voluntary standard related to carbon monoxide hazards.*

Will Complete in 2006: In 2004, we began a 3-year program to monitor voluntary standard compliance of one product that relates to carbon monoxide hazards. In 2004, 12 units from one manufacturer were collected, tested, and found to be in compliance with the voluntary standard. Additional retail sample collection and product testing will continue in 2005 and 2006.

Consumer Information

5. Public information efforts and/or partnerships with a trade association or safety advocacy group

Heating Equipment



2004 Plan: *Most deaths from carbon monoxide poisoning occur in the winter months. In January, CPSC will warn of CO dangers from space heaters and fireplaces with a press release and video news release. CPSC had previous videos demonstrating smoke alarms, carbon monoxide alarms, using gasoline generators outdoors, and using charcoal grills outdoors.*

Completed: We issued a press release and video news release on the dangers of accidental CO poisoning from heaters and fireplaces. In January, we conducted a winter heating campaign. Headquarters staff participated in many media interviews throughout the country.

Hurricane/Natural Disasters



2004 Plan: *Natural disasters (hurricanes, floods, earthquakes, tornadoes, ice storms) can create hazards. If electricity is out, people will resort to using gasoline generators, which can be a carbon monoxide hazard. CPSC will seek partners with other federal agencies and/or associations to respond quickly to get the word out about CO dangers when hurricanes and other natural disasters strike, by using techniques such as issuing press releases, video news releases, and targeting media in areas where disasters occur.*

Completed: During the country's unusually severe hurricane season in 2004, we issued a news release, *Surviving the*



Aftermath of a Hurricane, Tornado, or Flood, and conducted a public information effort to warn consumers who might have lost electricity due to the storms of the dangers of improper use of portable generator and charcoal grills. Our campaign information was made available to state and local officials, as well as with other federal agencies. Senior CPSC officials appeared on CNN and other media outlets with safety warnings following the onslaught of a natural disaster. Additionally, through our Web site *Press Room*, we posted a comprehensive list of storm aftermath safety tips.

Furnace/CO Check-Up



2004 Plan: *CPSC will distribute a news release encouraging consumers to have their furnace and heating systems checked before cold weather arrives. As the home heating season approaches in the Fall, we will urge consumers to have a professional inspection of all fuel-burning appliances, including furnaces, stoves, fireplaces, clothes dryers and space heaters, to detect deadly carbon monoxide (CO) leaks.*

Completed: We issued a news release that warned of the lethal dangers associated with CO as the weather gets colder. Additionally, during the late fall, we issued a news release to offer tips on the safe use of unvented fuel-burning space heaters including having gas and kerosene space heaters inspected annually. Field staff conducted a television interview in Connecticut regarding the hazards of CO reaching an audience of 47,000.

6. Press Releases

2004 Plan: *Issue 5 press releases and Web recall alerts for a product presenting a risk of CO poisoning.*

Completed: In 2004, we issued 6 press releases and 1 recall alert for products presenting a risk of CO poisoning.

7. Video News Release (VNR)

2004 Plan: *Produce 1 VNR on the hazards of CO poisoning.*

Exceeded: In 2004, we produced 3 VNRs that addressed carbon monoxide poisoning hazards. These VNRs reached a total potential audience of 23 million television viewers.

8. Publications

2004 Plan: *Respond to consumer requests for an estimated 65,000 checklists, booklets, and safety alerts warning about CO poisoning hazards. The number of publications does not include those downloaded from our Web site.*

Exceeded: In 2004, we responded to requests and distributed 82,500 publications that addressed carbon monoxide poisoning

hazards. The number of publications distributed does not include those downloaded from our Web site at http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html. The most requested distributed publications were: *The Invisible Killer (CO)*, *Childproofing Your Home-12 Safety Devices to Protect Your Children*, and *Carbon Monoxide Questions and Answers*.

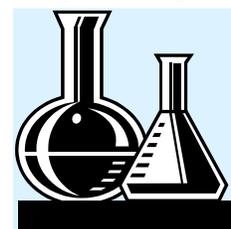
OTHER CHEMICAL HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	40	41	47	53	49
Amount	\$4,604	\$4,949	\$5,978	\$6,673	\$6,561

THE HAZARD

Each year, accidental ingestion of toxic household chemicals are associated with, on average, almost 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 due to 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 and children's jewelry; recalled crayons 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.



Child poisonings was a former strategic goal area. The goal was to maintain the low death rate of unintentional poisonings to children from hazardous household chemicals. Before 1974, an average of 200 children under the age of 5 years died each year from poisonings. Since the PPPA became law, deaths to children under 5 years of age have declined substantially. We will continue to work on this hazard, but it will no longer be a strategic goal.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Prepare a notice of proposed rulemaking or a final rule	Goal	*	*	1	1	1
	Actual	2	1	1	0	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	*	*	4	5	8 ^d
	Actual	--	--	3	5	8
3. Monitor or participate in voluntary standards revisions	Goal	*	*	*	2	2
	Actual	1	2	1	2	2
<i>Compliance</i>						
4. Pursue for recall or other corrective action	Goal	*	*	55	70	90 ^a
	Actual	68	79	166	122	131
<i>Consumer Information</i>						
5. Conduct public information effort	Goal	1	1	1	1	1
	Actual	1	1	1	1	1
6. Issue press releases and Web recall alerts	Goal	*	*	*	5 ^b	6 ^{b,c}
	Actual	6	11	8	11	16
7. Produce video news releases	Goal	*	*	*	1 ^b	1 ^b
	Actual	1	1	2	3	2
8. Respond to requests for publications	Goal	*	*	*	255,000	300,000
	Actual	357,500	356,000	350,000	311,000	277,000

*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.

^dThis goal includes the Crystalline Silica project carried over from 2002.

Safety Standards

1. Prepare for Commission consideration, a notice of proposed rulemaking or a final rule for at least 1 hazardous substance for child-resistant packaging

Rulemaking for Child-Resistant Packaging

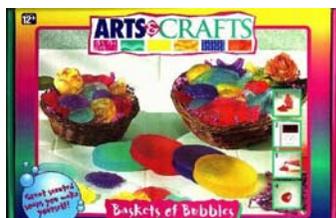
2004 Plan (Carryover from 2003): *In 2004, staff will prepare for Commission consideration, a notice of proposed rulemaking or a final rule for child-resistant packaging of at least 1 hazardous substance identified in 2003. Caustics and low viscosity hydrocarbons were two toxic substances that were under consideration for recommendation to child-resistant packaging. In 2003, the completion of the briefing package evaluating the need for child-resistant packaging of caustics was deferred to conduct a cost/benefit analysis for this potential rulemaking. This cost/benefit analysis is part of a pilot study being conducted to address a recommendation by the Office of Management and Budget. Additionally, the*

briefing package on aerosol products containing low viscosity hydrocarbons was deferred to wait for 2002 data from the American Association of Poison Control Centers which identifies the formulation as an aerosol or spray.

Completed: The project was substantially completed in 2004. The staff completed the pilot cost/benefit analysis of hydroxide-containing products and is revising and updating the briefing package to incorporate additional data. The briefing package will be sent to the Commission in early 2005. The briefing package on aerosol products containing low viscosity hydrocarbons was deferred because of staff work on higher priority activities.

2. Complete 8 testing, data collection or hazard analysis activities

Arts and Crafts Materials/ Laboratory Chemicals



2004 Plan: *Many arts and crafts materials and laboratory chemicals may not be appropriate for use by school-age children. These materials may cause acute or chronic hazards such as respiratory irritation, dizziness, headaches, or eye and skin burns. In 2004, staff will complete work begun in 2003 to develop guidance documents on the relative hazards. These documents will then be disseminated. Partners will be sought to share in the costs of developing and printing the guidance documents.*

Completed: A draft handbook on arts and crafts material has been completed. The draft will be sent to our outside partners for comment. After the partners' comments have been incorporated into a final document, the handbook will be disseminated by these organizations in print or electronic forms, as they choose, probably during 2005. A draft final handbook for laboratory chemicals safety is under review by our partners. Our potential partners have expressed interest in sharing costs for printing and dissemination.

CCA-Treated Wood



2004 Plan: *Staff will work with the Environmental Protection Agency on a mitigation study to examine various coatings (stains and sealants) and other products to determine whether they can be used to prevent the leaching of dislodgeable arsenic from CCA-treated wood*

Exceeded: CPSC staff collaborated with scientists from the EPA to design and conduct a study of stains and sealants on aged CCA-treated wood. In addition, CPSC staff is conducting its own studies on new CCA-treated wood. These studies examine the reduction in dislodgeable arsenic on the surface of

CCA-treated wood decks from various types of stains and sealants. The studies are approaching their first year of completion, and are expected to continue through another calendar year.

Chronic Hazard Guidelines

2004 Plan: *The scientific information which provides the basis for health, environmental and safety regulations should reflect the most current state of the science. Work begun in 2003 will continue in 2004 on the systematic review of the CPSC chronic hazard guidelines, with appropriate revisions to address scientific advances and new risk assessment methods. In 2004, staff will develop guidance for using benchmark dose methodology to derive acceptable daily intake values and probabilistic risk assessment methodology.*

Completed: The staff developed two guidance documents for using 1) benchmark dose methodology, and 2) probabilistic risk assessment methodology. The draft documents were sent for outside peer review in late 2004.

Crystalline Silica



2004 Carryover from 2002: *Crystalline silica is present in many consumer products, including play sand, building materials, and household cleansers. Staff will generate exposure data, conduct a preliminary risk assessment, and propose recommendations for remedial actions as needed. Staff will coordinate with EPA and OSHA on this activity.*

Completed: In 2002, staff completed analyses of the crystalline silica content in 6 bulk samples of play sand. Staff planned to conduct exposure studies and complete a preliminary risk assessment in 2003. In 2002, the preliminary risk assessment was delayed because of higher priority work on phthalates and chromated copper arsenate wood preservatives. In 2003, the staff completed the planned exposure studies and in 2004, the preliminary risk assessment of silica in play sand was completed. These documents will be peer-reviewed during late 2004 and early 2005. Following peer review, the staff will recommend remedial actions as needed. Staff has coordinated with EPA and OSHA and will continue to do so.

Pediatric Poisoning Fatalities Update

2004 Plan: *Before 1974, an average of 200 children under the age of 5 years died each year from poisonings by unintentional ingestion of drugs and other hazardous household substances that are not in child-resistant packaging. Since 1970 when the Poison Prevention Packaging Act became law, these deaths have declined substantially to an average of about 28 deaths annually. In 2004, staff will update its annual estimates of*



pediatric poisoning fatalities.

