



# U.S. CONSUMER PRODUCT SAFETY COMMISSION

## 2006 PERFORMANCE AND ACCOUNTABILITY REPORT

*Saving Lives and Keeping Families Safe*

November 2006  
[www.cpsc.gov](http://www.cpsc.gov)  
1-800-638-CPSC



## MESSAGE FROM THE CHAIRMAN

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

In 2006 the men and women of the CPSC continued to make significant progress in accomplishing the agency's mission and objectives. It is my pleasure to present the 2006 Performance and Accountability Report. This report presents both financial and program performance results for 2006. The performance data contained in this report are complete and reliable. In addition to the specific annual performance goal achievements described in the report, I want to summarize important activities or initiatives undertaken by the Commission for product safety.



### PROGRAM HIGHLIGHTS

#### **Mattresses**

The Commission approved a new nationwide mandatory performance standard to reduce the severity of open flame mattress fires and the deaths and injuries that occur from these fires. The new standard was the result of thorough research, analysis and cooperation with both industry and consumer groups and will become effective July 1, 2007. When fully implemented, the new standard is expected to save an estimated 270 lives per year. The CPSC staff effort included not only the development of a comprehensive performance standard, but also background research and development of new technical requirements, analysis of incident data, regulatory analyses, and an assessment of potential issues associated with the use of flame retardant chemicals in mattresses.

#### **ATVs**

In 2006 the Commission also proposed [new rules](#) to make the operation of all-terrain vehicles (ATVs) safer. From 1982 through 2004, there were nearly 6,500 deaths involving ATVs. In 2004 alone an estimated 136,000 people were treated in hospital emergency rooms for ATV-related injuries, many of which were life-altering. About 30 percent of all ATV-related deaths and injuries involve children younger than 16. ATVs are growing in popularity with many new manufacturers and models, and knowledge about their safe use must grow as well, and so the CPSC launched a major information and education campaign on ATV safety. This campaign includes new television and radio public service announcements; the creation of [www.ATVSafety.gov](http://www.ATVSafety.gov), a new Web site for riders, parents, trainers, local and state officials, and the media; utilization of CPSC's Neighborhood Safety Network; and partnerships with other organizations and officials to promote ATV safety. CPSC is encouraging all riders to "take knowledge to the extreme" by participating in a training course and following our core rules for safe riding.

#### **Carbon Monoxide**

With the increased consumer use in recent years of portable generators, particularly during weather emergencies, deaths and injuries from carbon monoxide (CO) poisonings from these products have increased. To address the CO poisoning hazard from using portable generators in or near a home, staff developed a new uniform warning label to alert consumers to the danger associated with operating generators inside homes or in partially enclosed areas such as garages. In addition, the staff recommended, and the Commission proposed a new rule to require use of the staff's warning label.

### **International**

In 2006 in response to the fact that roughly two thirds of our product safety recalls involve imported products, the Commission accelerated its efforts to ensure that both domestic and foreign firms comply with our safety laws and standards. The Commission entered into 5 new Memoranda of Understanding (MOUs) with trading partners such as Mexico, in addition to the six existing MOUs in place with China and other countries. These MOUs and the activities called for by them provide the basis for improved compliance with U.S. safety standards, including both mandatory and relevant voluntary standards.

### **Compliance**

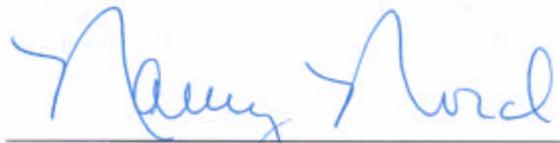
In 2006 CPSC obtained the largest number of voluntary recalls (471) in the last 10 years. These recalls involved 124 million product units including such products as 4 million notebook computer batteries posing a fire hazard and 3.8 million child building sets posing multiple fatal hazards to children. In total, we obtained 1,076 corrective actions (including recalls and other actions to keep unsafe products from consumers). CPSC also obtained \$2.3 million in civil penalties for violations of safety rules and conducted import surveillance activities with U.S. Customs and Border Protection that prevented 3.3 million non-complying product units (fireworks, lighters, and children's products and toys) from entering the country.

### **FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT REPORTING**

In 2006 we completed evaluations of our management controls and our financial management system in accordance with the Federal Managers' Financial Integrity Act. No material weaknesses were identified for fiscal 2006 and we find our financial management system conforms to government financial system requirements. Our independent Inspector General has audited our financial statements and verified that our statements, internal controls and financial systems conform to generally accepted accounting principles, laws, regulations, and requirements

### **CONCLUSION**

CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical or mechanical hazard or can injure children. As we work to ensure consumer safety, it is our 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 that safe products are available for all American consumers.



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Nancy A. Nord  
Acting Chairman

November 15, 2006

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## INSIDE THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

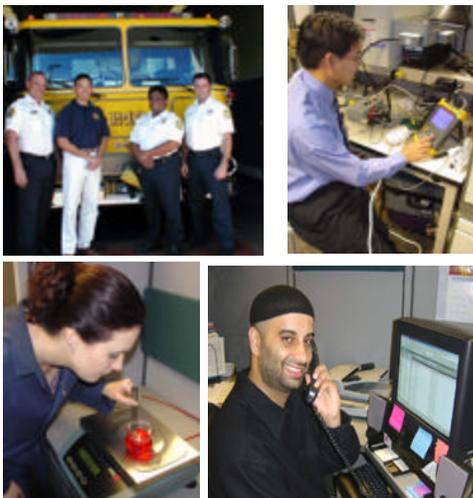
The U.S. Consumer Product Safety Commission (CPSC) is an independent Federal regulatory agency that was created in 1972 by the Consumer Product Safety Act. In addition to the Consumer Product Safety Act, CPSC also administers four other laws: the Flammable Fabrics Act, the Poison Prevention Packaging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

### OUR MISSION

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

### Did You Know?

- ★ In recent years, there were an average of about 25,900 deaths and 33.2 million injuries related to consumer products under the Commission's jurisdiction.
- ★ These injuries, deaths and their associated property damages cost the American public over \$700 billion annually.
- ★ There are over 15,000 types of consumer products under CPSC jurisdiction.



### WHAT WE DO

- ★ Save the nation billions of dollars annually in health care, property damage, and other societal costs. For example, our work in reducing product-related injuries and deaths from cigarette lighters, cribs and baby walkers alone saves \$2.6 billion annually in total societal costs.
- ★ Obtain voluntary recalls of hazardous products. In 2006, there were 471 recalls involving 124 million product units.
- ★ Work cooperatively with standards developers, consumers, industry and other interested parties to develop safety standards. From 1990 through 2006, we worked with industry and others to develop 352 voluntary standards while issuing 36 mandatory rules, almost a ten-to-one ratio of voluntary to mandatory standards. We have found that voluntary efforts are often faster and cheaper.
- ★ Provide the public with easy access to information about product hazards and the ability to contact us through our award-winning hotline and Web site. In 2006, we had 20.3 million visits to our Web site and about 185,000 calls to our hotline.

## APPROACHES TO PRODUCT SAFETY

### HOW WE REDUCE HAZARDS

The Commission uses a number of strategies to reduce the risks associated with hazardous consumer products. These strategies include (1) participating in the voluntary standards process or developing mandatory safety standards; (2) conducting compliance activities such as recalls, corrective actions, and enforcement of existing regulations; and (3) alerting the public to safety hazards and informing them about safe practices. We also recently developed an international program to focus on reducing hazards from imported products. The agency bases its actions to reduce the risks from hazardous consumer products on information developed from its extensive data collection systems that assess the causes and scope of product-related injuries.

#### *Safety Standards*

Much of our work in saving lives and making homes safer is conducted in cooperation with industry. From 1990 through 2006, we worked with industry and others to develop 352 voluntary safety standards while issuing only 36 mandatory rules. This is almost a ten-to-one ratio of voluntary to mandatory standards.

Staff participates in the development of voluntary standards at a number of steps in the process. Staff first submits recommendations for new standards, or modifications of existing standards, to voluntary standards organizations. On acceptance of our recommendations, the organizations complete technical work to support the requirements, publish a proposal for committee vote and comment, receive and evaluate comments and publish a standard. This process may take months or several years. Staff participates in the process by providing expert advice, technical assistance, and information based on data analyses of how deaths, injuries and/or incidents occurred. CPSC staff does not vote on proposed changes or new standards. However, our comments are considered throughout the process.

Safety standards may also be developed through mandatory rulemaking. If a voluntary standard exists, by law, we may issue a mandatory standard only when we find that the voluntary standard will not eliminate or adequately reduce the risk of injury or death or it is unlikely that there will be substantial compliance with the voluntary standard.

Most of our statutes require us to go through a three-step rulemaking process. During this process, we seek input from all interested parties, including consumers, industry and other government agencies. We generally develop performance standards, rather than design standards, to give manufacturers the most flexibility in meeting our requirements. Examples of mandatory standards are requirements for child-resistant lighters and for lawnmowers. We may initiate rulemaking based on our own internal staff work or on meritorious petitions from outside parties.

## Compliance

We also reduce hazards through compliance activities. Compliance staff identifies defective products through their own investigations. We learn about potential product defects from many sources, including consumers through our hotline and Web site. In addition, firms are required by law to report potential product hazards or violations of standards to the Commission. In 2005, staff developed a *Retailer Reporting Model* that is now being followed by two of the nation's three largest retailers.

When a recall is necessary, Compliance staff negotiates with the responsible firm. In 2006, CPSC completed 471 cooperative recalls (100 percent voluntary) involving about 124 million consumer product units that either violated mandatory standards or presented a substantial risk of injury to the public. Where companies fail to report as required, CPSC can seek penalties in court. In 2006, CPSC negotiated out of court settlements in which six companies voluntarily agreed to pay \$2.3 million in civil penalties to the U.S. Treasury.

To assist industry in recalling products and complying with our regulations easily and quickly, we rely on Fast Track product recalls and the work of our Small Business Ombudsman. We developed the Fast Track program to streamline the process of recalls for firms that were willing and prepared to recall their products quickly. Removing hazardous products from the marketplace faster can prevent more injuries and save more lives. Recalls under the Fast Track program are conducted without the need for a time-consuming hazard analysis and, over 90 percent of the time, are implemented within 20 days of a firm's report to CPSC.

CPSC established the Office of International Programs and Intergovernmental Affairs to provide a comprehensive and coordinated effort with other countries regarding safety standards development and harmonization, and inspection and enforcement coordination. The Office conducts activities and creates strategies aimed at ensuring greater import compliance with recognized American safety standards and regulations. The Office also works with the Office of Hazard Identification and Reduction to harmonize the use of standards worldwide.

We use a Small Business Ombudsman to help small firms comply more easily with product safety regulations and guidelines by providing them with a single point of contact for assistance and information. The Ombudsman coordinates a clear and understandable response from our technical staff with a goal that firms receive the information they need within three business days.

## Consumer Information

CPSC warns the public about product-related hazards through print and electronic media, our hotline and Web sites ([www.cpsc.gov](http://www.cpsc.gov) and [www.recalls.gov](http://www.recalls.gov)) and other outreach activities such as the *Neighborhood Safety Network (NSN)*. The *NSN* is a grassroots outreach program that provides timely, lifesaving information to 5,000 individuals and organizations who, in turn, share our safety posters and news alerts with underserved consumers who would have otherwise never heard or received the information from CPSC. Additionally, we

develop and provide safety information for the public through safety and recall alerts, print and video news releases, publications, national and local television appearances, and hotline messages. When knowledge of a hazard requires immediate warnings to the public, such as the recall of a playpen that caused the death of a baby, we rely heavily on the media (newspapers, radio, TV, video news releases) to disseminate our message. For warnings that need to be repeated -- and most do -- we often rely on outreach by partnering with other organizations and developing programs, such as the *NSN*, to more rapidly disseminate important safety information.

In response to the devastating hurricanes in our Gulf Region, CPSC partnered with the Florida, Mississippi, Alabama and Louisiana Departments of Health, the Federal Emergency Management Agency (FEMA), the Centers for Disease Control and Prevention (CDC), local emergency management agencies and the Red Cross. We warned residents of the hazards associated with engine-driven generator use and also the dangers they may encounter when returning to their property, including electrical, gas and standing water hazards.

We improved our Web site, consumer hotline, Clearinghouse, and publications distribution capability to better serve the public. CPSC's Web site has grown rapidly from about 200,000 visits in 1997 to 20.2 million visits in 2006. The number of publications accessed from our Web site has increased as well, which is in part due to the successful introduction of new technology such as the Really Simple Syndication (RSS) feed system. RSS has replaced faxing and emailing to disseminate product safety information to the public, providing instantaneous release of information. RSS enables CPSC to post recalls and press releases in a format that allows TV stations and other media to obtain the information from CPSC's Web site and in seconds and have the information posted on their Web site. We post and spotlight recall notices on the Web site at the same time that we issue a 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 other languages and children can access a special section of the site, *Especially for Kids*, which has safety information geared toward younger consumers.

In 2003, we initiated the creation of [www.recalls.gov](http://www.recalls.gov), an innovative "one-stop shop" for all federal product recalls, in partnership with five other federal health and safety regulatory agencies. This Web site is an easy-to-use portal to all federal agencies that have the authority to conduct safety recalls. In 2006, there were 1.2 million visitors to the site.

The hotline receives consumer complaints and provides information on product hazards and recalls to the public. The National Injury Information Clearinghouse provides injury data to our staff and the public and provides manufacturers with copies of consumer complaints, reported incidents, and investigations involving their products.

## HOW WE IDENTIFY HAZARDS

CPSC collects data on consumer product-related injuries and deaths, as well as economic and hazard exposure information, for products under our jurisdiction. We also investigate specific injury cases to gain additional knowledge about injuries or hazards and how the reported product was involved. We systematically analyze this information to determine where hazards exist and how to address them. These activities reflect the agency's commitment to making decisions based on appropriate data analyses. This work provides underlying support to all of CPSC'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 CPSC activities. Several foreign governments have modeled their national injury data collection systems after CPSC's system. Annually, NEISS supplies over 360,000 product-related cases from a sample of about 100 hospitals. The hospitals transmit incident information electronically and, in some cases, the data is available within 24 hours after an incident.