Completed: Staff completed the annual update of pediatric poisoning fatalities for 2004. In 2001, the latest year available, there were an estimated 31 pediatric poisoning deaths, or an 86% decline since 1972 when there were 216 deaths.

Reproductive Hazards

2004 Plan: *Reproductive and developmental hazards are among the serious adverse health effects attributed to chemical exposures. In 2004, staff will review background documents on endocrine disruptors developed by the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM).*

Completed: CPSC staff reviewed the ICCVAM report on endocrine disruptors, and the technical background review documents for this report. This review resulted in a memorandum discussing the status of the validation of these methods and their current applicability. Staff determined that the value of four types of *in vitro* endocrine disruptor assays for predicting *in vivo* responses is still undetermined because they have not been adequately validated. In addition, there has been no consensus in the scientific community that these tests are predictive of any adverse health effects.

Toxicity Assessment

2004 Plan: *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, perfluorooctanoyl sulfonates (PFOS) and related chemicals and phthalate substitutes, as needed. Staff will initiate reduction activities, as needed. Staff will perform one toxicity assessment and chemical review, preliminary exposure assessment, or risk assessment, as appropriate.*

Completed: In 2004, staff participated in an interagency group with EPA to develop and monitor a series of enforceable consent decrees to develop exposure data for perfluorooctanoic acid (PFOA), which is related to PFOS. Staff performed toxicity assessments for lead-containing jewelry and is developing guidance for manufacturers. Staff prepared a briefing package in response to a petition on latex and awarded contracts to external experts to form a panel to review the definition of “sensitizer.” Staff reviewed the toxicity of numerous flame retardant chemicals for the upholstered furniture and mattress projects, resulting in 3 staff reports (see

Reducing Fire Hazards). Staff also reviewed numerous documents relating to international harmonization of labeling for chemical hazards and contributed to the NTP Report on Carcinogens.

Toxicity Assessment for Child-Resistant Packaging



2004 Plan: *CPSC staff will continue to monitor ingestion databases and review chemical classes of products for the need for child-resistant packaging. In 2004, the staff will complete a toxicity assessment or technical review on one substance.*

Completed: The staff completed a preliminary assessment of the toxicity of salicylate-containing drugs. Based on the assessment, staff is preparing recommendations for consideration by the Commission.

3. Monitor or participate in the revision of 2 voluntary standards

Voluntary Standards

2004 Plan: *Monitor or participate in the development or modification of voluntary standards for child-resistant (CR) packaging including CR standards for products such as gasoline containers.*

Completed: The staff has been participating with ASTM in updating the classification of child-resistant packaging. The staff also participated with ASTM on the development of a child-resistance standard for gasoline containers and provided technical comments on the draft standard being proposed.

Compliance

4. Recalls/Corrective Actions

2004 Plan: *Obtain 90 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 2004, we pursued for recall or other corrective action 131 products that presented a risk from other chemical hazards. Of these, we obtained 23 recalls involving about 159 million product units presenting chemical hazards other than CO. In 2004, we had a large number of poison prevention packaging and art material labeling corrective actions due to focused activities in those areas.



For example, CPSC obtained a recall of 150 million pieces of toy jewelry sold in vending machines across America. CPSC determined that some of this toy jewelry contained dangerous levels of lead, posing a risk of lead poisoning to children.



Another example, CPSC obtained a recall of 50,000 packages of sidewalk chalk because they contain high levels of lead posing a risk of poisoning to young children.

Consumer Information

5. Public information effort/partnership

Poison Prevention



2004 Plan: *During National Poison Prevention Week, issue a news release and coordinate a health and safety campaign by partnering with the Poison Prevention Week Council and related organizations to promote child-resistant packaging and other poison prevention measures. Throughout the year and during National Poison Prevention Week, field staff will promote the benefits of child-resistant packaging in preventing children's poisonings using activities such as radio interviews, local press publications, presentations to state and local product safety groups and partnering with other injury prevention organizations, as appropriate.*

Completed: We issued a press release and a video news release and conducted a news conference where CPSC joined with the American Association of Poison Control Centers and the Poison Prevention Week Council to urge parents to use products with child-resistant packaging; keep medicines and chemicals locked up and away from children; and when needed, call the national toll-free number for poison control centers: 1-800-222-1222 if possible poisoning occurs.

The Field staff participated in eight Poison Prevention displays with the Fulton County (Atlanta, Georgia) Health Department. A presentation was made to a community group in Dallas, Texas. Spanish publications were provided. In other areas of the country, radio and TV interviews were held. The Western Region hosted a Regional workshop where lead poisoning due to contaminated jewelry and potential poisoning due to lead contaminated candy wrappers were major issues of discussion. 17 State and Local representatives participated at this workshop. Subsequently, the Regional Director was invited to

a Clinical Summit hosted by the Alameda County Lead Poisoning Prevention Program in California. A presentation on Poison Control activities was made to the Massachusetts and Rhode Island Regional Poison Control Center.

6. Press Releases

2004 Plan: *Issue 6 press releases, including Web recall alerts, to alert the public to products presenting a risk of other chemical hazards.*

Exceeded: In 2004, we issued 14 press releases and 2 recall alerts for products presenting a risk of other chemical hazards.

7. Video News Release

2004 Plan: *Produce 1 video news release (VNR) on chemical hazards such as the unintentional poisonings to children.*

Exceeded: In 2004, we produced 2 VNRs that addressed other chemical hazards. These VNRs reached a total potential audience of 37.5 million television viewers.

8. Publications

2004 Plan: *Respond to consumer requests for a projected 300,000 checklists, booklets, and safety alerts warning about other chemical hazards. The number of publications does not include those downloaded from our Web site.*

Not Met: We responded to requests and distributed 277,000 publications that addressed other chemical hazards. The number distributed does not include those downloaded from http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html on our Web site. The goal was an estimate based on historical data. The most requested distributed publications were: *Protect Your Family from Lead in Your Home*, *Preventing Inhalant Abuse*, and *Poison Lookout Checklist*.

HOUSEHOLD AND RECREATION HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	40	42	48	45	53
Amount	\$3,942	\$4,632	\$5,396	\$5,595	\$6,722

THE HAZARD

The household and recreation hazards addressed here are found throughout the nation's homes and affect many of our family activities. The resources used are small because some of the larger household and recreational hazards related to children's products or activities are covered under the activity *Reducing Hazards to Children*. The remaining household and recreational hazards covered under this activity include such products as lawn and garden equipment, power tools, and recreational equipment.

CPSC activities made significant contributions to household and recreation safety. For example, we improved lawn mower safety by establishing a standard addressing blade contact. We estimate that the lawn mower standard saves about \$1 billion in societal costs annually. The agency also has been a leader in urging consumers to use safety gear when participating in recreational activities, such as biking, in-line skating, skiing, and scooter riding.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
<i>Safety Standards</i>						
1. Present recommendations to voluntary standards or code organizations	Goal	*	*	*	3	2
	Actual	--	--	--	2	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	*	*	2	2	4
	Actual	--	--	2	1	3 ^a
3. Monitor or participate in voluntary standards revisions	Goal	*	*	*	11	14
	Actual	10	12	8	15	18
<i>Compliance</i>						
4. Pursue for recall or other corrective action	Goal	*	*	30	45 ^b	80 ^b
	Actual	53	91	136	83	124
5. Monitor existing voluntary standards	Goal	*	*	*	*	1
	Actual	--	--	--	0	0

Annual Goals Summary continued		2000	2001	2002	2003	2004
<i>Consumer Information</i>						
6. Conduct public information efforts	Goal	*	*	*	*	1
	Actual	--	--	--	--	0
7. Issue press releases/Web Recall alerts	Goal	*	*	20 ^c	20 ^c	50 ^{c,d}
	Actual	22	45	65	49	86
8. Respond to requests for publications	Goal	*	*	30,000	30,000	30,000
	Actual	32,000	34,000	32,500	46,000	49,000

*No goal established for that year.

--Data not available.

^aThis goal includes Powered Scooters carried over from 2003.

^bEstimate 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.

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

^dThis goal now includes Web recall alerts.

Safety Standards

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

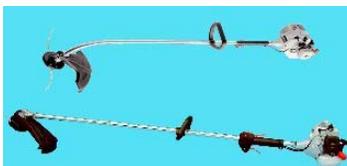
Quick Release Mechanisms



2004 Plan: CPSC has received reports of front wheels falling off bicycles. In some of these cases, problems with the quick release mechanism are mentioned. Quick release mechanisms are commonly found on bicycle wheels to make the wheel easy to remove. Children and other users with lower strength levels may have trouble properly tightening quick release mechanisms. Additionally, some mechanisms provide little feedback to the user on whether they are locked or not. For example, the lever of some mechanisms may be placed in the locked position although the proper tightness has not been achieved. Staff will examine incident data related to quick release mechanisms, especially those on bicycle front wheels, and develop recommendations for standards development or use criteria, if appropriate.

Will Complete in 2005: Due to higher priority work associated with All Terrain Vehicles, this work was deferred until 2005.

Rotating Weed Trimmers/ Brushcutters



2004 Plan (Carryover from 2003): In 2003, staff analyzed injury data and completed a report that noted a significant number of eye injuries from weed trimmers and brushcutters. In 2004, staff will prepare draft recommendations to the ANSI voluntary standard committee and request that discussions begin for addressing these injuries in the voluntary standard.

Completed: In 2004, staff sent a report of injuries associated with grass trimmers/brushcutters to the American National Standards Institute Voluntary Standard Committee for Power Tools-Grass Trimmers and Brushcutters. Staff included recommendations that the ANSI committee form a task group to consider safety requirements to address injuries due to thrown objects.

2. Complete 4 testing, data collection or hazard analysis activities to evaluate the need for, or adequacy of, safety standards

Amusement Ride Data Update

2004 Plan: *This data is 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. 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 in 2004. The data indicated that there was no statistically significant trend, positive or negative, for mobile amusement ride injuries over the period from 1997 to 2003.

Amusement Ride Restraint Systems



2004 Plan: *CPSC has reports of falls and injuries from mobile amusement rides because the restraint system failed to keep riders in place. Current standards do not take into account various body shapes and sizes and leave a significant portion of the population outside of the restraint specifications. Additionally, there is some indication that the restraints themselves may be creating injuries. In 2004, staff will examine incident data related to mobile amusement ride restraint failure and conduct a technical evaluation to assess if recommendations are appropriate for restraint system design and/or revisions to voluntary standards.*

Completed: In 2004, the staff completed a Human Factors review of restraint failures associated with mobile amusement rides. The staff reviewed incident data associated with restraint failures on these rides, identified the most common hazard scenarios associated with these incidents, identified common factors that may be contributing to these scenarios, and completed a draft report summarizing these findings. Due to the limited data available on restraint classes and designs, the

report does not make specific recommendations or propose revisions to voluntary standards. The staff will monitor related voluntary standards activities in 2005.

ATV Data Update



2004 Plan: *This data is 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.*

Completed: In 2004, staff completed its annual estimates of ATV-related injuries and deaths. This report is in the process of being cleared for release.

Powered Scooters

3 deaths

4,390 injuries



2004 Carryover from 2003: *Powered scooters are a relatively new product and CPSC has received increasing numbers of injury reports associated with this product. In 2003, staff will evaluate the hazard patterns associated with powered scooters. Staff may make recommendations for development of a voluntary standard, as appropriate.*

Will Complete in 2005: Staff started a NEISS-based special data collection study on powered scooters in July 2003. The special data collection study continued through June 2004. The data collection part of the study ran longer than originally planned in order 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. In 2005, 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.

3. Monitor or participate in 14 voluntary standards revisions

Voluntary Standards

2004 Plan: *We will monitor or participate in the development or modification of voluntary standards for products such as ATVs, bicycles, chain saws, garage door and gate operators, mowers, table saws, gun locks, tree stands, trampolines, plastic gas tanks, and snow blowers.*

Exceeded: Staff monitored or participated in the development or modification of 18 voluntary standards for the following products:

- ATVs
- Tandem ATVs
- Table Saws
- Garage Door and Gate Operators
- Garage Doors
- Snow Blowers
- Walk Behind Mowers
- Riding Mowers
- Chain Saws
- Bicycles
- Hunting Tree Stands
- Plastic Gasoline Tanks
- Gun Locks
- Non-powder Guns
- Trampolines
- Weed Trimmers and Brushcutters
- Paintball
- Paper Shredders

Compliance

- 4. Recalls/Corrective Actions** **2004 Plan:** *Obtain 80 recalls or other corrective actions for violations of mandatory safety standards and for unregulated products that present substantial hazards.*



Exceeded: In 2004, we pursued for recall or other corrective action 124 products that presented a risk from household and recreational hazards. Of these, we obtained 113 recalls involving over 34 million product units including decorative light bulbs, crock pot/slow cookers, TV/video carts, and lawn mowers. For example, CPSC obtained a recall of 592,000 TV/VCR carts because they can tip over easily and injure or kill children and adults.

- 5. Voluntary Standards** **2004 Plan:** *Monitor 1 existing voluntary standard related to household or recreational hazards.*

Will Complete in 2005: In 2004, we searched the Internet for available manufacturers/models of a product related to household or recreational hazards and we purchased several samples of the product. In 2005, staff will complete a test fixture, make additional sample purchases and evaluate the samples.

Consumer Information

6. Public Information Effort

All Terrain Vehicles



2004 Plan: CPSC will develop and conduct a major information and education campaign focusing on preventing injuries and deaths to both children and adults from All Terrain Vehicles (ATVs). Each year there are about 600 deaths and more than 100,000 injuries associated with ATVs. Almost 40 percent of these deaths and injuries are to children under 16 years old. The campaign will include a press release and a video news release on ATV hazards, and promote safety tips to help reduce the number of deaths and injuries. The campaign will also focus efforts in states with the highest number of deaths and injuries.

Will Complete in 2005: Because the information is still in development, the proposed development of a video news release and draft press release were deferred.

7. Press Releases/Recall Alerts

2004 Plan: Issue 50 press releases, including Web recall alerts, to alert the public to products presenting a risk of a household or recreation hazard.

Completed: In 2004, we issued 48 press releases and 38 recall alerts for household and recreational products presenting hazards to consumers.

8. Publications

2004 Plan: Respond to consumer requests for a projected 30,000 checklists, booklets, and safety alerts warning about household or recreation hazards. The number of publications does not include those downloaded from our Web site.

Exceeded: In 2004, we responded to requests and distributed 49,000 publications that addressed household and recreational hazards. The number of publications distributed does not include those downloaded from our Web site at http://www.cpsc.gov/cpsc/pub/pubs/pub_idx.html. The most requested distributed publications were: *Keep Active...Safe At Any Age*, *Home Safety Checklist for Older Consumers*, and *Use Your Head...Bike Helmets Flyer*.

IDENTIFYING PRODUCT HAZARDS

DATA COLLECTION

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	77	80	79	85	67
Amount	\$8,346	\$9,138	\$9,691	\$10,299	\$9,353

Note: Prior to 2004, resources for "Data Utility" were included in this area.

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 how the reported product was involved. These activities reflect the agency's commitment to making decisions based on appropriate data analyses. The data collection work provides underlying support to all the Commission's Results Act activities.

In 2005, we will seek to continue strengthening our data collection and analysis process. Past improvements include the purchase of annual data on poisonings to children, the update of our critical Injury Cost Model, a study of the long-term costs of head injuries, and a pilot study on enhancing fire data. A pilot study will be conducted this year on ways to increase the response rate for telephone investigations.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
1. Evaluate, train and audit each hospital in the NEISS sample	Goal	*	*	100%	100%	100%
	Actual	100%	95%	100%	100%	98%
2. Capture the product-related cases	Goal	*	*	90%	90%	90%
	Actual	92%	93%	94%	94%	93%
3. Complete headquarters telephone investigations in less than 45 business days	Goal	*	*	85%	85%	85%
	Actual	89%	98%	95%	99%	100%
4. Complete field telephone and onsite investigations in less than 45 business days	Goal	*	*	85%	85%	85%
	Actual	85%	87%	89%	90%	90%
5. Sustain the number of onsite investigations	Goal	*	*	*	*	1,200
	Actual	1,285	1,223	1,327	1,334	1,523

Annual Goals Summary continued		2000	2001	2002	2003	2004
6. Sustain the number of incident reports collected from medical examiners and coroners	Goal	*	*	2,800	3,600	3,600
	Actual	3,108	3,880	4,165	3,774	4,514
7. Sustain the number of incident reports collected from news clips	Goal	*	*	5,000	7,000	7,000
	Actual	5,444	6,942	7,101	8,131	7,870

*No goal established.

1. Monitoring Hospitals

2004 Plan: *Conduct at least one evaluation visit at 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: In 2004, we substantially completed this project by conducting evaluation visits at 93 of 95 hospitals (97.9%).

2. Capturing Product-Related Cases

2004 Plan: *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 will be instituted in any hospital missing significant numbers of reportable cases.*

Completed: In 2004, this goal was met with 92.7% of the product-related cases reported.

3. Telephone Investigations (Headquarters)

2004 Plan: *Complete at least 85 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: In 2004, this goal was exceeded with 99.5% of headquarters telephone investigations completed in less than 45 business days.

4. Telephone/On-Site Investigations (Field)

2004 Plan: *Complete at least 85 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 2004, we completed 90 percent of field

investigations in less than 45 business days.

**5. Onsite Investigations
(Field)**

2004 Plan: *Sustain the number of onsite investigations completed by the field at 1,200. Sustaining the number of on-site investigations will maintain both the timeliness and quality of our information.*

Exceeded: In 2004, we completed 1,523 onsite investigations.

**6. Medical Examiner and
Coroner Reports**

2004 Plan: *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 2004, we exceeded the goal with over 4,500 MECAP reports entered in our database.

7. News Clips

2004 Plan: *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 investigations to support hazard identification and analysis activities.*

Exceeded: In 2004, this goal was exceeded with about 7,900 news clips entered in the database.

DATA UTILITY

STRATEGIC GOAL: IMPROVE THE UTILITY OF CPSC'S DATA THROUGH 2009 BY DEVELOPING AND IMPLEMENTING A MORE SYSTEMATIC METHOD TO IDENTIFY NEW STRATEGIC GOAL AREAS, HAZARD REDUCTION PROJECTS, AND REMEDIAL ACTIONS.

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	--	--	--	--	18
Amount	--	--	--	--	\$1,782

--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."

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 to better identify areas where more information must be obtained in order to develop effective strategies to reduce deaths and injuries.

Each year CPSC collects incident data involving consumer products including 8,700 death certificates, about 370,000 hospital emergency room reports of injuries, 7,000 newsclips, and 10,000 other reports of incidents. Incidents are screened on a daily basis and routinely summarized. Selected incident information is expanded by conducting follow-up investigations of individual incidents, either by telephone or through on-site visits. The follow-up investigations provide an opportunity to examine the interaction between the product involved in the incident, the environment in which the incident occurred, and the injured person.

While these methods have worked effectively in the past, increasingly limited resources require that we target agency efforts more systematically and prioritize our efforts through the strategic planning process. Staff plans to develop and implement 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.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
1. Complete analysis of major product areas	Goal	*	*	*	2	4
	Actual	--	--	--	2	5
2. Conduct special studies	Goal	*	*	*	*	1
	Actual	--	--	--	0	1
3. Conduct special economic studies	Goal	*	*	*	*	10
	Actual	12	9	19	9	10
4. Respond to petitions	Goal	*	*	*	*	3
	Actual	3	5	3	13	5

*No goal established.

--Data not available.

1. Product Area Analysis

2004 Plan: 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. 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 2004, staff will complete analyses of injury, death, and cost data in 4 major product areas.

Exceeded: Five reports were completed in 2004. These were: Toys, Nursery Products, Outdoor Equipment Used by Children, Team Sports, and Injuries to the Elderly. So far, these reports and the earlier reports on Yard and Garden Equipment and on Workshop Tools have resulted in four new projects in the agency budget proposal for 2006.

2. Special Studies

2004 Plan: Staff will conduct at least one special study 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: Staff conducted a NEISS-based special data collection study on fireworks in 2004. This study was conducted during the one month period surrounding July 4th and provided detailed information on hazard patterns, fireworks devices and injuries.

3. Special Economic Studies

2004 Plan: *Staff will conduct 10 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. Staff will maintain econometric models through periodic review to assure that methodological approaches and models are current and adequate for use by CPSC.*

Completed: In 2004, staff completed 10 economic studies in areas such as examining potential cost and benefits of child-resistant packaging for hydroxides. Staff also generated injury cost reports for products such as space heaters, snowthrowers, lighters, and mattresses.

4. Petitions

2004 Plan: *In 2004, we estimate that 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. In 2003, staff prepared briefing packages in response to petitions on snowmobile lighting, bicycle handlebars, and CCA-treated wood in playground equipment.*

Exceeded: In 2004, staff prepared 5 briefing packages in response to petitions on latex, bunk bed cornerposts, hunting tree stands, labeling of weight lifting bench press benches, and cigarette lighters.

QUALITY AND MANAGEMENT GOALS

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**

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	--	--	--	--	.5
Amount	--	--	--	--	\$60

--Data not available; work on goal began in 2004.