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 approximately \$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 4,400 additional reports from participating medical examiners and coroners throughout the country. We also collect and review about 8,000 news clips and 12,000 other reports of product-related injuries and deaths from consumers, lawyers, physicians, fire departments, and others.

### *Data Utility/Emerging Hazards*

CPSC staff has systematically reviewed death and injury data and associated cost data by product grouping (such as heating, cooking, ventilating equipment, general household appliances, children's products, and home workshop tools) and conducted 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 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 in support of agency hazard analysis work.

The public may file a petition requesting that CPSC regulate a consumer product under its jurisdiction. In response to petitions deemed meritorious by the General Counsel, staff may prepare briefing packages for the Commission to consider in determining whether to grant or deny the petitions.

## APPROACHES TO PRODUCT SAFETY SUMMARY

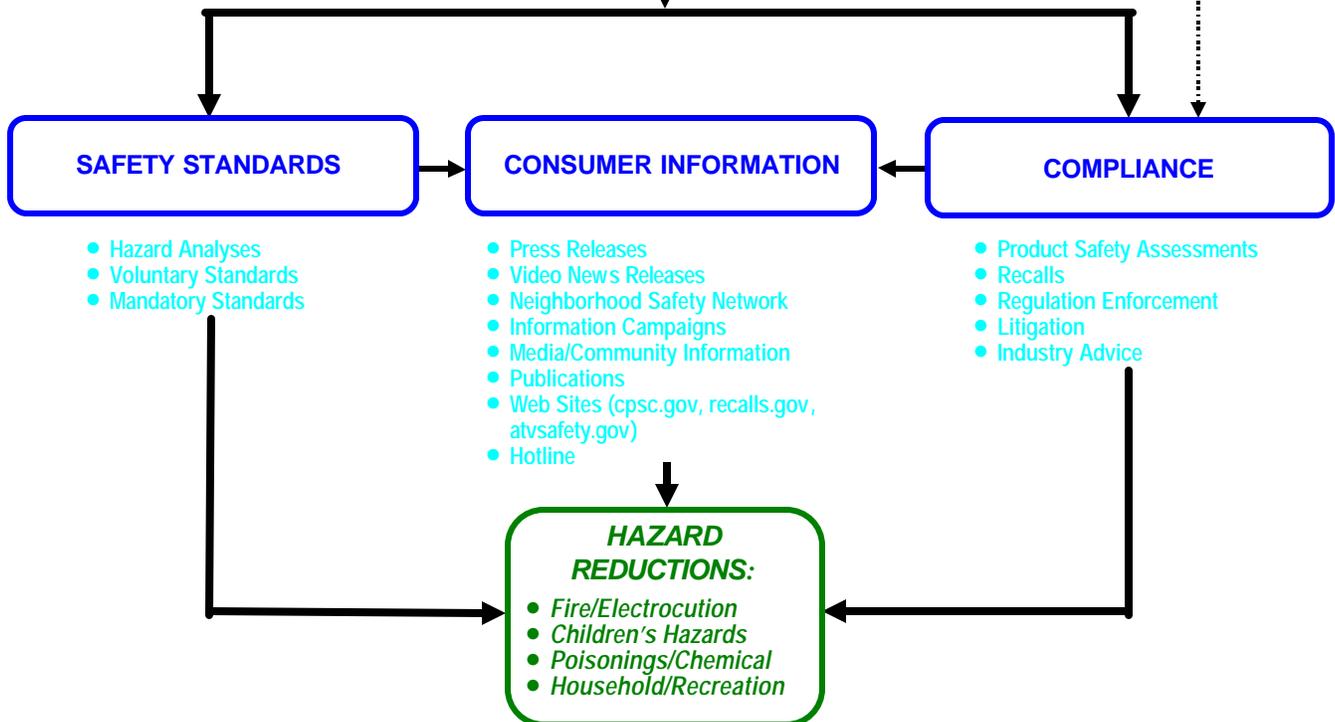
### IDENTIFYING HAZARDS:

**INJURIES, DEATHS, & INCIDENTS**

- NEISS Hospitals
- Death Certificates
- Medical Examiners
- Hotline/Web Site Consumer Complaints
- Newsclips
- Investigations
- Industry Reports

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

### REDUCING HAZARDS:



## CPSC'S STRATEGIC PLAN AT A GLANCE

### STRATEGIC GOALS

#### Reducing Product Hazards to Children and Families

- Reduce the fire-related death rate 20 percent by 2013.
- Reduce the carbon monoxide poisoning death rate 20 percent by 2013.

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

### RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

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

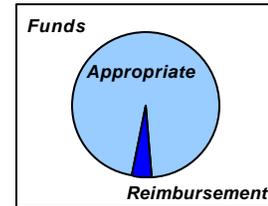
## 2006 PERFORMANCE SUMMARY

We met or exceeded most of our 2006 Performance Plan goals. In successful pursuit of the 2006 plan, we made these safety advances:

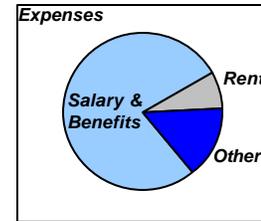
- ❖ Issued a major regulation (impact of over \$100 million) for mattresses to address open-flame ignition. The new regulation becomes effective on July 1, 2007, and, when fully effective, is likely to save as many as 270 lives each year.
- ❖ Completed a comprehensive review of regulatory and non-regulatory options and subsequently issued a notice of proposed rulemaking (NPR) to address the safety of youth and adult ATVs.
- ❖ Obtained 471 voluntary recalls. These recalls involved about 124 million product units. Including recalls, we obtained a total of 1,076 corrective actions of potentially hazardous products. In addition, we obtained \$2.3 million in civil penalties for failure to report possible product hazards in a timely manner and for selling banned fireworks.
- ❖ Monitored or participated in the development or modification of voluntary standards for 64 products.
- ❖ Completed several important studies to examine different product-related hazards. For example, staff completed testing of samples of protective surfacing for indoor play areas. Test results indicated that consumers have a wide choice of products that will provide protection against serious head injuries related to falls from play equipment. Staff also completed field testing of a system capable of discriminating children from adults. This type of system could help provide early warning when children gain unsupervised access to potentially hazardous areas such as swimming pools or spas.
- ❖ Sustained the high level of customer satisfaction with CPSC's Clearinghouse and State Partners program. About 88 and 94 percent of the State Partners program and Clearinghouse respondents, respectively, were satisfied with the service, meeting the strategic goals.
- ❖ Informed the public through CPSC's communication network. We alerted the public to hazardous products through 353 press releases and recall alerts, 97 television appearances, 4.7 million electronically-distributed publications, and through CPSC's Web site, consumer hotline, and National Injury Information Clearinghouse. We had 20.3 million Web site visits, a 48 percent increase from 2005.

## 2006 RESOURCES

In 2006, CPSC's total available resources of \$65,670,415 included \$62,370,000 (95%) appropriated by Congress and \$3,300,415 (5%) in reimbursements from others. The majority of these reimbursement funds are for the collection of injury data for incidents not under CPSC jurisdiction but using our unique data collection systems.



CPSC obligated \$62,273,614 (99.8%) in appropriated funds. Staff salary and benefits made up most of these obligations. In 2006, the Commission funded an average 412 FTEs using \$46,455,070 or 74.6% of appropriated funding. We obligated \$3,492,943 or 7.2% on space rent to house our staff and product testing facility. CPSC obligated the balance, \$11,325,601 or 18.2%, for various support costs, such as information technology and other contractual support services, staff travel, information technology equipment, and supplies.



### 2006 Appropriated Expenditures

	<u>FTEs</u>	<u>\$000</u>
<b>Reducing Product Hazards</b>		
Fire Deaths*.....	142	\$21,440
Electrocution Hazards.....	14	2,216
Children's Hazards .....	57	8,665
Carbon Monoxide Poisonings*.....	13	2,496
Other Chemical Hazards .....	35	5,428
Household and Recreation Hazards.....	62	9,342
<b>Identifying Product Hazards</b>		
Data Collection** .....	80	11,361
Data Utility*/Emerging Hazards.....	9	1,326
<b>TOTAL COMMISSION.....</b>	<b><u>412</u></b>	<b><u>\$62,274</u></b>

\*These are strategic goal areas.

\*\*Data collection activities support all hazard reduction efforts.

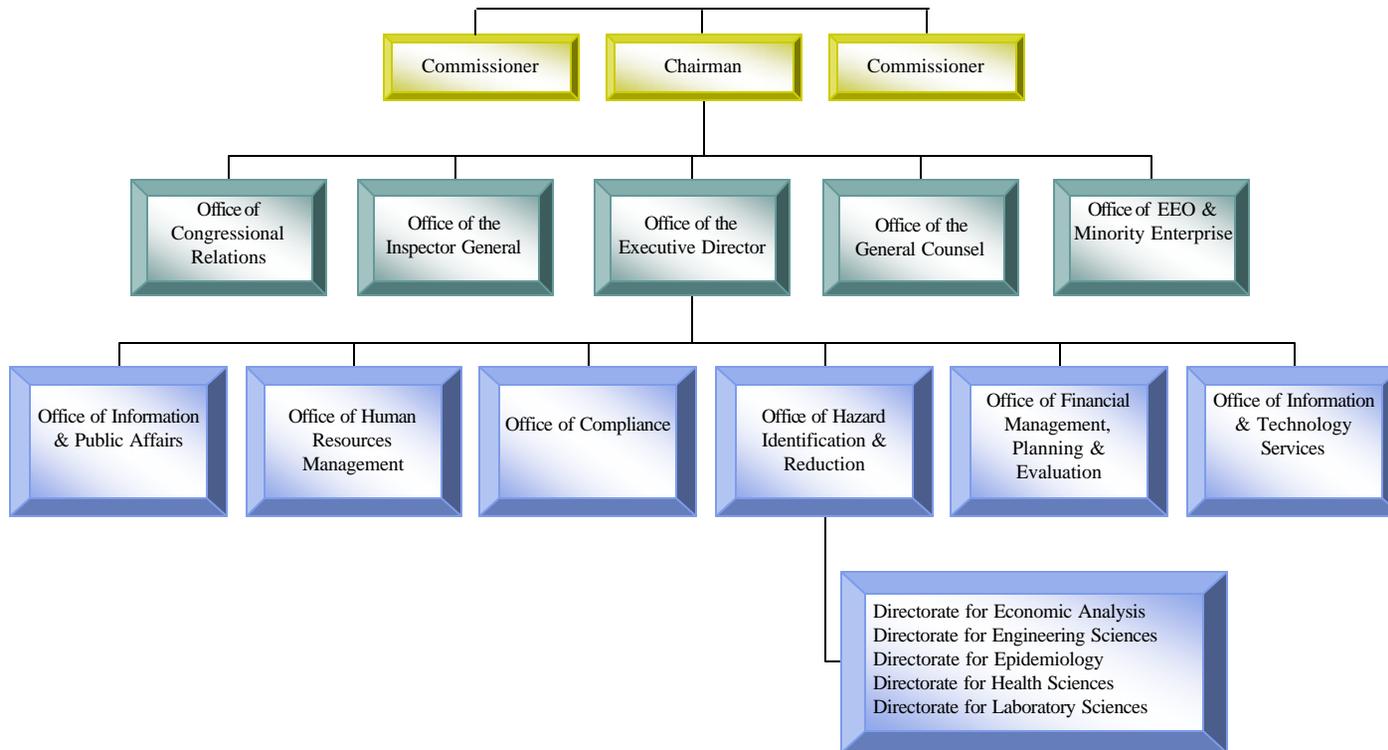
**Note 1:** Resources for Quality and Management Goals are included in the resources shown for the agency's two budget programs: Reducing Product Hazards and Identifying Product Hazards.

**Note 2:** CPSC also collected \$3,474,113 in revenue held in *custody only* from civil penalties, Freedom of Information Act fees, and fees collected for the Department of Justice that were forwarded to the U.S. Treasury or the Department of Justice.

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

## ORGANIZATIONAL STRUCTURE

The Commission is composed of three members appointed by the President 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 has not identified any substantial financial management issues facing the Commission. Management has not found 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 2006 review of the adequacy of management controls required under the Federal Managers' Financial Integrity Act. Managers assured the adequacy of management controls and conformance of financial systems with government-wide standards. No material weaknesses were identified during this review.

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

CPSC has performed reviews of the Agency's financial management system and has examined or tested accounting records and other supporting evidence, to the extent deemed appropriate. No material problems or weaknesses were disclosed. The FFS 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 serious management and performance challenges facing CPSC as well as most federal agencies (see Financial Report section). These include:

- Management of Human Capital
- Contracting
- Information Security
- Adoption of Results-Based Performance Management

We concur in the identification of these challenges that face CPSC and all Federal agencies. As noted by the Inspector General, CPSC has taken positive substantive action in all these areas. We are addressing human resource management challenges to meet workforce-planning needs and emphasize employee accountability. We are certifying that our contract specialists meet the latest contracting standards and we are developing greater training for our contracting representatives. We implemented upgraded security

measures to protect our employees and facilities. We addressed all previously identified material weaknesses in our information technology security audit and we recognize that continuous security development is necessary. Finally, we addressed performance based management requirements by establishing long-range strategic and annual performance goals with meaningful performance measures, establishing performance critical elements for key managers, as well as realigning organizations and programs to achieve those goals.

### **POSSIBLE FUTURE EFFECTS OF EXISTING EVENTS AND CONDITIONS**

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

### **LIMITATIONS OF THE FINANCIAL STATEMENTS**

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

While the statements have been prepared from the records of CPSC 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 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 2006 was \$62.3 million.

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

CPSC's current procedures are adequate to prevent significant erroneous payments. Payments are approved by authorized officials, who certify the receipt of goods and services. Also, payments are examined and audited by Finance staff and reviewed by a 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 2006 actual performance with the annual goals and targets set forth in the 2006 Performance Budget (February 2006). The goals are in *italics* to distinguish them from the accomplishments. CPSC's 2006 performance is characterized as follows:

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

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

### RELATIONSHIP OF STRATEGIC AND ANNUAL PERFORMANCE GOALS

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

### TWO TYPES OF ANNUAL PERFORMANCE GOALS

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

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

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



## REDUCING PRODUCT HAZARDS: FIRE HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	148	145	154	153	142
Amount	\$17,340	\$16,967	\$19,473	\$21,907	\$21,440

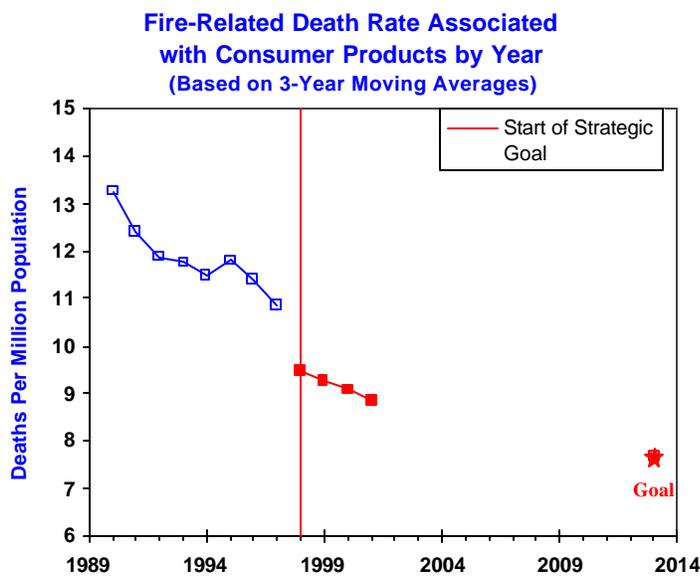
### STRATEGIC GOAL

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

### THE HAZARD

This nation's fire death rate remains high. In 2002, an estimated 2,270 people died, and 12,870 were injured because of fires in residences<sup>1</sup>. These fires resulted in property losses of about \$5.32 billion. The total cost to the nation from residential fires was almost \$18 billion. Children and seniors are particularly vulnerable. In 2002, over 480 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 nearly twice the national average. Older adults also have significantly higher fire death rates in comparison to the rest of the population. In 2002, residential fires resulted in over 600 deaths to adults 65 years and older.

Products most often ignited in fatal fires are upholstered furniture, mattresses, and bedding. In recent years, these product categories were associated with about one-third of fire deaths. Cooking equipment is often involved as a source of ignition in fire deaths, accounting for about 10 percent of fire deaths in recent years.



### OUR PROGRESS

Under previous Strategic Plans (1997 and 2000), we set a target to reduce the rate of fire deaths due to consumer products by 10 percent from 1995 to 2005. From 1995 to 2002, the fire death rate declined by nearly 25 percent. To further reduce the death rate, we retained this as a strategic goal in our current Strategic Plan, but with a new target of 20 percent reduction from 1998 to 2013.

Deaths due to fire have declined substantially since 1990. In 2002, there were about 1,100 fewer home fire-related deaths compared to 1990. The estimates since 1998 are not strictly comparable, however, to those for previous years because of changes in the system for coding fire data<sup>2</sup>.

<sup>1</sup>2002 is the latest year for which complete death data is available; these estimates are based on fires in residential structures that were attended by the fire service.

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

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

## ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	Goal	3	3	3	4	5
	Actual	3	2	3	1	4
2. Present recommendations to voluntary standards or code organizations	Goal	3	3	3	0	1
	Actual	4	3	3	0	0
3. Complete data analysis and technical review activities	Goal	14	12	10	14	12
	Actual	12	7	5	10	9
4. Monitor or participate in voluntary standards and code revisions	Goal	*	17	14	13	11
	Actual	15	17	14	17	11
<b>Compliance</b>						
5. Pursue for recall or other corrective action	Goal	505	350 <sup>a</sup>	270	315 <sup>a</sup>	326 <sup>a</sup>
	Actual	371	275	387	345	353
6. Monitor existing voluntary standards	Goal	1	1	*	*	1 <sup>a</sup>
	Actual	1	2	0	0	1
7. Conduct port-of-entry surveillance	Goal	2	2 <sup>a</sup>	2 <sup>a</sup>	1 <sup>a</sup>	1 <sup>a</sup>
	Actual	3	3	2	2	2
<b>Consumer Information</b>						
8. Conduct public information efforts/partnerships	Goal	7	7	5	6	7
	Actual	7	7	5	5	5 <sup>d</sup>
9. Issue press releases and recall alerts	Goal	45 <sup>b</sup>	45 <sup>b</sup>	60 <sup>b,c</sup>	60 <sup>b,c</sup>	113 <sup>b,c</sup>
	Actual	88	72	100	131	111
10. Provide television interviews and appearances	Goal	*	*	*	*	13
	Actual	--	--	18	14	36
11. Inform consumers through electronic publications on our Web site (in thousands)	Goal	*	*	*	*	340
	Actual	--	--	411	391	606

\*No goal established.

--Data not available.

<sup>a</sup>Estimate 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.

<sup>b</sup>These goals were changed to include all product hazards, not just recalled products as in previous years.

<sup>c</sup>These goals now include Web recall alerts.

<sup>d</sup>This actual includes one unplanned activity, Cooking Safety.

## Safety Standards

### 1. Prepare for Commission consideration 5 candidates for rulemaking or other alternatives.

#### **Carpet and Rug Standards Amendments**

90 deaths  
330 injuries  
6,500 fires  
\$122.0 million in property loss  
(1999-2000 annual average)



During the years 1999-2000, there were 6,500 fires and \$122.0 million in property loss annually from residential fires involving floor coverings. The standards for the flammability of carpets and rugs were adopted to eliminate the unreasonable risk of death and injury from fires spread by carpets and rugs ignited by a small ignition source (match, burning ember, etc.). The test method requires the use of a methenamine tablet as the ignition source for the carpet tests. In 2002 the methenamine tablet manufacturer ceased production of its product listed in the rule.

The standards need to be amended to specify the appropriate characteristics without reference to a specific brand name product. In 2004, staff completed the characterization of alternative methenamine tablets and determined appropriate specifications. In 2005, staff prepared a draft briefing package with recommended product specification amendments for Commission consideration. Other possible amendments will be identified if warranted.

**Goal:** *In 2006, staff will complete a briefing package with recommended product specification amendments for Commission consideration. This would be a technical amendment requiring only a 2-step rulemaking. In 2006, if the Commission publishes a Notice of Proposed Rulemaking (NPR), staff will address public comments and draft final amendments for the carpet and rug standards for Commission consideration.*

**Completed:** In 2006, staff prepared a briefing package with recommended product specification amendments for Commission consideration. In 2007, if the Commission publishes an NPR, staff will address public comments and draft final amendments for the carpet and rug standards for Commission consideration.

#### **Cigarette Lighters**

2 deaths  
(annual average 1994-1999)  
990 injuries  
(annual average 1997-2002)



Mechanical malfunctions of cigarette lighters result in an annual average of 2 deaths (1994-1999), 990 injuries (1997-2002), and \$38 million in societal costs. In 2005, the Commission issued an Advance Notice of Proposed Rulemaking (ANPR) to begin development of a new mandatory safety standard for cigarette lighters.

**Goal:** *In 2006, staff will analyze lighter malfunction hazard data and assess the level of conformance to the voluntary standard and respond to ANPR comments. Staff will send a briefing package to the Commission for consideration as to whether to proceed with rulemaking.*

**Completed:** In 2006, contractor testing of cigarette lighter samples was completed to assess the level of conformance to the voluntary standard. Staff prepared a status report for Commission consideration.

### **Clothing Textile Standard Amendments**

126 deaths  
(annual average NCHS, 1999-2002)  
3,800 injuries  
(annual average NEISS, 2000-2004)



The Federal standard for the flammability of clothing textiles was enacted to reduce clothing-related thermal burn injuries and fatalities due to the use of highly flammable textiles in clothing. Several aspects of the existing standard require test procedure clarifications or are out of date due to changes in test equipment, consumer practice, environmental law, and textile product cleaning techniques. Updating the general textile standard is complex, requiring development of a new dry cleaning test procedure, and clarification of existing test procedures and methods for interpreting results. An ANPR was published in late 2002. In 2003, staff reviewed the ANPR comments and developed a plan to prepare a proposed standard. From 2004 and into 2005, staff prepared recommendations for amendments to the standard.

**Goal:** *In 2006, staff will send a briefing package to the Commission with recommended amendments for Commission consideration.*

**Will Complete:** In 2006, staff prepared a draft briefing package with recommended amendments for Commission consideration. In 2007, staff will conduct activities as directed by the Commission.

### **Mattresses - Open Flame Ignition**

14,300 fires  
330 deaths  
1,680 injuries (1999-2002 annual average addressable)  
\$281.5 million in property loss



CPSC Mattress Testing

Mattresses and bedding materials were the first item to ignite in 20,100 fires annually during 1995-1999. Small open-flame ignition sources, such as lighters, matches and candles, caused most deaths to children under age 15 (both victims and fire starters).

This project focused on the development of a new mandatory standard to address open flame ignition of mattresses. Industry-sponsored research at the National Institute of Standards and Technology (NIST) defined the open-flame hazard and designed an appropriate full-scale test method, now incorporated in California Technical Bulletin 603, and the CPSC proposed rule.

In 2002, the Commission published an ANPR to develop a mandatory standard to reduce the severity of mattress fires and make mattresses less flammable. In 2003 and 2004, staff analyzed the ANPR comments. In 2004, staff prepared an NPR briefing package including a draft proposed standard for mattresses. The Commission published an NPR for mattress flammability in 2005. Staff evaluated public comments on the NPR and began preparing a briefing package for a final mattress standard.

**Goal:** *In 2006, staff will complete the briefing package with the draft final rule for Commission consideration.*

**Completed:** Staff prepared a briefing package with a draft final rule for Commission consideration. On February 16, 2006, the Commission voted to issue a final mattress standard. The final rule (16 CFR Part 1633) will become effective on July 1, 2007.

### **Upholstered Furniture**

4,800 fires  
 360 deaths  
 740 injuries ( 1999-2002 annual average)  
 (includes 60 deaths and 260 injuries  
 associated with small open flame ignition  
 and 300 deaths and 480 injuries  
 associated with cigarette ignition)  
 \$133 million in property loss



CPSC Testing

Ignitions of upholstered furniture account for more fire deaths than any consumer product under CPSC's jurisdiction. Staff is developing a possible rule to address the risk of fire associated with ignitions of upholstered furniture by smoldering cigarettes and by small open flame sources like lighters, matches and candles. In 2004, the Commission published an ANPR expanding the agency's rulemaking proceeding to cover cigarette ignition as well as small open flame ignition risks. In 2005, staff issued a revised draft standard, evaluated public comments, and began preparing a regulatory options package on a possible proposed rule.

**Goal:** *In 2006, staff will complete testing and technical analyses to support a draft standard, and present an options package to the Commission for consideration. Depending on Commission action, staff may also: analyze public comments on an NPR and begin preparation of a draft final rule and alternatives for Commission consideration; continue to work with the California Bureau of Home Furnishings and industry/voluntary standards groups; and work with the Environmental Protection Agency (EPA) on issues related to possible rulemaking.*

**Completed:** Staff completed the supporting laboratory testing and technical analyses, refined its draft standard, evaluated several regulatory alternatives, and forwarded an options package to the Commission for consideration in January 2006. Staff continued to receive and review public comments and performed additional research to address technical and economic issues raised by industry and other stakeholder groups. Staff continued to work with the EPA on possible flame-retardant chemical-related actions.

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

### **Emergency Escape Masks** *(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.

In 2004, staff began work to examine consumer safety issues associated with these products and staff attended standards development activities on masks intended to protect against chemical, biological, radiological, and nuclear 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. In 2005, staff continued to evaluate the effectiveness of escape masks by conducting testing and evaluating the human factors issues associated with these products.

**Goal:** *The original goal for 2004, to make recommendations to strengthen the voluntary standard as appropriate, will be completed in 2006.*

**Will Complete in 2007:** Staff completed a human factors analysis of emergency escape masks. In addition, contracted testing of escape masks to the requirements of the voluntary standard was completed. The contractor testing identified test equipment-related issues in the voluntary standard that may need to be clarified which resulted in delays in completing the tests. In 2007, reports of staff and contractor analyses will be completed. As appropriate, recommendations for improvements to the voluntary standard will be made.

### 3. Complete 12 data analysis, collection and technical review activities.

#### **Arc-Fault Circuit Interrupters (AFCIs)**

*(Carryover from 2005)*

10 deaths, 40 injuries  
(1998)



A new provision in the 2005 National Electric Code (that becomes effective January 1, 2008) will require advanced, more sensitive AFCIs for use in homes. In 2005, staff monitored units in the field and supported revisions to the voluntary standard. A draft report was posted for public comment.

**Goal:** A draft staff report, "Considerations for Installation of Smoke Alarms on Residential Branch Circuits"; which addressed installation of smoke alarms on AFCI-protected circuits, was posted for public comment on our Web site in 2005 and will be finalized in 2006. Staff will evaluate new devices for efficacy and nuisance tripping when they become available.

**Completed:** The staff report addressing installation of smoke alarms on AFCI-protected circuits was finalized and is available at <http://www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/acfismoke.pdf>. The report was used as substantiation in staff proposals for the 2008 edition of the National Electrical Code. New advanced, more sensitive AFCIs for residential use were not available for staff testing in 2006.

#### **Bedclothes - Open Flame Ignition**



This project focuses on the possible development of new mandatory requirements for bedclothes that will ensure improved flammability performance. Research conducted at NIST showed that bedclothes are a major contributor to mattress ignition and demonstrated that improved flammability performance of some bedclothes can reduce the fire hazard. California is developing a test method for filled bedding items in preparation for beginning rulemaking in 2006.