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, both in the near term and in the long run. The quality of in-house databases that track agency activity needs to be upgraded and better maintained. Failure to improve these basic operations could present significant risks to future agency functioning.

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

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. Evaluation of other data systems could begin as early as 2005, depending on availability of resources.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
1. Conduct data quality planning activities	Goal	*	*	*	*	1
	Actual	--	--	--	0	1
2. Identify, develop, and implement activities for data quality improvement	Goal	*	*	*	*	2
	Actual	--	--	--	0	1

*No goal established.

--Data not available.

1. Conduct data quality planning activities

Assessment Plan

In 2004, staff plans to develop a data quality assessment plan that will detail the steps to assess the candidate database. These steps include: identifying database stakeholders, identifying success measures, developing and assessing baseline data, analyzing quality barriers, and identifying potential improvements. The plan will also document the resources required to perform these activities and the schedule for completion.

Completed: A draft of the data quality assessment plan for our initial database to review has recently been completed. We developed criteria for selecting a database for review, applied those criteria to several CPSC databases, and recommended a database for assessment. Minor revisions are expected as we continue to meet with stakeholders.

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

Data Stakeholders

2004 Plan: *Once a candidate has been selected for data quality improvement, the data quality improvement team will be identified. This team will include the database owners, users and other stakeholders.*

Completed: Representatives for all stakeholders have been identified and staff assigned to the data quality team. The first meeting to coordinate activities has taken place.

Success Measures

2004 Plan: *The information quality improvement team will first identify the problem that they are trying to solve, and then they will identify measures for data quality success specific to that problem. The problem will be stated in terms of its relationship to preventing accomplishment of CPSC objectives. Once the specific problem has been identified, the team will define expectations for success and the appropriate measures. These measures could include improvements in accuracy, consistency, completeness, timeliness, ease of use, or another fitness-of-use criterion.*

Will Complete in 2005: Due to higher priority work on organizational studies, this goal was not completed. In 2005, we will identify measures for data quality success specific to the problem and define expectations for success and the appropriate measures.

INDUSTRY SERVICES

STRATEGIC GOAL: MAINTAIN SUCCESS WITH THE TIMELINESS AND USEFULNESS OF THE FAST-TRACK AND THE SMALL BUSINESS OMBUDSMAN PROGRAMS FOR INDUSTRY THROUGH 2010.

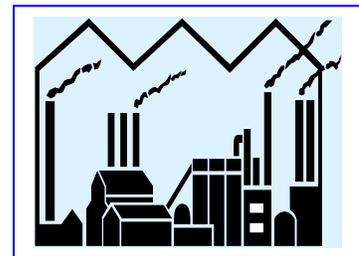
Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	32	28	15	15	15
Amount	\$3,217	\$2,829	\$1,324	\$1,410	\$1,485

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.

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 cooperatively and quickly with industry to obtain an appropriate corrective action, which can include recall of the hazardous product. We administer two programs to assist industry: the Fast-Track Product Recall (Fast-Track) and Small Business Ombudsman programs.

Using 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 staff time to process the recall. To date, over 900 firms have participated in the program, resulting in over 1,400 product recalls involving about 165 million product units. The Fast-Track program has been cited as outstanding by both government and private organizations.



With the Small Business Ombudsman program, we help small businesses comply more easily with product safety guidelines 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 have helped about 2,300 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.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
1. Initiate a recall within 20 days through the Fast Track Program	Goal	90%	90%	90%	90%	95%
	Actual	94%	95%	95%	95%	96%
2. Respond to requests within 3 business days through the Ombudsman Program	Goal	80%	80%	80%	80%	80%
	Actual	81%	79%	99%	88%	82%
3. Develop guides	Goal	15	10	5	5	5
	Actual	15	10	5	7	8

1. Fast Track Timeliness



2004 Plan: Complete a technical review and initiate a recall within 20 days 95 percent of the time for Fast-Track Program.

Completed: A review of the records for 2004 reveals that Fast Track recalls were initiated within 20 business days 96 percent of the time.

2. Ombudsman Timeliness

2004 Plan: Respond to requests from small businesses through the CPSC Small Business Ombudsman within three business days 80 percent of the time.

Completed: CPSC staff responded to and offered guidance to 147 small businesses in 2004. A review of the Small Business Ombudsman program's records found that requests were responded to within three business days 82 percent of the time.

3. Guides

2004 Plan: In 2004, we will continue the effort begun in 2000 to develop brief guides or other guidance documents so that industry can quickly and easily understand how to comply with our regulations. We will develop 5 additional guides or other guidance documents 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 Business tab.

Exceeded: In 2004, 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.

CONSUMER SATISFACTION WITH CPSC SERVICES

STRATEGIC GOAL: SUSTAIN THE HIGH LEVEL OF CUSTOMER SATISFACTION WITH THE CPSC WEB SITE, HOTLINE, CLEARINGHOUSE, AND STATE PARTNERSHIP PROGRAM AT 90 PERCENT OR BETTER THROUGH 2010

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	17.9	15	12	15	17
Amount	\$1,839	\$1,595	\$1,591	\$1,980	\$2,346

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.

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 3,000 requests each year. It also alerts manufacturers to potential hazards associated with their products, providing them with consumer complaints, reported incidents and accident investigations involving their products. Our State Partners Program, using limited CPSC funds and CPSC-developed safety information, brings product safety services to consumers through cooperative programs with state and local governments. The program extends our reach throughout the nation.



2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
CPSC Web Site						
1. CPSC Web site visits (in millions)	Goal	3.3	4.0	7.0	8.0	10.0
	Actual	3.7	6.3	7.9	9.2	11.9
Hotline Services (1-800-638-2772)						
2. Respond to voicemail messages the next business day	Goal	85%	85%	85%	85%	85%
	Actual	92%	79%	86%	92%	96%
3. Process incident reports within 8 working hours	Goal	85%	85%	85%	85%	90%
	Actual	96%	99%	100%	100%	100%
4. Maintain the number of e-mails processed	Goal	*	*	*	*	12,000
	Actual	9,300	12,200	15,500	12,000	9,705
5. Develop a system to track and monitor email responses	Goal	*	*	*	*	1
	Actual	--	--	--	--	0
National Injury Information Clearinghouse						
6. Mail incident information for verification to consumers within 2 business days	Goal	95% ^a	95% ^a	95% ^a	95%	95%
	Actual	99%	100%	100%	98%	99%
7. Provide manufacturers with verified incidents and investigations within 48 business days	Goal	90%	90%	90%	90%	90%
	Actual	90%	--	79%	95%	95% ^b
8. Provide responses to requests within 5 business days	Goal	95%	95%	95%	95%	95%
	Actual	95%	97%	96%	97%	97%
State Partners Program						
9. Conduct product safety activities	Goal	50	50	50	50	150
	Actual	82	140	140	287	195
10. Conduct recall checks, inspections, and investigations to support CPSC priorities within 90 days of assignment	Goal	*	*	900	900	740
	Actual	--	985	979	924	1,180
11. Conduct Resale Round-Up seminars	Goal	*	*	*	*	30
	Actual	--	--	--	--	40

*No goal established

--Data not available

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

^bPreliminary data October through July 2004.

1. Web Site Visits



2004 Plan: CPSC's Web site (www.cpsc.gov) was established to widen and speed public access to important safety information. The site started out simply, allowing for the retrieval of basic information such as press releases (usually announcing product recalls) and the agency's public meeting calendar. Over time, new features have been added, such as allowing the public to make 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 9.2 million visits in 2003. In 2003, we redesigned our Web site based on customer

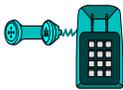
feedback and an internal review. We will continue to monitor customer feedback to ensure that our Web site continues to meet the needs of our stakeholders. In 2004, we anticipate that we will have 10 million visitors to CPSC's Web site.

Exceeded: In 2004 we had 11.9 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.

In 2004, we continued our efforts to make improvements to make important safety information easily accessible to the public through our Web site. For example, the public can now access our NEISS cases information online. Also, the Really Simple Syndication (RSS) news feed allows us to provide recall and press release information in a format that news aggregators can more easily download directly into other Web sites. This facilitates greater dissemination of our important safety messages.

2. Voicemail

CPSC's Toll-Free
Hotline Number:
1-800-638-CPSC



2004 Plan: *The hotline maintains high levels of customer satisfaction through administering a performance-based contract for hotline operators who deal directly with the public. The performance measures include maintaining the hotline automated message system, maintaining the system for responding to e-mail messages, and preparing reports on consumer usage of these systems. Hotline staff will respond to voicemail messages the next business day 85 percent of the time.*

Exceeded: In 2004, we responded to voicemail messages the next business day 96 percent of the time.

3. Incident Reports

2004 Plan: *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. In 2003, hotline staff processed 4,000 complaints about consumer products. These reports are used to support hazard identification and analysis activities. In 2004, staff will process product incident reports within 8 working hours 90 percent of the time.*

Exceeded: In 2004, we processed incident reports within 8 working hours 100 percent of the time.

4. E-mail Inquiries

2004 Plan: *Hotline staff responds to e-mail messages sent to info@cpsc.gov, which is available through our Web site. E-mails are forwarded to technical and legal staff, as appropriate, for response. We received about 12,000 e-mail inquiries from the public in 2003. In 2004, we will maintain the number of e-mails that are processed by hotline staff.*

Not Met: In 2004, staff developed and implemented an email tracking system that filters out spam. Although, somewhat below the 2004 target, 9,705 was the actual number of emails processed. The 2004 target was based on past years' data that included spam.

5. E-mail Tracking System

2004 Plan: *In our continuing effort to provide the public with important safety information quickly, we will develop a system to track and monitor e-mail responses.*

Not Met: After review of the extent of the effort to track emails throughout the agency, staff decided to terminate the project due to competing priorities for limited resources and the magnitude of the effort.

6. Consumer Confirmation

2004 Plan: *The 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. In 2004, staff will mail incident report verification information to consumers within 2 business days 95 percent of the time. In 2003, we sent about 11,000 reports to consumers for verification of products.*

Exceeded: In 2004, we exceeded our goal by mailing requests for verification within 48 hours 99 percent of the time.

7. Manufacturer Mailing

2004 Plan: *The incidents from consumers and investigation reports from CPSC's field staff are sent to manufacturers whose products are named in these reports. Consumer verification information and manufacturer responses are made available to staff electronically for review. In 2004, 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. In 2003, we mailed about 9,900 reports to manufacturers.*

Exceeded: In 2004, we exceeded our goal by providing incident and investigation results to manufacturers within 48 business days 95 percent of the time.