Some of the comments received on the mattress ANPR in 2003 and 2004 suggest the need for an additional standard for bedclothes. In 2004, staff prepared options for bedclothes (including an ANPR). In 2005, the Commission published an ANPR to address bedclothes flammability. Staff will evaluate public comments on the notice and begin development of a draft standard for bedclothes.

**Goal:** In 2006, staff will participate in a test method study being conducted by the California Bureau of Home Furnishings. Staff will prepare a status report on its work related to bedclothes.

**Completed:** Staff is participating in the development of a test method for bedclothes being conducted by the California Bureau of Home

Furnishings and Thermal Insulation. Staff provided a status report on the work related to bedclothes.

### Duplex Electrical Receptacles

10 deaths  
50 injuries  
(1999)



In 1999, receptacles and switches were associated with an estimated 3,300 fires resulting in \$60.6 million in property losses. In the late 1980's test work conducted by a CPSC contractor and CPSC staff investigated the performance of push-in type connections in receptacles. These connections rely on a flat metal "spring" to hold an inserted conductor in place, and could degrade over time, resulting in overheated terminals that may lead to fire. The studies recommended against the use of push-in terminals. In January 1995, the UL standard for receptacles was revised and incorporated some of the staff proposed changes.

In 2004-2005, staff enrolled fire departments in a systematic effort to collect information regarding the types of receptacle terminations (back-wire push-in, back-wire clamp, or wire-binding screw) involved in fire incidents and to collect receptacles involved in those fires. Data collection will continue through 2005.

**Goal:** *In 2006, incident samples and data will be analyzed to determine the causes of failure, and staff will complete a report of the findings. New information gained by this analysis and examination and comparison of new receptacle technology will be used to develop and support further changes to the voluntary standard for receptacles in 2007, as warranted.*

**Completed:** In 2006, a staff report of the 2004-2005 data collection effort, "Fire-Hazards Related to 15- and 20-Ampere Electrical Receptacles," was completed. Engineering staff also completed a report summarizing its analysis of samples involved in fire or potential fire incidents. Based upon the results of this work, there is insufficient information to warrant recommending changes to the voluntary standard for receptacles at this time.

### Electrical Lighting Products (Carryover from 2004)

10 deaths  
150 injuries  
(1999)



In 2004, staff completed a two-year data collection effort associated with lighting equipment. A report on the staff analysis of the data was completed in 2005 and Engineering staff began to examine and document samples involved in fire incidents to evaluate aspects of design, installation, use, maintenance, etc. that may have caused these incidents.

**Goal:** *In 2006, staff will complete the evaluation and prepare a draft report of the results. In 2007, recommendations for improvements to the appropriate voluntary standards will be made, as warranted.*

**Completed:** In 2006, staff completed its evaluation of incident samples and prepared a draft report summarizing the results. The staff summary includes possible recommendations for additional staff activities in this product area.

### Electric Blankets (Carryover from 2005)

<10 deaths  
30 injuries  
(1994-1998 annual average)



Following revisions to the UL standard for electric blankets in 1999, new technologies emerged. Recent recalls of blankets employing some of these new designs found connector and assembly problems. In 2005, staff began an analysis of different electric blanket technologies to assess whether the industry voluntary safety standard adequately addresses the risk of fire and shock that may be associated with these emerging designs.

**Goal:** In 2006, staff will complete an assessment of blankets in comparison to problems highlighted in recalls. Staff will also conduct a review of the voluntary standard with respect to existing listed blankets and recalled blankets to determine the need for revisions to the standard. A report of this work will be completed in 2007. Also in 2007, recommendations for new provisions in the voluntary standard will be made, as appropriate.

**Completed:** In 2006, staff completed an assessment of electric blankets by reviewing in-depth investigation reports, reviewing product safety assessments on recalled products, analyzing post-1999 revisions to the UL standard, and examining new blanket samples. The results of this work will be documented in a report in 2007. Recommendations for new provisions in the voluntary standard will also be made, as appropriate.

### Flammable Liquids

61 deaths (2000-2003 annual average)  
9,300 injuries (2004)



During calendar year 2003, an estimated 8,300 thermal burns associated with flammable liquids (gasoline, kerosene, etc.) were treated in hospital emergency rooms. There have been more than 100 flammable liquid-related fire deaths since January 2000 through 2003. In collecting clothing fire incidents through the burn center reporting system, staff found nearly half of the incidents involve children and flammable liquids.

**Goal:** In 2006, staff will review data available to determine the most significant fire scenarios that involve flammable liquids. In 2007, staff will analyze available data and complete a report on this work, identifying possible approaches to prevent these incidents.

**Exceeded:** In 2006, staff completed a review of available data to determine the most significant fire scenarios that involve flammable liquids. Staff completed an analysis of the data and drafted a report summarizing the data and the staff analysis. In 2007, staff will finalize the report, identifying possible approaches to prevent these incidents.

### High Energy Battery Packs/Chargers

566 injuries (2002)

Portable electronic devices use higher energy density batteries, such as lithium ion batteries. Batteries that experience an internal cell short may overheat and explode, posing a hazard to consumers. Such a battery failure in a portable device, such as a mobile phone, may result in a potentially hazardous situation because of the close proximity of the phone to the body when in use or in the pocket/side clip during transit. In addition, new technology battery chargers may have faster charge times with increased charging currents and temperatures that require monitoring of the battery charging status.



In 2005, staff supported development of IEEE 1725, Standard for Rechargeable Batteries for Cellular Telephones. Staff also initiated internal short characterization testing (contract effort) of high energy density lithium-ion batteries (cells) for mobile telephone use.

**Goal:** *In 2006, staff will complete a report of the contractor's testing and staff's testing. The report will include an evaluation of tests results and of methods for reducing hazards associated with mobile phone batteries.*

*Also in 2006, staff will conduct a hazard sketch of high energy density battery incidents that result in overheating, fire and rupture. In 2007, staff will evaluate the effectiveness of voluntary standards in addressing hazards associated with high energy batteries/battery packs and battery chargers and, as warranted, provide recommendations for safety enhancements.*

**Will Complete in 2007:** In 2006, the Naval Surface Warfare Center, through an Interagency Agreement with CPSC, completed testing of various capacity high energy (lithium-ion) batteries. A draft report of this work was completed. The CPSC staff also completed a hazard sketch of incidents involving batteries. Staff testing of batteries was deferred until 2007 due to emerging higher priority work occurring elsewhere after the start of the operating plan.

### **Mattress - Cigarette Ignition**

180 deaths, 520 injuries  
\$81.6 million in property losses  
(2002 estimated addressable annual average)

As a result of the Commission rulemaking on open flame ignited mattress fires, a review of the continued need for the existing cigarette ignition standard is warranted. In 2005, the Commission published an ANPR initiating possible amendment or revocation of the existing cigarette ignition standard.

**Goal:** *In 2006, staff will review public comments on the ANPR and work with industry to identify issues to be resolved. Staff will prepare a status report summarizing this work.*

**Completed:** In 2006, staff reviewed public comments on the ANPR and met with industry members and interested stakeholders to identify issues to be resolved. Staff prepared a status report for CPSC management summarizing the work to be done by both the mattress industry and the CPSC staff to resolve identified issues.

### **Range/Oven Extinguishing Systems**

*(Carryover from 2004)*

190 deaths, 2,830 injuries  
(estimated annual average 1999-2000)

According to 1999 residential fire loss statistics, cooking equipment accounted for 29% of residential structure fires, 13% of the deaths, and 28% of the injuries. Many of these losses were associated with range and oven fires. There are a variety of products marketed to consumers to prevent these fires. Range/oven extinguishing systems vary in complexity and cost, from simple overhead range mounted cans to systems that have the ability to shut off power or gas supply.

**Goal:** *In 2006, staff will develop market information, identify and review applicable safety standards, and conduct limited laboratory tests to evaluate the effectiveness of these products. A report of this work will*



*be completed. In 2007, staff will pursue standards development activities, as appropriate.*

**Will Complete in 2007:** In 2006, staff researched market data, reviewed applicable standards, and identified available technologies for use in range extinguishing systems. Through an Interagency Agreement, staff collaborated with the National Institute of Standards and Technology (NIST) in conducting laboratory tests to evaluate the effectiveness of commercially available residential systems. Conflicts in scheduling the laboratory space required for this test work resulted in delays in completing the testing. In 2007, testing will be completed, along with a report of the work. Based on the results, staff will pursue standards development activities as appropriate.

### Residential Fire Survey

2,270 deaths  
12,870 injuries (2002)



There were an estimated 369,000 residential fires attended by the fire service that resulted in \$5.32 billion in property loss in 2002. Fire service attended fires are thought to represent only about 3 percent of all U.S. residential fires annually based on 1984 data. A probability telephone survey of causes and characteristics of residential fires, both attended and not attended by the fire service, was conducted by a contractor in 2004 and 2005. Data collection included information about the performance of smoke alarms, sprinklers, and fire extinguishers in those fires.

**Goal:** *In 2006, staff will analyze the survey data and complete a final report.*

**Will Complete in 2007:** In 2006, staff completed analysis of the survey data. Completion of the report was delayed due to higher priority work on mattresses; a report of the data collection effort and analysis will be completed in 2007.

### Small Engine Safety Study

3,810 thermal burn injuries from gasoline fueled lawn mowing equipment (2000-2004 annual average)



The Environmental Protection Agency (EPA) has been directed by Congress to conduct a rulemaking regarding new emission standards for non-road gasoline engines under 50 horsepower. These engines are used in a wide variety of non-road equipment, such as lawn/garden equipment. CPSC staff will coordinate with EPA on a study of potential fire and burn safety issues associated with their regulation.

**Goal:** *In 2006, staff will coordinate with EPA on a study of potential safety issues associated with regulations for small engine emissions currently being developed by EPA. Staff will aid in the evaluation of consumer use issues that include real-world scenarios involving the potential for operator burns, fires due to contact with flammable items and refueling.*

**Completed:** In 2006, staff worked with EPA on a safety study to evaluate the incremental risks of fires and burns associated with the possible EPA regulations for small engines. The staff work was included in an EPA report published in March 2006.

### Smoke Alarms

2,270 deaths  
12,870 injuries  
\$5.32 billion in property loss  
(2002 total residential fires)



CPSC Testing

The National Fire Protection Association (November 2004) reports that, as of 2004, 96 percent of U.S. homes had at least one smoke alarm. The increased use of smoke alarms has contributed to a dramatic decrease in fire deaths in the U.S. during the last 20 years. However, there continue to be a large number of residential fire deaths and injuries.

A report of research recently completed by The National Institute of Standards and Technology, *Performance of Home Smoke Alarms*, concludes that occupants have less time to safely escape in residential fires than they had 30 years ago due to changes in construction materials and home furnishings. In 2005, CPSC staff investigated solutions to reduce the response detection time of a smoke alarm in the event of a fire. Both direct (modification of the smoke alarm) and indirect (additional means to notify a main smoke alarm unit) methods of improving alarm detection will be investigated to reduce response time.

**Goal:** *In 2006, CPSC staff will construct and test a prototype smoke alarm. In 2007, improvements to the voluntary standard will be developed as appropriate.*

**Completed:** In 2006, the Naval Research Laboratory, through an Interagency Agreement with CPSC, constructed and tested a prototype smoke alarm system for faster detection of fires involving appliances. A report on the development, construction, and testing of the alarm system was completed and posted on the CPSC Web site at <http://www.cpsc.gov/volstd/research/FlameDetection.pdf>.

## 4. Voluntary Standards

**Goal:** *Staff will monitor or participate in the developing or modifying of voluntary standards for products such as candles, fire sprinklers, arc fault circuit interrupters, portable fans, heaters, smoke alarms, surge suppressors, and batteries.*

**Completed:** Staff monitored or participated in the development or modification of 11 voluntary standards for the following products:

- Arc-fault circuit interrupters
- Batteries
- Candles
- Emergency escape masks
- Fire sprinklers
- Fuel cells
- Heaters
- Portable fans
- Smoke alarms
- Surge suppressors
- Turkey fryers

## Compliance

### 5. Recalls

**Goal:** *Staff will initiate recalls or other corrective actions for a projected 326 products that violate mandatory safety standards or unregulated products that present a substantial risk of fire-related death and injury.*

**Completed:** In 2006, we obtained recalls or other corrective action for 353 products directly involving a fire hazard.



For example, CPSC recalled about 41 million notebook computer batteries that can overheat and about 400,000 DVD players and digital cameras containing batteries that can overheat, posing a fire hazard to consumers.

Also, CPSC obtained a recall of nearly 861,000 sets of holiday lights that have undersized and exposed wires, which pose a fire hazard.

## 6. Voluntary Standards

**Goal:** Staff will monitor 1 existing voluntary standard likely to reduce fire-related deaths. Products related to fire hazards staff recently monitored include halogen lamps and extension cords.

**Completed:** In 2006, staff monitored industry conformance to a voluntary standard related to cigarette lighters.

## 7. Import Surveillance



**Goal:** Staff will conduct port-of-entry surveillance for 1 product for which fire safety standards are in effect.

**Exceeded:** In 2006, CPSC Field staff and the U.S. Customs and Border Protection conducted two port-of-entry surveillance efforts in Seattle, WA and Kansas City, MO that prevented about 2.9 million units of fireworks and cigarette lighters from entering the U.S. market.

## Consumer Information

### 8. Conduct 7 public information efforts, including at least 1 partnership with industry and/or a fire safety group.

#### Cooking Safety



**Completed (Unplanned Activity):** In an effort to reduce the high number of fires and deaths which occur in the kitchen each year, CPSC teamed up with Underwriters Laboratories (UL) and the American Home Appliance Manufacturers Association (AHAM) to conduct a cooking safety campaign in November 2005. CPSC conducted the media outreach, UL produced a VNR, and AHAM issued a news release. The campaign achieved 516 newspaper articles with a readership of 21 million and the VNR had 225 airings with more than 11 million viewers reached.

#### Fireworks

**Goal:** Staff will conduct a national safety campaign for the Fourth of July to increase public awareness of the dangers associated with fireworks. This national campaign will alert consumers to the common hazards associated with legal and illegal fireworks through a news conference and release of a VNR. Possible partnerships may include the National Park Service and the Department of Homeland Security. CPSC will work with fire departments to demonstrate the dangers of fireworks and conduct safety campaigns at the community level in cooperation with hospital, youth groups, schools, and others. Staff may reissue a fireworks safety poster for use by the Neighborhood Safety Network.



**Not Met:** In June 2006, staff held a fireworks safety news conference on the Washington Mall grounds. The news conference highlighted the dangers associated with professional-grade fireworks in the hands of consumers. The Department of Justice, the Department of Homeland Security, and the Department of Alcohol, Tobacco, Firearms and Explosives joined CPSC as partners in this safety initiative. A news release was issued along with a VNR that reached more than 42 million viewers nationwide. CPSC also distributed a fireworks safety poster to the Neighborhood Safety Network. Due to a refocusing of CPSC's priorities, community outreach on fireworks hazards was discontinued.

### General Fire Hazards



**Goal:** In support of CPSC's development of possible new open-flame flammability standards for mattresses, mattress and foundation sets, staff will develop and conduct an information campaign that includes news releases, VNRs, and posters for Neighborhood Safety Network (NSN) partners and other grassroots organizations. This media will focus on keeping consumers aware of the latest information in the development of the standards. If a final rule is adopted, staff will also develop appropriate consumer literature.

**Will Complete in 2007:** In February 2006, the Commission adopted a final rule on mattress flammability with an effective date of July 1, 2007. CPSC issued a timely and informative news release and distributed a safety message to all Neighborhood Safety Network members. CPSC also held a media availability with the Chairman following the vote, which led to stories about the lifesaving benefits of the standard on ABC World News, the Washington Post and Associated Press. Staff also conducted a media outreach campaign to reach consumers and produced a video news release that reached an estimated 33.7 million viewers. CPSC determined that production and distribution of consumer literature during 2006 would have had an unintended consequence of being an agency endorsement of a single mattress manufacturer. This proposed task was dependent upon Commission action and circumstances did not allow for implementation of the final rule on a timeline that would have brought a variety of new, safer mattresses to market during 2006. CPSC expects to be presented with additional opportunities to disseminate vital information to consumers during 2007.

### Halloween Hazards



**Goal:** Staff will remind consumers of the flammability hazards associated with costumes and other Halloween hazards and highlight warnings about the risk of fire associated with homemade children's costumes, jack-o'-lanterns, and other Halloween decorations. Staff will issue a press release and provide TV and radio interviews.

**Completed:** In 2006, although a press release was not issued by CPSC, many media utilized information found in previously issued news releases and staff conducted numerous national and local radio, television and print interviews. In addition, staff recorded a Podcast message on Halloween safety which was available for download on [www.cpsc.gov](http://www.cpsc.gov).

### Holiday Hazards



**Goal:** During the winter holiday season, staff will reissue an annual news release to warn consumers about the risk of fire from defective decorative holiday light strings and natural trees, and provide tips on the safe use of candles and fireplaces. Staff will include similar information in regional Christmas/winter holiday safety campaigns to warn about the risk of fire.

**Completed:** In December 2005, CPSC launched a media campaign to warn consumers about the risk of fires from holiday decorations including lights, trees, candles and fireplaces. CPSC issued a comprehensive news release and participated in interviews. This campaign was picked up by the national and regional media including CNN, network affiliate services and local stations.

### Home Heating



**Goal:** At the beginning of the home heating season, staff will issue a seasonal video news release to warn about fire hazards from home heating equipment, especially space heaters.

**Completed:** CPSC found a more cost effective means to achieve this goal through earned media instead of a contractor-produced video. Earned media is free media, just news coverage of agency issues in the mainstream press. CPSC issued a seasonal safety warning for furnaces, space heaters and fireplaces. This message was tied to concerns about high natural gas costs and the dangers of using alternative heating sources. Staff secured a positive story on Good Morning America and conducted interviews, via a press availability, with national affiliate services and local television stations. In addition, staff recorded a Podcast message. Staff will produce a VNR in 2007.

### Safety for Older Consumers



**Goal:** Staff will highlight the risk of fire in older homes and with older products to senior consumers this year. This outreach campaign will emphasize the simple actions seniors can take to reduce the danger of fire in the home. The campaign may include partnerships with such senior-serving organizations as AARP, National Safety Council, or Centers for Disease Control and Prevention for a media event, news release, and Neighborhood Safety Network poster.

**Project Discontinued:** Initial work did not support continued action. There was not enough data in the special study on older consumer safety, [http://www.cpsc.gov/LIBRARY/hazard\\_older.pdf](http://www.cpsc.gov/LIBRARY/hazard_older.pdf), for a project focusing on fire. The main focus of this study was the fall hazard to older consumers. Although staff cited fire and fall hazards to older consumers in a special campaign in 2005, the study did not provide additional information to formulate a separate fire-prevention campaign in 2006.

### Smoke Alarms

**Goal:** In a continuing effort to remind consumers that smoke alarms save lives, staff will issue a news release in the spring and the fall to emphasize that consumers need to have and maintain their smoke alarms.



**Completed:** CPSC issued two news releases related to the importance of installing and having fresh batteries in smoke alarms. The first was announced in October 2005 and was issued in coordination with the Gas Appliance Manufacturers Association; the second was announced in March 2006, in conjunction with daylight saving's time. Both releases generated local media and coverage by Internet Broadcasting Service that codes our safety information and distributes it to local television stations nationwide for posting on their Web sites.

## 9. Press Releases

**Goal:** Staff will issue an estimated 113 press releases and recall alerts.

**Completed:** In 2006, we substantially met our goal by issuing 111 press releases and recall alerts to inform the public about hazardous products presenting a risk of fire-related death.

## 10. Television Appearances

**Goal:** In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 13 television interviews and appearances to air on local and national network stations on topics related to products that present fire hazards.

**Exceeded:** In 2006, CPSC exceeded its goal with 36 television appearances on topics related to products that present fire hazards including mattress flammability, fireworks, smoke alarms, holiday decoration safety, smoke alarm audibility, home heating safety, cooking safety and Halloween hazards. Several programs were more popular than expected, particularly the new flammability standard for mattresses and the fireworks safety campaign, and received widespread interest. In addition, the unanticipated computer battery recall generated exceptional national interest. A new director of Public Affairs, an expert in TV media outreach, contributed to our success.

## 11. E-Publications

**Goal:** Through our Web site, we will inform consumers of fire hazards through the electronic distribution of 340,000 safety alerts, fact sheets, and other Web publications.

**Exceeded:** In 2006, we provided 606,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

## REDUCING PRODUCT HAZARDS: ELECTROCUTIONS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	23	22	20	17	14
Amount	\$2,724	\$2,667	\$2,628	\$2,320	\$2,216

### THE HAZARD

In 2001<sup>3</sup>, there were about 180 deaths from consumer product-related electrocutions. The annual number of electrocutions has declined by 28 percent from 1991 to 2001, largely because of past CPSC efforts. In 2003, there were an estimated 6,200 consumer product-related electric shock injuries treated in U.S. hospital emergency rooms. Total societal costs in the U.S. associated with electrocutions and electric shock are about \$1.2 billion. CPSC continues to receive reports of electrocution deaths from products such as house wiring, lamps and light fixtures, power tools, and small and large appliances.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Complete data analysis and technical review activities	<b>Goal</b>	1	*	*	2	2
	<b>Actual</b>	1	1	--	1	2
2. Monitor or participate in voluntary standards revisions	<b>Goal</b>	*	2	2	1	2
	<b>Actual</b>	4	2	2	1	2
<b>Compliance</b>						
3. Pursue for recall or other corrective action	<b>Goal</b>	15	15 <sup>a</sup>	20 <sup>a</sup>	25 <sup>a</sup>	24 <sup>a</sup>
	<b>Actual</b>	31	18	35	23	29
<b>Consumer Information</b>						
4. Conduct public information efforts	<b>Goal</b>	1	2	2	1	1
	<b>Actual</b>	3	2	2	1	1
5. Issue press releases and recall alerts	<b>Goal</b>	8 <sup>b</sup>	8 <sup>b</sup>	15 <sup>b,c</sup>	15 <sup>b,c</sup>	21 <sup>b,c</sup>
	<b>Actual</b>	25	21	35	18	13
6. Provide television interviews and appearances	<b>Goal</b>	*	*	*	*	4
	<b>Actual</b>	--	--	3	4	5
7. Inform consumers through electronic publications on our Web site (in thousands)	<b>Goal</b>	*	*	*	*	110
	<b>Actual</b>	--	--	116	118	193

\*No goal established.

--Data not available

<sup>a</sup>Estimate 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.

<sup>b</sup>These goals were changed to include all product hazards, not just recalled products as in previous years.

<sup>c</sup>These goals now include recall alerts.

<sup>3</sup>2001 is the latest year for which fatality data is available.

## Safety Standards

### 1. Complete 2 data analyses and technical review activities.

#### Electric Toys



The Office of Management and Budget recommended that CPSC conduct a more systematic review of its rules. In 2004, staff conducted a pilot study to examine the feasibility of such a review and during that process, identified the Electric Toy Regulation as a candidate for updating. Staff identified several changes that could be considered for the Electric Toy rule. In 2005, staff completed draft recommendations for outdated references to standards and improvements to warning labels. Staff also proposed adding requirements for a ground fault circuit interrupter for the voluntary standard on electric fans to prevent risk of electrocution with home-use inflatables.

**Goal:** In 2006, staff will conduct a technical assessment of related standards and review recommendations from interested parties to simplify the provisions for maximum allowable surface temperatures for electric toys, as well as other technical provisions in the rule. Staff will complete draft recommendations to change the requirements, as appropriate.

**Completed:** In 2006, staff contacted toy industry members and completed a technical assessment of voluntary standards provisions related to maximum allowable surface temperatures that could potentially be applied to electric toys. Recommendations for modifications to the CPSC regulation on electric toys were drafted. Staff proposed requirements to include electric fans for home-use inflatables, e.g., moon bounce amusements, in the scope of the voluntary standard for electric fans. Staff also proposed new requirements for ground fault circuit interrupters and a minimum power cord length to the voluntary standard for electric fans intended for use with inflatables.

#### Self-Testing GFCI

28 deaths (2002)



Ground Fault Circuit Interrupters (GFCIs) have contributed significantly to the reduction of electrocution and severe electric shock incidents since their introduction in the early 1970s. However, GFCIs can fail in a manner such that an outlet can still provide power even though it no longer provides its safety function. There may be no warning to the consumer that the GFCI is no longer providing shock protection. In 2005, staff met with industry to encourage the development of self-testing enhanced GFCIs. One manufacturer developed a self-testing GFCI for commercial applications, and it is anticipated to be on the market in 2006.

**Goal:** In 2006, staff will evaluate the design of the self-testing GFCI developed for commercial applications, and will work with industry to define the characteristics of a self-testing GFCI for residential use that will be less dependent on consumer interaction. A report of this evaluation will be completed. In 2007, we will continue to work with industry to enhance GFCIs and make recommendations for improvements to the voluntary standard, if appropriate.

**Completed:** In 2006, staff met with industry members to define the significant characteristics of a self-testing GFCI. Staff completed a human factors evaluation of the self-testing GFCI that was developed for commercial applications, including analysis on consumer interaction with the device. Staff drafted a report of this work. The report will be used to support future recommendations as appropriate.

## 2. Voluntary Standards

**Goal:** Staff will monitor or participate in the development or modification of 2 voluntary standards for ground fault circuit interrupters and the National Electric Code (NEC).

**Completed:** Staff monitored developments for the voluntary standard for ground fault circuit interrupters. Additional requirements initiated by staff became effective in 2006.

In addition, staff monitored and participated in the development of new requirements for appliances and residential branch circuit wiring for the 2008 NEC. Staff also submitted 5 proposals for consideration by the NEC code making panels; staff proposals are available on the CPSC Web site at [www.cpsc.gov/volstd/NEC2008.pdf](http://www.cpsc.gov/volstd/NEC2008.pdf).

## Compliance

### 3. Recalls



**Goal:** Staff will identify and act on products that present a risk of electrocution by seeking recalls or other corrective actions.

**Exceeded:** In 2006, we obtained recalls or other corrective action for 29 products involving electrocution hazards.

For example, CPSC obtained a recall of 472,000 immersion heaters because moisture in the heating element could cause corrosion over time, presenting a shock hazard.

In addition, nearly 25,000 hairdryers were recalled because they were not equipped with an immersion protection plug to prevent electrocution if the hair dryer falls into water.

## Consumer Information

### 4. Public Information Effort



**Goal:** Staff will develop and distribute a poster for use by the Neighborhood Safety Network partners to keep consumers vigilant of electrocution and electric shock hazards.

**Completed:** In recognition of National Electrical Safety Month, CPSC issued a safety poster to Neighborhood Safety Network members in May 2006 warning against the shock and electrocution dangers associated with household wiring.

**5. Press Releases/Recall Alerts**

**Goal:** *Staff will issue an estimated 21 press releases and recall alerts for products presenting a risk of electrocution.*

**Not Met:** In 2006 we issued 13 press releases and recall alerts to warn the public about hazardous products that present risks of electrocution or electric shock hazards. The goal was based on the expected number of cases opened, but the actual number of cases resulted in a lesser number of recalls requiring press releases.

**6. Television Appearances**

**Goal:** *In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 4 television interviews and appearances to air on local and national network stations on topics related to products that present electrocution hazards.*

**Exceeded:** In 2006, staff exceeded its goal of 4 with 5 television appearances on products that present electrocution hazards.