8. Information Requests

2004 Plan: *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 3,000 requests received on average each year are completed within five business days. In 2004, staff will provide responses to requests for information within 5 business days 95 percent of the time.*

Exceeded: In 2004, we exceeded our goal by responding to consumers within 5 business days 97 percent of the time.

9. Product Safety Activities

2004 Plan: *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 150 product safety activities including media events, congressional contacts, public information seminars and safety consultations.*

Exceeded: Staff conducted over 195 product safety activities including congressional visits, educational seminars, safety consultations and workshops with state and local partners.

10. Assignments

2004 Plan: *Conduct 740 State Partners recall checks, inspections, and in-depth injury investigations within 90 days of assignment. We reduced this target in 2004 due to a change in agency priorities.*

Exceeded: Staff successfully conducted over 1,180 State Partners recall checks, inspections, and in-depth injury investigations within 90 days of assignment. We exceeded our goal due to 561 uncompleted assignments being carried forward from 2003 and completed in 2004.

11. Resale Round-Up

Develop and implement a Resale Round-Up program partnering with Safe Kids and the National Association of Retail and Thrift Stores (NARTS) to conduct 30 safety seminars nationwide for thrift stores' management.

Exceeded: Staff developed and implemented a Resale Round-Up program partnering with National Safe Kids, NARTS, and the Danny Foundation. This program conducted 40 safety seminars nationwide for thrift stores' management. The safety seminars created an environment where the secondary marketplace became more aware of dangerous consumer products. This knowledge enabled and educated secondary marketplace managers to : (1) not accept dangerous products; (2) examine and screen for dangerous products identified on CPSC's Web site; and (3) remove and destroy dangerous products that do not meet government safety standards.

PRESIDENT’S MANAGEMENT AGENDA

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2000	2001	2002	2003	2004
FTEs	--	--	5*	5*	5*
Amount	--	--	\$412*	\$457*	\$481

--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 has highlighted five government-wide management initiatives. They are Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration.

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 and 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 organizational structure that is delayed and 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.

The Commission has already begun work on improving strategic management in this area. Through our previous Strategic Plan and Annual Plans (see Managing Human Capital), staff set goals for enhancing the recruitment and development of a diverse workforce. We have also addressed reducing the number of managers, organizational layers and the time to make decisions.

For example, CPSC's telecommuting initiative in the field allowed us to reduce the number of supervisors and organizational layers, and placed field investigators and consumer information specialists in more locations, bringing them closer to consumers and businesses. We have also developed an Intranet to allow employees fuller access to the work of the organization and to help capture the knowledge and skills of our employees.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
1. Develop a human capital scorecard	Goal	*	*	*	*	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
	Actual	--	--	--	--	1
3. Complete assessment to identify mission critical positions and develop competencies	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
4. Develop a non-monetary awards program	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
5. Maintain the recruitment process time	Goal	*	*	62	62	62
	Actual	62	65	61	51	60
6. Conduct training for managers in human resource management (recruitment training)	Goal	*	*	2	2	2
	Actual	2	0	2	2	3
7. Conduct focus groups of new employees	Goal	*	*	2	2	2
	Actual	2	0	2	2	2
8. Target recruitment efforts to organizations serving under-represented populations	Goal	*	*	10	10	10
	Actual	--	0	11	12	12
9. Conduct training sessions for employees in EEO/AEP responsibilities	Goal	*	*	3	3	3
	Actual	4	0	4	8	10
10. Accomplish initiatives to promote representation of Hispanics and individuals with disabilities	Goal	*	*	5	5	5
	Actual	--	0	6	7	12
11. Develop a Training Plan	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
12. Identify and promote low/no cost training	Goal	*	*	1	1	1
	Actual	--	--	1	1	1

*No goal established.

--Data not available.

- 1. Human Capital Scorecard** *2004 Plan: CPSC will complete research in 2003, develop in 2004, and implement a scorecard in 2005 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.

Completed: We developed a scorecard that is consistent with the OPM recommended Human Capital scorecard. The scorecard provides a method for accountability and assessment of all of our human capital elements that are required to carry out our strategic mission.

2. Appraisal System

2004 Plan: *Revise CPSC's the Senior Executive Service Performance System performance elements and standards in 2004 to include measures of success in meeting agency goals in our annual performance plans. In 2005 we will revise the elements and standards for the remainder of the employees.*

Completed: We revised CPSC's Senior Executive Service performance elements and standards to include measures of success in meeting agency goals in our annual performance plan. We submitted our new SES performance appraisal system to OPM and OMB for provisional certification.

3. Skills Analyses

2004 Plan: *In 2003, we will identify mission critical positions and in 2004, develop competencies for those positions. In 2005, identify skill gaps and develop training plans to assure we have well qualified individuals performing the strategic mission of the agency.*

Completed: We developed an Agency training plan that addresses competencies for mission critical positions.

4. Awards Program

2004 Plan: *Expand the non-monetary award program in 2004. The program will create another method of rewarding and motivating employees when they contribute to the mission of the agency.*

Completed: We expanded the non-monetary awards program to include an On-the-Spot program which allows managers to submit awards directly to the Awards Manager for smaller achievements (three different levels can be submitted). Employees may choose from agency logo items, gift certificates, parking vouchers, and other non-monetary items.

5. Recruitment Time

2004 Plan: *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 51 days for fiscal year 2003. This number is below the government average of 90 days and below our process time of 72 days for 1999.*

Completed: In 2004, our average recruitment process time was 60 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.

6. Recruitment Training

2004 Plan: *Provide written information and conduct 2 training sessions for managers in the recruitment process. This information will include paperwork needed during the recruitment process, tips on networking to find the right candidate, interviewing techniques and job orientation. This will assist managers in recruiting and retaining highly qualified employees as quickly as possible.*

Completed: In 2004, we completed three training sessions for managers on different aspects of the recruitment process. We provided information on what to submit to start the vacancy process, how to develop a position description and how to develop KSA's to recruit the candidate you want. This information will streamline the hiring process and assist managers in finding the right person for the right job.

7. Focus Groups

2004 Plan: *Conduct 2 focus groups for new employees to learn from their experiences during the recruitment and orientation process. With this information we can determine how to improve our processes.*

Completed: In 2004, we conducted 2 focus groups. We identified improvements in the recruitment process such as improving communication with applicants and adding pertinent information to our orientation package.

8. Target Recruitment

2004 Plan: *Target 10 recruitment efforts to organizations serving under-represented populations. Continue to enhance the successful relations and efforts developed in 2003 and target 10 new recruitment efforts. Contacts will be made to organizations serving under-represented populations to include those Hispanic-Serving Institutions, Hispanic Association of Colleges and Universities (HACU), and community organizations for People with Disabilities.*

Exceeded: In 2004, we targeted 12 recruitment efforts that targeted under-represented populations. For example,

- We successfully partnered with the Hispanic Association of Colleges and Universities placing an intern into our laboratory facility for the summer.
- We pursued several summer interns from the Workforce Recruitment Program for College Students with Disabilities.
- We recruited a summer intern from the Washington Internships for Native Students program.
- We sent vacancy announcements for four upwardly mobile positions through the National Hispanic Employment Program Managers network.
- We enrolled in EARN-the Employee Assistance Referral Network which assists agencies in recruiting qualified individuals with disabilities.

9. EEO/AEP Training

2004 Plan: *Conduct 3 training sessions for employers in their EEO/AEP (Affirmative Employment Program) responsibilities. The training will build upon previous training on EEO laws and will enhance employees' knowledge of EEO program operating principles and regulations, as well as their responsibilities for ensuring a work environment free of discrimination and sexual harassment. The training materials will cover information/guidelines on Federal laws, rules and regulations relating to EEO, and identify elements necessary for a successful EEO program.*

Exceeded: In 2004, we conducted 10 separate training sessions including topics such as the requirements of the NO FEAR Act, Working with People with Hidden Disabilities and Workplace Harassment. In addition, a pamphlet on the Prevention of Sexual Harassment was distributed to all employees. The EEO Director briefed the Diversity Council Executive Board on the requirements of EEOC's Management Directive 715 regarding federal responsibilities under Title VII of the Civil Rights Act and Section 501 of the Rehabilitation Act. The EEO Office and Office of General Counsel conducted several roundtable discussion programs for supervisors and employees on Demystifying EEO.

10. Initiatives

2004 Plan: *Accomplish at least 5 initiatives to promote representation of Hispanics and individuals with disabilities. With the establishment of a CPSC Council on Diversity, the Council will provide leadership in developing new initiatives with respect to the issues of representation of Hispanics and*

individuals with disabilities. Examples of these new initiatives are mentoring programs, summer student programs, school partnership programs, employee development programs, and diversity awareness programs.

Exceeded: In 2004, we completed 12 initiatives including programs such as: Hispanic Culture Workshops, Shadowing Program, distribution of handouts and materials on disability related issues, Hispanic Heritage Program, Spanish classes, participation on HACU Scholarship Committee, and workshops on people with disabilities.

11. Training Plan

2004 Plan: *In 2004, The Director of Human Resources will develop and manage the agency's coordinated training plan to be implemented beginning in 2005. This multi-year plan will consist 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.*

Completed: In 2004, the Director of Human Resources developed a draft coordinated training plan for the agency, to be implemented beginning in 2005. This multi-year plan consists of benchmarks, such as defining and identifying core positions; designing training plans for some of the core positions; and identifying common agency training needs. In 2006, we will continue with the implementation and monitor the use of the agency's training plan.

12. Low Cost/No Cost Training

2004 Plan: *Identify and promote no or low cost training opportunities such as periodic Small Agency Council training sessions.*

Completed: We identified and promoted no or low cost training opportunities such as periodic Small Agency Council training sessions. We also held on-site training courses and training sessions for employees at a lower cost. We renewed our contract for a low cost on-line training program containing over 1,200 courses, which is available to every employee, 24 hours a day.

COMPETITIVE SOURCING

THE PROGRAM

Some tasks Federal employees perform can be accomplished in the commercial marketplace. The President is promoting competition between public and private sources to achieve the goals of reduced costs and higher efficiency and effectiveness. The standards for success for “Getting to Green” under the President’s Management Agenda for Competitive Sourcing are:

- Complete public-private or direct conversion competition on not less than 50 percent of the full-time equivalent employees listed on the approved FAIR Act inventories;
- Conduct competitions and direct conversions pursuant to an approved competition plan; and
- Compete commercial reimbursable support service arrangements between agencies and the private sector on a recurring basis.

The Commission has already been working to improve in this area. To meet the President’s Management Competitive Sourcing goals, and to better meet the mission of the agency, CPSC has planned to complete the following goals in 2004:

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
13. Review and revise the annual FAIR Act Inventory as appropriate	Goal	*	*	*	1	1
	Actual	1	1	1	1	1
14. Complete performance work statements and cost statements for 20% of the activities in the Fair Act Inventory	Goal	*	*	*	*	20%
	Actual	--	--	0%	0%	0%

*No goal established.