**7. E-Publications**

**Goal:** *Through our Web site, we will inform consumers of electrocution hazards through the electronic distribution of 110,000 safety alerts, fact sheets, and other Web publications.*

**Exceeded:** In 2006, we provided 193,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

## REDUCING PRODUCT HAZARDS: CHILDREN'S HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	113	102	88	78	57
Amount	\$12,364	\$12,276	\$11,456	\$10,975	\$8,665

### THE HAZARD

We have had a significant impact in reducing injuries and deaths for a number of children's hazards. For example, we worked with industry to develop a voluntary safety standard to prevent baby walker-related head injuries from falls, developed a mandatory safety rule to make cigarette lighters child-resistant for children under 5 years, reducing fires from child play; and recalled numerous toys and other products that present choking hazards to children.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	<b>Goal</b>	*	*	*	*	2
	<b>Actual</b>	--	--	--	--	0
2. Complete testing, data collection, hazard analysis, or technical review activities	<b>Goal</b>	8	4	9	11	7
	<b>Actual</b>	8	4	6	11	5
3. Monitor or participate in voluntary standards revisions	<b>Goal</b>	*	30	32	31	32
	<b>Actual</b>	32	30	32	32	32
<b>Compliance</b>						
4. Pursue for recall or other corrective action	<b>Goal</b>	270	225	250 <sup>a</sup>	285 <sup>a</sup>	287 <sup>a</sup>
	<b>Actual</b>	267	262	313	304	302
5. Conduct import surveillance	<b>Goal</b>	*	1	1 <sup>a</sup>	1 <sup>a</sup>	1 <sup>a</sup>
	<b>Actual</b>	1	1	1	1	1
6. Monitor existing voluntary standards and/or conduct industry special programs	<b>Goal</b>	2	1	2 <sup>a</sup>	2 <sup>a</sup>	2 <sup>a</sup>
	<b>Actual</b>	3	1	2	2	2
<b>Consumer Information</b>						
7. Conduct public information efforts	<b>Goal</b>	3	6	9	6	5
	<b>Actual</b>	5	5	7	4	6 <sup>d</sup>
8. Issue press releases and recall alerts	<b>Goal</b>	*	*	72 <sup>b,c</sup>	72 <sup>b,c</sup>	87 <sup>b,c</sup>
	<b>Actual</b>	67	73	95	93	101
9. Provide television interviews and appearances	<b>Goal</b>	*	*	*	*	28
	<b>Actual</b>	--	--	35	30	57
10. Inform consumers through electronic publications on our Web site (in thousands)	<b>Goal</b>	*	*	*	*	1,340
	<b>Actual</b>	--	--	1,464	1,449	1,860

\*No goal established for that year.

--Data not available.

<sup>a</sup>Estimate based on prior years' experience. The actual number of recalls, corrective actions, monitoring and surveillance activities will depend on the mix of safety-related problems arising during the year.

<sup>b</sup>These goals now include recall alerts.

<sup>c</sup>These goals were changed to include all product hazards not just recalled products as in previous years.

<sup>d</sup>This actual includes two unplanned public information efforts, one on TV/Furniture Tipovers and the second on Brain Injury Awareness.

## Safety Standards

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

#### Bed Rails

(Carryover from 2004)

14 deaths (1990-2001)



In October 2000, CPSC published an Advance Notice of Proposed Rulemaking (ANPR) to begin the development of a mandatory safety standard for portable bed rails to address entrapment and strangulation hazards. In October 2001, the Commission voted unanimously to continue the process and publish a Notice of Proposed Rulemaking (NPR). In 2003, staff continued activities to develop appropriate performance requirements and the proposed rule. In 2004, staff focused on the evaluation of test methods and new bed rail designs. Staff began evaluating industry conformance to the updated voluntary standard in September 2004, when the voluntary standard had been in effect for sufficient time for industry to meet new requirements. In 2005, staff continued its evaluation of industry conformance with the revised voluntary standard.

**Goal:** *In 2006, staff is continuing its evaluation of industry conformance to the voluntary standard. It is anticipated that a briefing package will be completed in 2006 for Commission consideration as to whether to continue rulemaking.*

**Will Complete in 2007:** In 2006, staff evaluated industry conformance to the voluntary standard for bed rails and completed a draft briefing package. Staff also collected and analyzed data on incidents involving the assembly and installation of bed rails and is working with the voluntary standard organization to improve requirements to address similar incidents before finalizing the briefing package. It is anticipated that a briefing package will be completed in 2007 for Commission consideration as to whether to continue rulemaking.

#### Crib Slats

(Carryover from 2003-2004)

138 incidents

12 deaths

5 injuries (1985-1996)



In 1996, CPSC began a rulemaking activity to address crib slat integrity. In 1999, the voluntary standard for cribs was revised to include performance requirements for crib slats. In 2003 and 2004, staff evaluated industry conformance to the voluntary standard. Conformance monitoring of crib slats was completed in 2005.

**Goal:** *Data collection regarding incidents is still underway and is anticipated to be completed in 2006. At the conclusion of staff's data collection efforts, a briefing package that provides recommendations with regard to the open rulemaking will be prepared for Commission consideration.*

**Will Complete in 2007:** In 2006, staff continued to collect data on incidents involving crib slat integrity. Based upon a review of incidents, staff has delayed work on the briefing package pending the outcome of further work to better understand the continuing incidents. This includes working with a voluntary standard task group which has been assigned to develop technical information regarding the correlation between slat connection strength and humidity levels. Testing and development of this information is continuing in 2007. It is anticipated

that a briefing package addressing the open rulemaking will be completed for Commission consideration in 2007.

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

### Consumer Opinion Forum



CPSC staff frequently needs specific information about caregiver perceptions, attitudes, and behaviors related to products that may be hazardous to children, as well as other childcare issues affecting safety. The CPSC Web site provides a venue to solicit important information from consumers that, although not a statistical sample, can inform staff efforts in hazard identification and reduction, compliance and enforcement, and public education. In 2005, staff developed and completed a plan for review by the Commission for obtaining Office of Management and Budget (OMB) approval to maintain a pool of consumer volunteers who are willing to provide, on an as-needed basis, information about their perceptions, attitudes and behaviors associated with consumer products.

**Goal:** *In 2005, if approved by the Commission, staff will seek OMB approval to maintain a pool of consumer volunteers. When approval is obtained, staff will implement the plan.*

**Completed:** In 2006, staff obtained approval from the Commission to publish Federal Register (FR) notices announcing the agency's intention to seek OMB approval pursuant to the Paperwork Reduction Act of 1995 for the Consumer Opinion Forum and requesting public comments. Staff received comments and has submitted a request for clearance to OMB.

### Drowning Data Development (Carryover from 2005)



In 2005, staff examined peer-reviewed publications of programs and theories pertaining to changing human behavior, updated child drowning death data, compiled data on incidents on inflatable swimming pools and held joint meetings with ASTM to discuss possible remedies to address drowning hazards.

**Goal:** *In 2006, based on the information reviewed in 2005, staff will identify and develop information for new parents to address drowning hazards.*

**Complete:** In 2006, staff completed the following activities:

- Explored external data sources related to pool drowning incidents.
- Provided expert advice to the ASTM subcommittee developing a standard for portable pools, a newly emerging hazard including information on how to effectively warn parents.
- Completed a review of public health injury prevention theories and identified multiple strategies for delivering information to parents, including new parents.
- Identified and developed information on supervision strategies that may be used to enhance the agency's current anti-drowning recommendations for new parents.

### **Handbook for Public Playground Safety**

*(Carryover from 2005)*

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



In 2005, staff continued to review the *Handbook for Public Playground Safety* and drafted updates as needed to be consistent with current voluntary standards, Americans with Disabilities Act requirements, surfacing recommendations, and knowledge of hazards.

**Goal:** *In 2006, staff will update and distribute the revised handbook.*

**Will Complete in 2007:** In 2006, staff completed draft revisions and updates to the *Handbook for Public Playground Safety*. The draft has been distributed to ASTM technical committees for playground equipment for comment. The staff work was delayed due to higher priority work on ATVs; the handbook will be completed in 2007.

### **Indoor Play Surfacing**

*(Carryover from 2005)*



In the past, we have not provided specific guidance on what types of protective surfaces may be suitable around indoor play equipment. In 2005, staff collected 32 different carpet, pad, and mat samples that might be considered for use as a protective surfacing for indoor play areas. Staff conducted drop (impact) tests on the samples and determined the maximum deceleration (g-max) and Head Injury Criterion for each material. Staff calculated the product "Critical Height" from collected data. Test results indicated that consumers have a wide choice of products with different thicknesses, costs per square foot, and "Critical Height" capabilities. Critical Heights ranged from 2 inches for a thin carpet sample and over 48 inches for a 2 inch thick gym pad.

**Goal:** *In 2006, staff will finalize a report based on input from the public comment period and will participate in voluntary standards activities associated with playground surfacing.*

**Completed:** In 2006, staff finalized a report, *Surfacing Materials for Indoor Play Areas*, on staff testing of samples of protective surfacing for indoor play areas. The report is available on the CPSC Web site at [www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/surfacing.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/surfacing.pdf). Staff also participated in voluntary standards activities associated with playground surfacing.

### **Pool Safety Handbook**

244 pool drowning deaths  
152 other home drowning deaths  
(2000-2002 annual average)  
children < 5 years old



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

**Goal:** *Beginning in 2005 with completion in 2006, staff will combine and update the two documents to include current safe practices in new pool design and construction, information about minimum layers of protection, and CPSC staff findings on pool alarms, perimeter alarms, and current applicable standards associated with pools and pool safety products. Staff intends the publication to become a single reference guide on pool safety issues.*

**Will Complete in 2007:** In 2006, staff completed a draft guideline document that encompasses comprehensive safety information and recommendations for eliminating pool and spa safety hazards. In 2007, staff will solicit comments from the pool and spa safety community and finalize and publish the Guidelines. This work was delayed due to higher priority work on ATVs.

### **Recreational Helmets, Consumer Pamphlet**

*(Carryover from 2005)*

Over 90,000 head injuries



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

**Goal:** In 2006, staff will complete and distribute a pamphlet.

**Completed:** In 2006, staff completed a pamphlet on recreational helmets, Which Helmet for Which Activity; the pamphlet is available at <http://www.cpsc.gov/CPSCPUB/PUBS/349.pdf> on the CPSC Web site.

### **Sensor Technology**

244 pool drowning deaths  
152 other home drowning deaths  
(2000-2002 annual average)  
children <5



The CPSC staff believes that many hazards to consumers could be prevented if the conditions leading to these hazards were detected and addressed before an injury occurs. Current and emerging sensor technologies are highly sensitive to minute changes in physical movements and other physical parameters, potentially allowing for early detection and warning of many hazard scenarios associated with a broad range of consumer products, including drowning hazards with swimming pools and spas.

In 2005, staff evaluated technologies capable of discriminating children from adults and assessed some of the factors that affect continuous monitoring of potentially hazardous areas, such as round pools and spas. A simple demonstration system was developed and field tested.

**Goal:** In 2006, staff will complete a report describing the test set-up and results.

**Completed:** In 2006, staff completed a report describing the 2005 field test effort, detailing the test sites, test methods, and testing results. The staff report, *Field Testing of a Simple Adult/Child Differentiation System*, was posted on the CPSC Web site at [www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/DifferentiationSystem.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA07/os/DifferentiationSystem.pdf).

## **3. Voluntary Standards**

**Goal:** Staff will monitor or participate in developing or revising 32 voluntary safety standards for children's products, including playground equipment, baby walkers, toddler beds, infant carriers, and strollers.

**Completed:** We monitored or participated in the development or modification of 32 voluntary standards for the following products:

- Baby bouncers
- Baby gates
- Baby swings
- Baby walkers
- Bassinets and cradles
- Bath seats
- Bed rails
- Blind cords
- Booster seats
- Bunk beds
- Changing tables
- Cribs
- Cribs, commercial
- High chairs
- Infant bedding and accessories
- Inflatable pools
- Infant carriers
- Infant carriers, frame
- Infant carriers, soft
- Infant tubs
- Play yards
- Playground equipment, children under 2 Years
- Playground equipment, home
- Playground equipment, public
- Playground equipment, soft
- Playground surfacing
- Pool alarms
- Pools and spas
- Strollers
- Suction release devices
- Toddler beds
- Toys

## Compliance

### 4. Recalls



**Goal:** Staff will pursue recalls or other corrective actions on hazardous products that present a substantial risk of injury to children or violate CPSC's safety standards.

**Completed:** In 2006, we obtained recalls or other corrective action for 302 products directly involving a risk of injury to children.

About 3.8 million magnetic building sets were recalled because tiny magnets inside the plastic building pieces and rods can fall out. These small magnets can be swallowed or aspirated by young children. If more than one magnet is swallowed, the magnets can attract to each other and cause intestinal perforation or blockage, which can be fatal.

CPSC obtained a recall of 104,000 cribs because the screws on the wooden mattress supports can come loose, allowing a portion of the mattress to fall. This poses a suffocation hazard to young children who can slide down and become entrapped between the unsupported mattress and end of the crib.

Additionally, CPSC obtained a recall of 614,000 infant musical toy chairs because a child can become lodged between the seatback and side table of the chair, possibly leading to an entrapment of the neck, posing a strangulation hazard to young children.

### 5. Import Surveillance

**Goal:** Staff will conduct 1 port-of-entry surveillance activity for children's products that present a substantial risk of injury to children.



**Completed:** In 2006, we conducted 1 port-of-entry surveillance activity in this hazard area in Los Angeles/Long Beach CA. CPSC and U.S. Customs and Border Protection enforce CPSC's toys and children's products safety standards in accordance with CPSC's safety standards. In 2006, with support from U.S. Customs and Border Protection, we prevented about 83 shipments containing over 434,000 units of toys and other children's products from entering the United States.

## 6. Voluntary Standards

**Goal:** Staff will monitor 2 existing voluntary standards likely to reduce children's deaths or injuries.

**Completed:** Staff completed its evaluation of industry conformance to voluntary standards for two products related to children's hazards.

## Consumer Information

### 7. Conduct 5 public information efforts.

#### Back-to-School Safety



**Goal:** Staff are planning many coordinated activities to increase public awareness of child safety issues during the upcoming school year. Our campaign will continue to promote CPSC's "Back to School Safety Checklist" which offers tips on making schools and playgrounds safer. We will issue a press release on back-to-school safety issues that includes safety tips to keep children safe in our National Back-to-School Safety program.

**Completed:** In 2006, staff conducted a public outreach campaign on back to school safety. The campaign offered a media availability with CPSC's Chairman at a local playground and a press release with safety tips for parents. The Acting Chairman conducted television interviews with 5 local and national affiliate services and appeared widely in an Associated Press feature story about school safety.

#### Brain Injury Awareness Month



**Completed (Unplanned Activity):** In 2006, to coordinate with the release of a new publication on recreational helmets, staff designed and conducted a news/agency event lead by the Chairman and Dick Button, an internationally-recognized commentator on figure skating and a former Olympic gold medalist skater, that included a fashion show demonstrating the right helmet for certain activities. Following the event, staff arranged for the Chairman to conduct one-on-one interviews with CNN NewsSource and Cox Broadcasting reaching an estimated 500,000 consumers. Over 35,000 copies of the new publication were distributed in 2006.

#### Childcare Safety Round-Up

**Goal:** Staff will conduct our annual major safety round-up program focusing on recalled products still in the marketplace. For example, in 2005, staff conducted a major news event focusing on products that have been recalled and were in childcare settings. Campaign efforts



highlighted the need for childcare providers to visit our Web site, [www.cpsc.gov](http://www.cpsc.gov), and the [www.recalls.gov](http://www.recalls.gov) Web site. Staff also developed safety posters with our Neighborhood Safety Network partners. Staff distributed childcare center safety checklists to state/local groups. Additionally, staff conducted 30 in-center product safety consultations and disseminated product safety information to child care centers nationwide. A similar program will be conducted in 2006.

**Will Complete in 2007:** Staff intends to launch a grassroots outreach campaign on the safety of products found in childcare facilities during 2007. The need to carry over the activity was due to higher priority work on the ATV and generator efforts and a reduction in staff resources due to retirements.

**Holiday Shopping Season/  
Product Recall Roundup**



**Goal:** During the fall holiday season, as part of our drive to remove recalled products from the public domain, staff will continue to build upon the success of our Web site, [www.cpsc.gov](http://www.cpsc.gov), and the [www.recalls.gov](http://www.recalls.gov) Web site for notifying consumers about recalled products. Staff will issue a news release to warn about the hazards associated with a wide-range of children's products, such as toys or infant products. We will also issue a news release video, safety poster, and other materials as necessary for use at the grassroots level. Other regional activities will include such programs as local media interviews, and speaking engagements.

**Completed:** CPSC joined the U.S. Customs and Border Protection Agency to launch our annual holiday toy safety press conference at the National Press Club in November 2005. This year, we highlighted efforts to protect young children from hazardous toys and encouraged parents to make safety a priority while shopping smart for age appropriate toys. The news release for this campaign promoted both [www.cpsc.gov](http://www.cpsc.gov) and [www.recalls.gov](http://www.recalls.gov). Media highlights included the Chairman's appearance in a toy safety segment on the CBS Early Show and the Public Affairs Director's appearance on CNN's Headline News. C-Span covered the event by a live feed during the press conference. CNN NewsSource also fed the holiday toy story to over 100 stations. CPSC promoted their safety poster and produced a video news release which was seen by approximately 22 million viewers.

**In-Home Drowning**

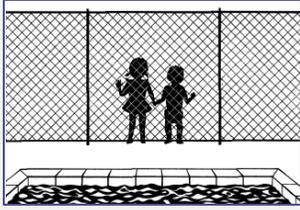


**Goal:** Staff will continue to caution consumers about in-home drowning hazards for young children associated with any standing water such as buckets and bathtubs. As part of this effort, we will issue a poster for the Neighborhood Safety Network partners.

**Exceeded:** CPSC issued a poster on in-home drowning hazards to the Neighborhood Safety Network partners. In addition, we issued a national press release and a video news release broadcast to television stations across the country. We also conducted an interview with CNN Radio on this campaign which was broadcast nationwide.

**Pool Drownings**

**Goal:** Staff will expand our public information efforts, such as partnerships with child safety organizations to continue our work in



reducing child drownings. Staff will continue to issue our annual news release and VNR before Memorial Day to inform consumers about the drowning hazard to children at both public and home pools. The safety information will highlight CPSC's revised "Guidelines for Entrapment Hazards: Making Pools and Spas Safer." Field staff will make a minimum of 30 contacts nationwide with state and local pool inspectors, pool contractors, or licensing bureaus to disseminate safety information for public and private pools, including CPSC's "Guidelines for Entrapment Hazards" mentioned above and our "Safety Barrier Guidelines for Home Pools."

**Completed:** CPSC's annual pool drowning campaign focused on the dangers of the new, inflatable pools that have entered the market. A video news release and press release were issued nationwide. The press release promoted CPSC's *Swimming Pool Safety Alert*, *Safety Barrier Guidelines for Pools*, and *How to Plan for the Unexpected* publications. A media availability event was conducted with the Chairman at a home with an inflatable pool. Also, a Neighborhood Safety Network poster was sent out to CPSC partners highlighting the dangers of inflatable pools.

The video news release broadcast on pool drowning dangers reached more than 16 million viewers. There were 263 broadcasts of the VNR by 150 television stations in 98 markets across the nation. In addition, a media availability event was held at a private home where media could conduct interviews with the Chairman. The story was also carried on 315 affiliates of CNN NewsSource and highlighted on CNN's Open House. A CPSC spokesperson appeared live on WTTG TV/Washington, DC, and a taped segment was aired on the station. Radio interviews were conducted on AP radio, CNN radio, Southern Urban Radio Network and Metro Radio Networks. There was an AP wire story based on the press release and a story in Newsweek magazine. Field staff completed 38 contacts with state and local pool inspectors, pool contractors or licensing bureaus to disseminate safety information for public and private pools.

#### TV/Furniture Tipovers



**Completed (Unplanned Activity):** In September 2006, CPSC held a media availability event regarding the dangers of TV and furniture tipovers. The focus of this campaign was the alarming increase in the number of TV tipover deaths from January through July 2006—a doubling of deaths in 2006 vs. the yearly average. CPSC's Director of Public Affairs conducted interviews with Good Morning America, the CBS Early Show, COX Broadcasting and CNN. A bilingual VNR was produced, which reached nearly 35 million viewers. The agency's Safety Alert related to furniture and TV tipover dangers was also updated to reflect the new data and safety message. The alert was re-posted on our Web site and incorporated into a Neighborhood Safety Network message.

#### 8. Press Release s/Recall Alerts

**Goal:** Staff will issue an estimated 87 press releases and Web recall alerts to inform the public about products presenting a risk of injury to children.

**Exceeded:** In 2006, we issued 101 press releases and recall alerts to warn the public about products presenting a risk of injury to children.

## 9. Television Appearances

**Goal:** *In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 28 television interviews and appearances to air on local and national network stations on topics related to products that present children's hazards.*

**Exceeded:** In 2006, CPSC exceeded its goal on topics related to products that present children's hazards by generating 57 television appearances and CPSC appearances. Topics included back to school safety, holiday toy shopping, in-home drowning, pool drowning, ATV safety, furniture and television tipovers, holiday decorations safety, paper shredder safety, and helmet safety. The Chairman also appeared in a video news release related to window covering safety and strangulation prevention which was seen by 6.8 million viewers. New partners and fresh approaches to several existing programs proved more successful than we had anticipated. For example, working with Homeland Security to present holiday toy safety in terms of safe shopping resulted in a campaign that was very popular. In addition, responding to unanticipated emerging hazards, such as furniture tipover also produced campaigns which generated considerable interest. A new director of Public Affairs, an expert in TV media outreach, contributed to our success.

## 10. E-Publications

**Goal:** *Through our Web site, inform consumers of children's hazards through the electronic distribution of 1,340,000 safety alerts, fact sheets, and other Web publications.*

**Exceeded:** In 2006, we provided 1,860,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

## REDUCING PRODUCT HAZARDS: CARBON MONOXIDE POISONINGS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	15	12	12	10	13
Amount	\$1,691	\$1,563	\$1,629	\$1,473	\$2,496

### STRATEGIC GOAL

Reduce the rate of death from carbon monoxide poisoning by 20 percent from the 1999-2000 average by the year 2013.

### THE HAZARD

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



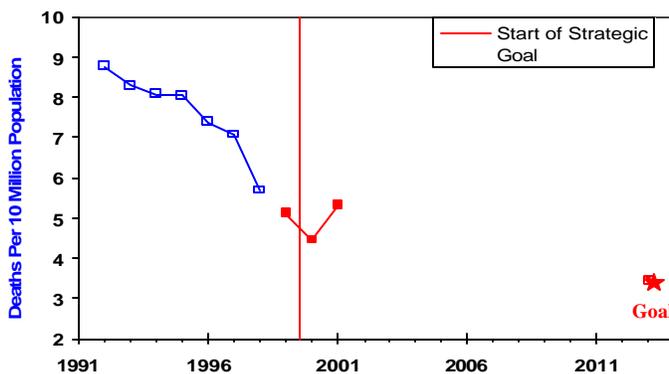
From 1999-2002, there was an estimated annual average of 141 unintentional non-fire CO poisoning deaths associated with consumer products, at a societal cost of approximately \$705 million each year. Because some symptoms of moderate CO poisoning may mimic common illnesses, such as influenza or colds, 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.

**Carbon Monoxide Poisoning Death Rate Associated with Consumer Products by Year**  
(Based on 3 Year Moving Averages)



### OUR PROGRESS

Under our previous Strategic Plans, 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 22 percent. To further reduce the death rate, we retained this strategic

goal in our Strategic Plan with a new target of 20 percent reduction by 2013 from the 1999-2000 average.

As shown in the graph above, there is a discontinuity of rates between 1999-2002 and the previous years. This discontinuity may be due, at least partially, to different methods used to estimate the number of deaths in the two time periods.<sup>4</sup>

We have been successful in the past in reducing deaths through a number of interventions, 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.

Recently, there has been an increase in the number of CO-related deaths, in part associated with the increased use of portable generators during power outages as a result of events such as snow and ice storms or hurricanes. Activities in our plan are designed to mitigate this increase.

## ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Complete testing, data collection, hazard analysis, or technical review activities	<b>Goal</b>	3	2	0	3	3
	<b>Actual</b>	3	2	0	1	2
2. Monitor or participate in voluntary standards revisions	<b>Goal</b>	*	4	3	3	3
	<b>Actual</b>	4	4	3	3	3
<b>Compliance</b>						
3. Pursue for recall or other corrective action	<b>Goal</b>	2	2 <sup>a</sup>	2 <sup>a</sup>	2 <sup>a</sup>	2 <sup>a</sup>
	<b>Actual</b>	11	2	1	2	4
4. Monitor existing voluntary standards	<b>Goal</b>	*	*	1	*	1
	<b>Actual</b>	0	0	0	0	1
<b>Consumer Information</b>						
5. Conduct public information efforts/partnerships	<b>Goal</b>	1	3	3	2	3
	<b>Actual</b>	3	3	3	2	2
6. Issue press releases and recall alerts	<b>Goal</b>	1 <sup>b</sup>	1 <sup>b</sup>	5 <sup>b,c</sup>	5 <sup>b,c</sup>	8 <sup>b,c</sup>
	<b>Actual</b>	8	6	7	8	11
7. Provide television interviews and appearances	<b>Goal</b>	*	*	*	*	3
	<b>Actual</b>	--	--	5	3	5
8. Inform consumers through electronic publications on our Web site (in thousands)	<b>Goal</b>	*	--	*	*	130
	<b>Actual</b>	--	--	122	146	244

\*No goal established.

--Data not available.

<sup>a</sup>Estimate 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.

<sup>b</sup>These goals were changed to include all hazardous products, not just recalled products as in previous years.

<sup>c</sup>These goals now include Web recall alerts.

<sup>4</sup>The new method used after 1998 includes three changes: a change in the International Classification of Diseases (ICD), a change in methodology within CPSC, and inclusion of a new category of products in the estimates.

**Safety Standards**

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

**CO Sensors for Vented Gas Appliances**

67 deaths  
(1999-2002 estimated annual average)



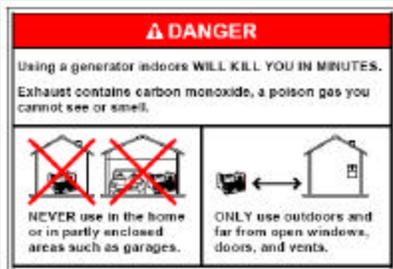
Sandia National Laboratories (SNL) entered into an agreement with CPSC to develop one of its microelectromechanical system (MEMS) sensor technologies to be used in a gas furnace. In 2005, staff provided data that defines a furnace’s operating environment to SNL for use in testing and will work with SNL to integrate a prototype MEMS sensor into a furnace to test it. Staff will also continue to work with industry to evaluate various sensors.

**Goal:** *In 2006, staff will work with SNL to demonstrate the use of a sensor technology developed by SNL to shut down a gas furnace in response to excess CO levels in the flue. A report of this work will be completed in 2006. Staff will also demonstrate the use of an oxygen depletion sensor to shut down a gas furnace in response to excess CO levels in the flue. A report of this work will be completed in 2007.*

**Will Complete in 2007:** In 2006, completion of sensor development by SNL was delayed. As a result, the demonstration of the sensor to shut down a gas furnace in response to excess CO levels in the flue could not be conducted. Staff anticipates that this work will be completed in 2007, along with a report of the work. The activity to demonstrate the use of an oxygen depletion sensor to shut down a gas furnace in response to excess CO levels in the flue was discontinued; initial results did not support continued work in this area.

**Portable Generators**

31 deaths  
(Annual Average 1999- 2004)



CPSC staff developed a new warning label for portable generators

The percentage of estimated unintentional non-fire CO poisoning deaths associated with generators has been increasing annually. The contribution of generators to the total yearly estimated CO poisoning deaths for the years 1999 through 2002 are 6%, 14%, 17%, and 24% respectively.