--Data not available.

13. FAIR Act Inventories

2004 Plan: *We published an inventory as required by the Federal Activities Inventory Reform Act (FAIR) of 1998. We reviewed all positions in the agency. We found that the majority of CSPC employees are engaged in the governmental public safety function of investigating product hazards and developing product standards. In addition, we already contract for many commercial services, as they are required in the course of CPSC investigations. Over the last several years CPSC has contracted out staff positions that performed mail and driver services, laborer services, and copy and library services. We have also converted our consumer hotline operation and much of our computer programming operation to a contract basis. A total of 33 FTEs are represented by*

these existing contractual services.

We determined that an additional 17 employees over and above the 33 that are already contracted out in different activities may be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised). This represents 4 percent of the agency's total 471 FTEs. In 2004, we will make a determination whether to retain in-house or contract out activity on at least 20 percent of the FTEs contained in the inventory by reviewing and revising the FAIR Act inventory.

Completed: We revised and submitted the 2004 inventory.

14. Performance Statements

2004 Plan: *In 2004, we will complete performance work statements and cost statements for 20 percent of the activities in our FAIR Act inventory.*

Will Complete in 2005: Due to reorganizations or implementation of new business models, studies of the activities listed on the 2003 inventory have been deferred until 2005.

IMPROVED FINANCIAL PERFORMANCE

THE PROGRAM

The President has 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 has initiated, or is expanding, several programs. These are described below:

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
15. Monitor financial management systems that meet Federal requirements and standards (Letter of Assurance)	Goal	*	*	*	*	1
	Actual	--	1	1	1	1
16. Implement a data warehouse capability	Goal	*	*	*	*	1
	Actual	--	--	--	--	0
17. Reduce or maintain the number of business days after month-end to produce monthly financial reports	Goal	*	*	*	*	3
	Actual	5	5	5	3	3
18. Implement a reconciliation tracking system	Goal	*	*	*	*	1
	Actual	--	--	--	--	1

*No goal established.

--Data not available.

15. Financial Management Systems

2004 Plan: *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. In 2004, CPSC will continue to monitor the system to ensure continued compliance with all applicable Federal regulations and standards. This will be documented under the staff annual letter of assurance.*

Completed: In 2004, CPSC continued to monitor the system to ensure continued compliance with all applicable Federal regulations and standards. This is documented under the staff annual letters of assurance.

16. Data Warehouse Capability

2004 Plan: *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 drill-down functionality from summary to detail level.

In 2003, this capability will be pilot-tested by accounting and budget staff. In 2004, CPSC plans to train allowance holder staff in other CPSC offices and fully implement this warehouse capability, depending upon the availability of resources.

Will Complete in 2005: In 2003 and 2004, this capability was pilot tested by Accounting and Inspector General staff. In 2005, CPSC plans to train CPSC staff and further develop the data warehouse capability.

17. Information Timeliness

2004 Plan: *Currently we provide monthly financial reports throughout the agency by the 5th business day, on average, after the close of the month. By 2004, we will speed up this process and get the reports out by the 3rd business day. In 2004, we will begin pilot-testing electronic transmission of FFS reports with full implementation expected in 2005. This will eventually provide on-demand access to financial information.*

Completed: In 2004, we provided monthly financial reports throughout the agency by the 3rd business day, on average, after the close of the month. In 2004, we developed the capability to electronically transmit FFS report to allowance holders. ADFS plans to train users and fully implement this capability in 2005.

18. Data Accuracy

2004 Plan: *The Budget Allowance Holder's Reconciliation System provides data for the Division of Financial Services and allowance holders for reconciliation with FFS. The division reviews this data to determine whether FFS is processing transactions as required. The reconciliation process provides adequate checks and reasonable assurance that FFS is accurately recording, classifying, and summarizing the financial position of the Commission. In 2003, we will develop and pilot test a tracking system for reconciliation to track inconsistencies and in 2004, this tracking system will be fully implemented to measure accuracy.*

Project Completed: We determined that it would not be cost effective to develop and implement this tracking system. In 2003-2004, errors such as document miscoding and arithmetic errors were reduced. Therefore, the initiative was discontinued at mid year.

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. Identifying potential hazards and remedying them in a timely and cost-effective manner is only possible through information technology. In addition, the President has made “Expanding E-Government” integral to a five-part Management Agenda for making the government more focused on citizens and results. The primary goals under the President’s Management Agenda for Expanding E-Government are to:

- 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 better 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 in the following manner to help us identify common approaches while maintaining a high level of service: Government-to-Citizen, Government-to-Business, Government-to-Government, and Government-to-Employees.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
19. Develop Internet applications allowing direct government-to-citizen access	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
20. Implement XML based applications to improve government-to-business communication	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
21. Develop and implement technologies to allow secure access and transfer of information government-to-government	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
22. Reduce the weaknesses identified in the 2001 GISRA audit to improve internal efficiency and effectiveness	Goal	*	*	*	*	2
	Actual	--	--	2	5	2

*No goal established.

--Data not available.

19. Government-To-Citizen (G2C)

2004 Plan: *Government-to-citizen initiatives fulfill the vision of one-stop, on-line access 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, editorial, program, and policy data from CPSC through the Freedom of Information Act. The current*

process can be cumbersome for users, however. In 2004, we will implement an on-line FOIA request form for use by the public. Requests would be automatically entered into an FOIA request tracking system, which will facilitate easy access and retrieval by staff, enabling a quicker response time to customer requests.

Completed: In 2004, we substantially completed the project. We developed an on-line FOIA request form and the system is currently being tested with full implementation planned for early 2005.

20. Government-To-Business (G2B)

2004 Plan: *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 using the language of e-business, Extensible Markup Language (XML).*

Sharing of information between governmental entities and businesses has been limited in the past partly because of a lack of common interfaces and protocols between different processing and operating systems. XML is a method of structuring data that forms a common link between many disparate systems. XML helps to increase interoperability in cases where information between disparate systems is important and where interoperability requires an improved process. In 2004, we will implement one XML-based application to be used to communicate with business.

Completed: In 2004, we completed an XML-based activity which allows Webmasters to obtain a news release feed from CPSC's Web site and in seconds, have our recalls posted on their Web site. This application is being used by TV stations, and other media, and will increase the public's awareness of our recalls.

21. Government-To-Government (G2G)

2004 Plan: *Government-to-government initiatives will enable sharing and integration of federal, state and local data to better leverage investments in IT systems and to provide better integration of key government operations. To realize the full potential of the Internet and other networks, we need to know that we can engage in electronic transactions with the same degree of trust we associate with paper-based transactions. A Public Key Infrastructure (PKI) ensures that sensitive electronic communications are private and protected from tampering. A PKI provides assurances of the identities of the*

participants and protects the legal integrity of those transactions. In 2004, we will implement one PKI initiative with another Federal agency.

Project Completed: Federal agencies are still researching options for PKI infrastructure solutions. At the present time, implementation of PKI is not technically or economically feasible for many government agencies, including CPSC. We will continue to explore PKI solutions and maintain contact with other federal agencies working in this area.

22. Internal Efficiency and Effectiveness (IEE)

2004 Plan: *Internal Efficiency and Effectiveness initiatives bring commercial best practices to key government operations, particularly 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. In 2003 we will seek to reallocate funding, after safety program needs are met, to partially address five additional weaknesses. In 2004, we will address the remaining two weaknesses and complete those started in 2003.*

Completed: In 2004, we addressed the remaining two critical weaknesses and completed those started in 2003. IT security is on-going and activities in this area will continue.

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 has performed evaluations of program effectiveness.

We believe CPSC has 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 have realigned our budget programs to match our strategic goals. Finally, both the Office of the Budget and the Office of Planning and Evaluation work together in the Office of the Executive Director.

2004 ANNUAL GOALS AND RESULTS

Annual Goals Summary		2000	2001	2002	2003	2004
23. Perform program evaluations	Goal	5	7	7	8	7
	Actual	4	5	4	8	5

23. Program Evaluations

2004 Plan: *We believe that our annual budget and performance plans make the agency performance-oriented by showing progress achieved on our hazard reduction goals, customer service and management goals. However, for continued improvement, we must continue to evaluate our programs and therefore will continue to set goals for performing specific evaluations as indicated in the Program Evaluation section of this plan.*

Will Complete in 2005: In 2004, we completed evaluations for fire-related deaths, fireworks-related deaths, child drowning, tracking of CO deaths, and evaluation of the Fast Track program. We did not meet our goal due to higher priority work on an important management analysis and a staffing shortage. In 2005, staff will complete the program evaluation of CO poisoning deaths and an evaluation of the Ombudsman program.

PROGRAM EVALUATIONS

This section provides a summary of the evaluations we identified in our 2004 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 In 2004, staff completed its update of fire-related (non-arson) deaths, injuries, and dollar losses for 1999.

Tracking of fireworks-related deaths In 2004, staff completed its update of fireworks-related deaths and injuries for 2003.

B. Reducing Child Drowning Deaths

Tracking of Child Drowning deaths In 2004, staff completed its update of swimming pool and in-home drowning deaths (1999-2001) and injuries (2003).

C. Reducing CO Poisoning Deaths

Program evaluation of CO poisoning deaths Due to higher priority work on an important management analysis, this work will be completed in 2005.

Tracking of CO deaths In 2004, staff completed its update of CO-related deaths for 2001.

D. Assessments by Industry

Fast-Track Staff conducted confidential telephone interviews with randomly selected company representatives who recalled their products using the Fast Track program. Overall approval rate is ninety-six percent, which exceeds the strategic goal of 95 percent. Overall, the respondents are very satisfied and want the program to be continued.

Ombudsman Due to a staffing shortage, this assessment will be completed in 2005.

Program: Consumer Product Safety Commission

Agency: Consumer Product Safety Commission

Bureau: Consumer Product Safety Commission



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) (New targets will be developed by March 2003)	1995	10.3	11.4
	1997	10.3	10.3
	1999	10.3	9.8
Long-term Measure: The rate of death in the U.S. from electrocutions (measured per 10 million people) (New targets will be developed by March 2003)	1994	7.1	8.8
	1996	7.1	7.2
	1998	7.1	7.4
Annual Measure: Recalls initiated within 20 days under the Fast Track Product Recall program (New targets will be developed by March 2003)	1999	80%	95%
	2000	90%	94%
	2001	90%	95%

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

CPSC works to reduce the unreasonable risk of injuries and deaths associated with consumer products through voluntary and mandatory safety standards, compliance with those standards, consumer information, and cooperative, voluntary efforts with manufacturers.

The assessment found that despite overall strong performance, CPSC does not demonstrate results due to a lack of long-term outcome goals. Additional findings include:

1. CPSC has a clear and unique Federal role.
2. CPSC has addressed its data problems by developing new methodologies and procedures for data collection. This will enable the agency to adjust its strategic goals.
3. CPSC's annual performance goals are discrete, quantifiable, and measurable, and directly support the agency's mission.
4. CPSC currently conducts cost-benefit analyses for all of its regulations substantive regulations except Poison Prevention Packaging Act (PPPA) regulations and those regulations directed by Congress that waive the statutory requirements for cost-benefit analysis.
5. CPSC routinely uses performance data to recommend program improvements.
6. CPSC has shown positive trends in meeting its long term goals in the past, however, current targets are set below already achieved levels and are not ambitious.
7. CPSC does a limited review of its current regulations to ensure consistency among all regulations in accomplishing program goals.

To address these findings, the agency will:

1. Develop more ambitious long-term strategic goals. (CPSC is now revising its strategic plan and setting new targets.)
2. 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.
3. Develop a plan to systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals.

(For more information on this program, please see the Other Agencies chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
55	57	60

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 had exceeded the targets for these three hazard reduction strategic goals. The agency, however, chose not to adjust targets for the strategic goals because there had been major changes in the way injury and death data were collected or classified and 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. 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 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	10/30/05	Y	Pilot Study being conducted
Next Milestone:	Next Milestone Date:	Lead Org:	Lead Official:
Second cost benefit study completed.	06/01/05	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 staff has not performed cost-benefit analyses of the type that are developed for products regulated under the FHSA, CPSA or FFA.

Progress. To address OMB's recommendation and explore legal requirements, we will conduct "pilot" cost benefit analyses for the next several proposed PPPA briefing packages. In 2004, staff completed a draft cost-benefit analysis for hydroxides (found in some cleaning products and cosmetics such as hair relaxers, depilatories and cuticle removers) that is currently being included in the staff's briefing package on hydroxides.

Conducting a pilot is important. Because cost benefit analysis has not been performed in PPPA projects in the past, staff needs to evaluate the adequacy of existing data sources and determine what additional resources may be needed. After the pilot is completed, staff will provide recommendations for consideration by the Commission.

PART Recommendation 3			
Recommendation 3:	Completion Date:	On Track?	Comments on Status:
Develop a plan to systematically review its current regulations	06/01/05	Y	Recommendations being developed
Next Milestone:	Next Milestone Date:	Lead Org:	Lead Official:
Respond to Commission comments and begin development of systematic review process.	03/31/05	Hazard Identification and Reduction	Assistant Executive Director

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 they are necessary. During the course of these reviews, if staff found evidence that supported the need to revise a specific regulation, 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 had become outdated. These outdated procedures had resulted in confusion by industry and other affected parties in how to apply the standard's requirements. As a result of the review, 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 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 staff considered substantive. This refined inventory was then used to select the rules for systematic review in the pilot study.

In the second phase of the project, staff conducted a pilot study to review one rule from each of the Commission's enabling statutes (with the exception of the Refrigerator Safety Act). A briefing package addressing the four rules reviewed in the pilot study was completed in 2004 and will be sent to the Commission for its consideration early in 2005.

BALANCE SHEET

Entity Assets:	2004	2003
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$9,007,352	\$9,475,811
Imprest Fund (Note 3)	-	500
Advances To Others (Note 3)	536	100
Accounts Receivable (Note 4)	9,490	23,418
Equipment (Note 5)	2,764,412	2,256,612
Total Entity Assets	<u>11,781,790</u>	<u>11,756,441</u>
Non-Entity Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury	2,819,216	3,698,803
Accounts Receivable	1,022,107	1,905,010
Total Non-Entity Assets	<u>3,841,323</u>	<u>5,603,813</u>
Total Assets	<u>\$15,623,113</u>	<u>\$17,360,254</u>
Liabilities:		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accrued Benefits	\$1,567,698	\$1,218,928
Accounts Payable	319,357	190,630
Total Liabilities Covered by Budgetary Resources	<u>1,887,055</u>	<u>1,409,558</u>
Liabilities Not Covered by Budgetary Resources		
Intragovernmental Liabilities:		
Actuarial Federal Employees' Compensation Act Liabilities...	314,437	387,120
Accrued Annual Leave	6,102,362	5,558,725
Unemployment Insurance	-	1,986
Imputed Cost	3,624,554	2,864,113
Other Liabilities (Note 6)	3,841,323	5,603,813
Total Liabilities not Covered by Budgetary Resources	<u>13,882,676</u>	<u>14,415,757</u>
Total Liabilities	<u>\$15,769,731</u>	<u>\$15,825,315</u>
Net Position:		
Balances		
Unexpended Appropriations	7,120,297	8,066,253
Cumulative Results of Operations	(7,266,915)	(6,531,914)
Total Net Position	<u>\$(146,618)</u>	<u>\$1,534,939</u>
Total Liabilities and Net Position	<u>\$15,623,113</u>	<u>\$17,360,254</u>

STATEMENT OF NET COST

Costs:	2004	2003
Intragovernmental/Public Gross Costs		
Benefits Expenses	\$5,396,595	\$6,935,404
Operating Expenses	57,299,302	52,883,229
Unfunded Annual Leave	6,102,362	5,558,725
Unemployment Insurance	-	1,986
Imputed Cost	3,624,554	2,864,113
Federal Employees Compensation Fund	314,437	387,120
Total Gross Costs	<u>72,737,250</u>	<u>68,630,577</u>
Less: Earned Revenue		
Intragovernmental Earned Revenue	(2,802,222)	(3,213,450)
Donated Revenue	(2,891)	(2,832)
Earned Revenues from the Public	(167,223)	(102,334)
Total Revenues	<u>(2,972,336)</u>	<u>(3,318,616)</u>
Total Net Costs	<u>\$69,764,914</u>	<u>\$65,311,961</u>

STATEMENT OF CHANGES IN NET POSITION

	<u>2004</u>		<u>2003</u>	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
Net Position, Beginning Balance	\$(6,531,914)	\$8,066,853	\$1,640,574	\$11,828,302
Prior period adjustments	-	-	225,236	(394)
Net Position, Beginning Balance, As Adjusted..	<u>(6,531,914)</u>	<u>8,066,853</u>	<u>1,865,809</u>	<u>11,827,908</u>
Budgetary Financing Sources:				
Appropriations Received		60,000,000		57,000,000
Reimbursement Received	(2,802,222)	2,802,222	(3,213,450)	3,213,450
Rescission	-	(354,000)	-	(370,500)
Accrual Prior Year Unpaid	-	-	-	(72,552)
Prior Year Accrual Disbursements - Paid.....	-	-	-	(2,631,337)
Adjustment to Disbursement	-	-	625	-
Adjustments - Advance	536	-	(1,502)	-
Accounts Receivable	9,490	-	20,586	
Donated Revenue.....	(2,891)	2,891		2,832
Appropriations Used.....	63,036,573	(63,036,573)	60,698,918	(60,698,918)
Increase Cost in Capitalized Equipment.....	52,991	-	183,381	-
Cancellation of Expired Year	-	(361,096)	-	(204,030)
Decrease Prior Year Unfunded Cost	8,788,427	-	-	-
Total Financing Sources	<u>69,082,904</u>	<u>(946,556)</u>	<u>57,688,558</u>	<u>(3,761,055)</u>
Net Cost of Operations	<u>(69,764,914)</u>		<u>(65,311,961)</u>	
Prior Period Adjustment	<u>(52,991)</u>		<u>(774,320)</u>	
Ending Balances	<u><u>\$(7,266,915)</u></u>	<u><u>\$7,120,297</u></u>	<u><u>\$(6,531,914)</u></u>	<u><u>\$8,066,853</u></u>

STATEMENT OF BUDGETARY RESOURCES

Budgetary Resources:	2004	2003
Budget Authority:		
Appropriation Received.....	\$60,000,000	\$57,000,000
Unobligated Balances - Beginning of Period	546,857	518,521
Spending Authority from Offsetting Collections	2,972,335	3,318,616
Recoveries of Prior Year Obligations.....	1,187,094	2,371,563
Cancellation of Expired Year.....	(361,096)	(204,030)
Rescission.....		
	<u>(354,000)</u>	<u>(370,500)</u>
Total Budgetary Resources.....	<u>\$63,991,190</u>	<u>\$62,634,170</u>
Status of Budgetary Resources:		
Obligations Incurred.....	63,040,149	62,087,314
Unobligated Balances Currently Available	63,702	72,570
Unobligated Balances Not Available	<u>887,339</u>	<u>474,286</u>
Total Status of Budgetary Resources.....	<u>\$63,991,190</u>	<u>\$62,634,170</u>
Outlays:		
Obligations Incurred.....	63,040,149	62,087,314
Less: Spending Authority from Offsetting Collections and Adjustments	(4,159,429)	(5,690,180)
Obligated Balance, Net - Beginning of Period	8,929,454	11,308,477
Less: Obligated Balance, Net - End of Period.....	<u>(8,056,311)</u>	<u>(8,928,954)</u>
Total Outlays	<u>\$59,753,863</u>	<u>\$58,776,657</u>

STATEMENT OF FINANCING

Resources Used to Finance Activities	2004	2003
Budgetary Resources Obligated		
Obligations Incurred	\$63,040,149	\$62,087,314
Less: Collections	(2,972,336)	(3,318,616)
Less: Adjustment-downward	(1,187,093)	(2,575,593)
Net Obligations	58,880,720	56,193,105
Other Resources		
Obligations-Beginning of the Period	8,929,454	11,308,476
Less: Imprest Fund	-	(500)
Less: Advance	-	(1,502)
Imputed Cost	3,624,554	2,864,113
Total Resources Used to Finance Activities	71,434,728	70,363,692
Resources Not Funding Net Cost of Operations		
Total Capitalized Costs	(861,333)	(146,310)
Other/Accrual AP prior year	(1,409,558)	(2,703,890)
Change in Undelivered Orders	(6,169,255)	(7,519,996)
Difference	-	(1,356)
Total Resources Used to Finance the Net Cost of Operations	\$62,994,582	\$59,992,140
Total Cost Not Requiring Resources		
Depreciation	353,533	(628,010)
Financing Sources Yet To Be Provided		
Actuarial Federal Employees' Compensation Act Liabilities	314,437	387,120
Unfunded Annual Leave	6,102,362	5,558,725
Unemployment Insurance	-	1,986
Net Cost of Operations	\$69,764,914	\$65,311,961

STATEMENT OF CUSTODIAL ACTIVITY

Gross Revenue Activity	2004	2003
Sources of Cash Collections:		
Civil Penalties and Fines	\$2,811,203	\$3,590,078
FOIA and Misc Collections	8,013	108,725
Fees Collected – DOJ	3,947	95,414
Total Custodial Revenue	2,823,163	3,794,217
 Disposition of Revenue Collected:		
Amounts to be Transferred to:		
Treasury General Fund	2,819,216	3,698,803
Retained by Justice Department – Fees	3,947	95,414
Net Custodial Activity	\$ -	\$ -

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.

Gift and Donation Receipt Account: The CPSC occasionally receives donations from non-government sources in support of the agency's mission.

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 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 9 percent of earnings for 2004 but do not receive a matching contribution from the CPSC. FERS participating employees may contribute up to 14 percent for 2004. 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' 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 (FEGSIP). 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 2004. The CPSC's reimbursable agreements are with the following trading partners: the Center for Disease Control, Homeland Security, the Food and Drug Administration, HHS and the Health Resources and Services Administration, HHS. The majority of these agreements are

for CPSC to utilize its hospital reporting system to collect injury data 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 2004 was \$59,646,000.

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, and as an advance of funds.

Note 2 – Fund Balance with Treasury

Fiscal Year 2004

	Entity	Non-Entity	Total
General Funds	\$9,007,352		\$9,007,352
Miscellaneous Receipts		\$8,013	8,013
Fines and Penalties		\$2,811,203	\$2,811,203
Total	\$9,007,352	\$2,819,216	\$11,826,568

Status of Fund Balance with Treasury:

	Not Available	Obligated	Unobligated Available	Total
Entity	\$887,012	\$8,057,526	\$62,814	\$9,007,352
Non-Entity:				
Miscellaneous Receipts	\$8,013			\$8,013
Fines and Penalties	\$2,811,203			\$2,811,203
Total	\$3,706,228	\$8,057,526	\$62,814	\$11,826,568

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 \$8,013 and \$2,811,203, 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 an outstanding travel advance. The Imprest Fund held by CPSC was closed in fiscal year 2004.

Note 4 – Accounts Receivable

The CPSC's entity receivables of \$9.5K 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 2004

Classes of PP&E	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life in Years
Equipment	\$7,282,650.00	(\$4,736,205.86)	\$2,546,444.14	5-12
ADP Software	\$482,988.90	(\$265,020.96)	\$217,967.94	5
Total	\$7,765,638.90	(\$5,001,226.82)	\$2,764,412.08	

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 9-30-04. 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 2 on financial statements.

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) 2004 FINANCIAL STATEMENTS**

**Date Issued: November 15, 2004
AUDIT OF CPSC'S FY 2004 FINANCIAL STATEMENTS**

Consumer Product Safety Commission

Audit of Financial Statements For Fiscal Year 2004

Summary: In our financial statements audit of the Consumer Product Safety Commission (CPSC) for fiscal year 2004, 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 was compliant 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, 2004 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, 2004. 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 FFMI 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, 2004. 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 (see Management Response), the CPSC's management concurred with the facts and conclusions cited in our report.

MANAGEMENT'S RESPONSE



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: November 9, 2004

TO : Christopher Dentel
Inspector General

FROM : Deborah Peebles Hodge *DPH*
Director, ADFS

SUBJECT : FY 2004 Financial Statements

I have reviewed the audit of financial statements for fiscal year 2004. I do not have any comments regarding the opinions expressed in the report.

MANAGEMENT REPRESENTATION



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Memorandum

Date: October 28, 2004

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

THROUGH: Patricia Semple *JS*
Executive Director

FROM : Deborah P. Hodge, Director, Division of Financial Services *dph*
Edward E. Quist, Director, Office of the Budget *EEQ*

SUBJECT : Fiscal Year 2004 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, 2004 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, 2004, (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, 2004, 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 2004 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.
3. We have made available to you all:

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

- 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 financial statement misstatements, both individually and in the aggregate, to the financial statements taken as a whole.
 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 *Intra-governmental 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, 2004 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, 2004, 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, 2004 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, 2004.
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



U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

John G. Mullan
General Counsel

Tel: 301-504-7626
Fax: 301-504-0403
Email: jmullan@cpsc.gov

September 16, 2004

Frank Giordano
Auditor
Consumer Product Safety Commission
Bethesda, Md. 20814

Subject: Legal Response in Connection with the Fiscal Years 2004
Financial Statement of Consumer Product Safety Commission

Dear Mr. Giordano:

As General Counsel of the Consumer Product Safety Commission (CPSC), I am writing in response to the letter request from Christopher W. Dentel, Inspector General dated August 3, 2004 in connection with the audit of CPSC's financial statements as of and for the fiscal year ended September 30, 2003.

I call your attention to the fact that as General Counsel for CPSC, I have general supervision of CPSC's legal affairs, which include but are not limited to responsibility for the conduct of all Federal court litigation to which the Commission is a party. I also have authority on administrative litigation matters. In such capacity, I have reviewed litigation and claims threatened or asserted involving CPSC and have consulted with outside legal counsel about them when I deemed appropriate.

Subject to the foregoing and to the last paragraph of this letter, I advise you that since October 1, 2003 neither I, nor any of the lawyers over whom I exercise general legal supervision, have given substantive attention to, or represented CPSC in connection with any loss contingencies coming within scope of clause (a) of Paragraph 5 of the Statement of Policy referred to in the last paragraph of this letter, except as follows:

Pending or Threatened Litigation (excluding unasserted claims)

See the attached Department of Justice form.

With respect to matters that have been specifically identified as contemplated by clauses (b) or (c) of paragraph 5 of the ABA Statement of Policy, I advise you, subject to the last paragraph of this letter as follows:

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

Unasserted Claims and Assessments

There are none at the CPSC.

The information set forth herein is as of the date of this letter, the date on which we commenced our internal review procedures for purposes of preparing this response, except as otherwise noted. I disclaim any undertaking to advise you of changes that, thereafter, may be brought to my attention or the attention of our lawyers over whom I exercise general legal supervision.

This response is limited by, and in accordance with the ABA Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (December 1975); without limiting the generality of the foregoing, the limitations set forth in such statement on the scope and use of this response (Paragraphs 2 and 7) are specifically incorporated herein by reference, and any description herein of any "loss contingencies" is qualified in its entirety by Paragraph 5 of the statement and the accompanying commentary (which is an integral part of the statement). Consistent with the last sentence of Paragraph 6 of the ABA Statement of Policy, this will confirm as correct CPSC's understanding that whenever, in the course of performing legal service for CPSC with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, I have formed a professional conclusion that the entity must disclose or consider concerning such possible claim or assessment, I, as a matter of professional responsibility to CPSC, will so advise CPSC and will consult with CPSC concerning the question of such disclosure and the applicable requirements of Statement of Federal Financial Accounting Standards (SFFAS) Number 5, Accounting for Liabilities of the Federal Government, as amended by SFFAS Number 12, and Interpretation Number 2 of SFFAS Numbers 4 and 5.

Sincerely,



John G. Mullan
General Counsel

cc: Christopher W. Dentel
Inspector General

SUGGESTED DEPARTMENT OF JUSTICE FORM

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.)

Frank J. Konarski, et. al. v. Ann Brown, et. al., No. 01-1648 (RMO) (DDC)

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

Plaintiffs own apartment houses with tile roofs. When the tiles began to gall off they sought CPSC intervention. CPSC declined to get involved and plaintiffs sued for damages of \$100M.

3. Progress of the case.

On June 7, 2004 the U.S. Court of Appeals (DC Circuit) granted CPSC's motion for summary affirmance.

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

REDACTED

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 chance of pay out – the motion for summary judgement has been granted.

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.)

Nyneva Johnson, AUSA (REDACTED)

SUGGESTED DEPARTMENT OF JUSTICE FORM

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

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

On November 14, 2003 CPSC settled a case against Daisy Manufacturing Company. Plaintiffs seek to have the settlement set aside alleging certain procedural irregularities in connection with the settlement.

3. Progress of the case.

Waiting for judge to rule on government motion to dismiss.

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

REDACTED

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. Unlikely to pay out money on this lawsuit.

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)

Patricia Gugin, AUSA (REDACTED)

Drake Cutini, DOJ, (REDACTED)

INSPECTOR GENERAL'S SUMMARY OF MANAGEMENT CHALLENGES

As we approach the 21st century, American citizens are increasingly demanding improved government services and better stewardship of public resources. Responding to these management and performance challenges will require government decision makers to adopt new ways of thinking, consider different ways of achieving goals, and use new types of information to guide decisions.

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 Agency are in the following areas:

- Protection of Agency People and Facilities,
- Information Security,
- Human Resources, and
- Adoption of Performance-Based Management.

Protection of Our People and Facilities: Protecting its employees and safeguarding 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 on September 11, 2001 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 has recently reviewed and revised its Occupant Emergency Program (OEP). The GSA defines an OEP as, "...a short-term emergency response program [that] establishes procedures for safeguarding lives and property during emergencies in particular facilities." The GSA requires that an OEP Program have two components, "... procedures to protect life and property in Federally occupied space . . .," and, "... an Occupant Emergency Organization . . . comprised of employees designated to undertake certain responsibilities and perform the specific tasks outlined in their Occupancy Emergency Program. The recently audited CPSC OEP meets these requirements.

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.

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.

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 engages in workforce planning as part of its strategic planning process. 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: 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. The implementation/development of these programs will be closely followed by the OIG.

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. Performance-based management systematically integrates thinking about organizational structures, program and service delivery strategies, the use of technology, and human capital practices into decisions about the results the government intends to achieve. 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) improving the capability to gather and use program performance information to make decisions.

To deal with these challenges, CPSC has taken steps to address performance-based management requirements. The agency has established strategic goals that target reductions in consumer product-related deaths or injuries; developed annual goals that set targets for its primary injury reduction tools (standards, recalls, and consumer information); established performance critical elements for key managers; and realigned organizations and programs to achieve these goals. CPSC's Strategic Plan addresses cross-cutting federal program efforts and identifies agencies in areas of overlapping concern, such as fire hazards. Finally, the agency established a data quality strategic goal to improve agency data bases to systematically gather and use program performance information to make decisions.

In the past the OIG's work on issues related to Performance-Based Management was focused largely on assessments of individual program and mission efforts rather than systemic activities. Beginning in FY 2005 the OIG will be working closely with the CPSC management to establish a methodology and schedule to ensure verification and validation of the CPSC's most important performance measures.

U.S. CONSUMER PRODUCT SAFETY COMMISSION
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