In 2005, staff began investigating the feasibility of interlocking shutdown devices that will shut the engine down before an unsafe CO environment is created by an operating portable generator. Staff also continued to collect and analyze incident data and market data as well as expand public awareness information.

**Goal:** *In 2006, staff will continue to investigate different strategies by working with other Federal agencies, manufacturers, retailers, and other stakeholders to develop and execute technical and non-technical solutions that will reduce the risk of CO poisoning from portable generators, complete its feasibility assessments of interlock devices, and prepare a briefing package that provides a comprehensive review of safety issues related to portable generators. The briefing package will include options for the Commission to consider in order to address the hazard.*

**Completed:** In 2006, staff continued to pursue several strategies to reduce the risk of CO poisoning from portable generators, working with other government agencies and stakeholders. Staff prepared a briefing package on its review of portable generator safety, which includes options for Commission consideration. Staff also recommended and the Commission approved a notice of proposed rulemaking (NPR) for a warning label that staff developed for portable generators. Staff recommended that Underwriters Laboratories (UL) include the label in their Outline of Investigation, UL 2201, which serves as the requirements with which a portable generator must conform to be eligible to bear the UL Listing Mark. The Outline of Investigation, which includes the staff label, became effective in April 2006.

Staff issued a Request for Information (RFI) soliciting ideas, data, and concepts on technical approaches to substantially reduce tailpipe CO emissions from portable gasoline engine-powered generators to levels that could reduce the number of CO poisoning deaths. Responses to the RFI indicated that there may be technologies that could be effective in reducing CO emissions from portable generators. Staff issued a Request for Proposal (RFP) soliciting proposals to develop a prototype system and demonstrate the technical feasibility of applying catalytic after-treatment coupled with fuel injection on a small utility engine; a contract was awarded.

Staff encouraged manufacturers and retailers to display safety information where a portable generator can be purchased and to co-locate items that encourage safe generator use (i.e., CO alarms, heavy-duty extension cords, and chains and locks to prevent theft) where the generators are displayed.

Staff drafted a report of test results characterizing the CO emissions from several portable generators; the draft report was posted on the CPSC Web site for 45 days for public comment. Staff completed a report on a proof-of-concept demonstration of a remote CO sensing automatic shutoff device for a portable generator, *Demonstration of a Remote Carbon Monoxide Sensing Automatic Shut Off Device*, which is available at [www.cpsc.gov/volstd/engine/COasIpostvet2.pdf](http://www.cpsc.gov/volstd/engine/COasIpostvet2.pdf) on the CPSC Web site. Staff also completed testing of an interlock concept in which a CO sensor is located on the generator; a report of this work will be completed in 2007.

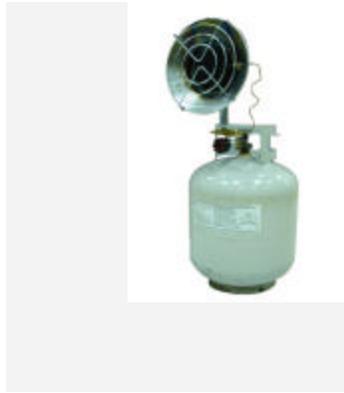
### **Stand Alone Gas Appliances (Tank-Top Heaters)**

*(Carryover from 2005)*

75 deaths (1999-2002 annual average)

From 1999 through 2002, there was an annual average of 66 non-fire-related CO poisoning deaths associated with gas heating appliances. Some of the deaths were the result of consumers using alternative heat sources during power outages. Additional incidents occurred when consumers attempted to restart appliances after they had shut down.

**Goal:** *In 2006, staff will conduct a review of the latest low-powered sensor technologies that can be used for a CO shutoff system and alternative methods to power the sensors. Staff will continue work on the thermoelectric-powered shutoff system developed during a study*



of tank-top heaters and conduct additional feasibility tests. Results will be summarized in a report in 2007.

**Completed:** In 2006, staff finalized a report on the *Technical Feasibility of a CO Shutdown System for Tank-Top Heaters*; the report is available on the CSC Web site at [www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/TankTop.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/TankTop.pdf). Also, in 2006, staff conducted a review of the latest low-powered sensor technologies that could be used for a CO shutoff system and alternative methods to power the sensors. Based on the review, staff identified 2 chemical sensors that could possibly be used on stand alone gas appliances, such as tank-top heaters.

## 2. Voluntary Standards

**Goal:** Staff will monitor or participate in developing or modifying voluntary standards or model codes for products such as CO alarms, portable generators, and CO sensors for vented gas appliances.

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

- Carbon monoxide alarms
- Portable generators
- Gas-fired furnaces (vented gas appliances)

## Compliance

### 3. Recalls



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

**Completed:** In 2006, staff obtained 4 product recalls or other corrective action for nearly 614,000 units because of carbon monoxide hazards. For example, 290,000 emergency escape smoke hoods were recalled because they could fail to work properly, exposing the user to harmful carbon monoxide which could seriously compromise their ability to escape the fire threat.

### 4. Voluntary Standards

**Goal:** Staff will monitor 1 existing voluntary standard related to carbon monoxide hazards.

**Completed:** In 2006, staff completed a 3-year review of CO alarm conformance to the voluntary standard.

## Consumer Information

### 5. Conduct 3 Public information efforts and/or partnerships with a trade association or safety advocacy group.

#### Home Heating

**Goal:** To remind the public of the continuing threat of CO in the home, staff will be planning several activities throughout the year to



highlight the need for routine maintenance for fuel-burning appliances. At the beginning of home heating season, staff will issue a seasonal video news release to warn about CO hazards from home heating equipment, especially space heaters. Throughout the year staff will remind consumers of specific issues that include the need to change batteries in CO alarms and to have a routine furnace checkup completed. We will also emphasize the hazards associated with portable generators. These activities may use posters, news releases and other similar media instruments.

**Will Complete in 2007:** CPSC promoted carbon monoxide dangers and obtained national news coverage for our home heating safety message. A press release was issued in December on home heating safety, which focused on CO hazards; promoted *CPSC Warns of Hazards from Furnaces, Space Heaters and Fireplaces—Agency Urges Annual Furnace Inspection, Installing Smoke Alarms*; and promoted CO Alarms. A CPSC spokesman was featured on ABC's Good Morning America discussing CO home heating hazards during a home walk-through. Good Morning America has about 5.3 million viewers. Also, a Neighborhood Safety Network poster was sent out to CPSC partners highlighting the CO hazards with heating equipment. A news release was also issued at the start of daylight savings time to remind consumers to check CO and smoke alarms. A VNR was not produced this year for this initiative due to higher priority VNR contract work and will be completed in 2007.

### Natural Disaster Awareness



**Goal:** During times when there is a loss of power, homeowners may be exposed to more risk of CO poisoning due to improper use of consumer products to heat and provide power to their homes. Staff will use news releases and VNRs to address the dangers of consumer product use in the home during hurricanes, tornadoes, floods and/or blizzards.

**Exceeded:** CPSC hosted a press conference in May 2006 at the National Press Club with Underwriter's Laboratories to promote pre-hurricane safety on carbon monoxide hazards. This campaign was focused on the dangers for Gulf Coast and Northeast residents and was primarily focused on generator safety. A news release and a video news release reaching nearly 9 million viewers were issued. Information was shared with the National Oceanic and Atmospheric Administration as part of their safety message. Staff also developed information packets with safety posters and door hangers for dissemination to state health and safety officials. We met with and spoke to officials with the major hardware retailers to ensure that in the event of a natural disaster, approved safety materials are placed near the locations where emergency generators are displayed for sale.

### Portable Generators

**Goal:** CPSC intends to promote portable generator safety and warn about the associated carbon monoxide danger through: pre-storm safety alerts to the media in regions expected to experience a loss of power; a pre-hurricane season national press event, followed by state events in areas expected to be affected by hurricanes; and



*development of an emergency response plan in coordination with the Centers for Disease Control and Prevention. CPSC and its partners will develop and distribute videos and audio files for the media and consumers during the course of the year.*

**Completed:** CPSC promoted portable generator safety by holding a national press conference in Washington, D.C. and making regional media calls to promote safe generator use before and after weather events. CPSC took part in state events including a generator safety outreach in Florida at the start of hurricane season, and coordinated with the Centers for Disease Control and Prevention on emergency response plans. CPSC staff distributed a video news release on generator safety which received 8.8 million estimated viewers nationwide. Staff also distributed radio public safety announcements on safe generator use to radio stations in regions experiencing weather events. Following the approval by the Commission of a NPR related to labeling on generators, staff obtained nationwide media coverage on Washingtonpost.com, ConsumerReports.org, the Kansas City Star and other media.

#### 6. Press Releases/Recall Alerts

**Goal:** *Staff will issue an estimated 8 press releases or Web recall alerts for hazardous products presenting a risk of CO poisoning.*

**Completed:** In 2006, staff issued 11 press releases or recall alerts for products presenting a risk of CO poisoning.

#### 7. Television Appearances

**Goal:** *In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 3 television interviews and appearances to air on local and national network stations on topics related to products that present CO poisoning hazards.*

**Exceeded:** In 2006, staff provided five television interviews on topics related to products that present CO poisoning hazards. They included a home heating safety segment on ABC's Good Morning America. The other interviews involved generator safety aired by regional media in Tallahassee, New Orleans, Fort Myers and St. Louis.

#### 8. E-Publications

**Goal:** *Through our Web site, inform consumers of CO poisoning hazards through the electronic distribution of 130,000 safety alerts, fact sheets, and other Web publications.*

**Exceeded:** In 2006, we provided 244,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

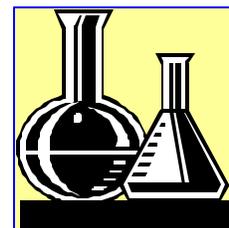
## REDUCING PRODUCT HAZARDS: OTHER CHEMICAL HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	47	53	49	40	35
Amount	\$5,978	\$6,673	\$6,561	\$5,946	\$5,428

### THE HAZARD

Unintentional ingestion of toxic household chemicals is associated with an annual average of 34 deaths to children under age 5, and an estimated 74,000 children treated in hospital 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), under which the Commission may require special child-resistant packaging for household substances that are hazardous to children. CPSC further seeks to reduce or prevent deaths or injuries because of 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, CPSC action resulted in manufacturers eliminating the use of lead as a stabilizer in vinyl miniblinds. 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.



### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Complete testing, data collection, hazard analysis, or technical review activities	<b>Goal</b>	4	5	8	5	8
	<b>Actual</b>	3	5	8	5	4
2. Monitor or participate in voluntary standards revisions	<b>Goal</b>	*	2	2	2	5
	<b>Actual</b>	1	2	2	2	2
<b>Compliance</b>						
3. Pursue for recall or other corrective action	<b>Goal</b>	55	70	90 <sup>a</sup>	110 <sup>a</sup>	142 <sup>a</sup>
	<b>Actual</b>	162	125	132	156	217
<b>Consumer Information</b>						
4. Conduct public information effort	<b>Goal</b>	1	1	1	1	1
	<b>Actual</b>	1	1	1	1	1
5. Issue press releases and recall alerts	<b>Goal</b>	*	5 <sup>b</sup>	6 <sup>b,c</sup>	5 <sup>b,c</sup>	22 <sup>b,c</sup>
	<b>Actual</b>	8	11	16	27	20
6. Provide television interviews and appearances	<b>Goal</b>	*	*	*	*	10
	<b>Actual</b>	--	--	--	16	10
7. Inform consumers through electronic publications on our Web site (in thousands)	<b>Goal</b>	*	*	*	*	250
	<b>Actual</b>	--	--	266	269	446

\*No goal established for that year.

--Data not available.

<sup>a</sup>Estimate 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.

<sup>b</sup>These goals were changed to include all hazardous products, not just recalled products as in previous years.

<sup>c</sup>These goals now include Web recall alerts.

## Safety Standards

### 1. Complete 8 testing, data collection, hazard analysis, or technical review/report activities.

#### Chronic Toxicity Guidelines



Work begun in 2004 and 2005 will continue in 2006 on systematic review of the CPSC chronic hazard guidelines, with appropriate revisions to address scientific advances.

**Goal:** In 2006, staff will complete draft guidance addressing cross-cutting contemporary topics that broadly apply to toxicology and risk assessment.

**Will Complete in 2007:** This activity was deferred until the 2007 Toxicity Assessment Project due to higher priority work on lead in children's jewelry.

#### Hazard Screening

Staff will continue screening data generated, compiled, or analyzed by the Environmental Protection Agency, National Toxicology Program, or International Agency of Research on Cancer for the purpose of identifying potential hazards in consumer products.

**Goal:** In 2006, staff will identify potential hazards for consideration as new projects or reviews under the toxicity assessment activity and prepare a report with recommendations for further action.

**Not Met:** This activity was deferred due to higher priority work on all-terrain vehicles (ATVs). This work may be considered in later years.

#### Implementation of GHS for Labeling



**Goal:** In 2006, staff will review options for implementation of the globally harmonized system (GHS) for chemical classification and labeling as it pertains to the FHSA and its regulations, as well as the existing (1979) FHSA guide for labeling chemicals. Staff will prepare a report summarizing its work in this area. In 2007, staff will make recommendations for changes, as needed, to reflect the GHS. It is anticipated that an updated labeling guide will emphasize the process for determining the proper labeling for a product, rather than providing labels for specific products.

**Will Complete in 2007:** This activity was deferred until 2007 due to higher priority work on lead in children's jewelry.

#### Interagency Coordination



A number of new non-animal test methods (i.e., "alternative test methods") have been under development and are likely to be sent to the Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM) for validation and acceptance. The Commission is obligated by the ICCVAM Authorization Act to respond to each test method validated by ICCVAM.

**Goal:** In 2006, staff will continue to review alternative test methods that have been accepted by the ICCVAM and will prepare a briefing

package with a staff recommendation for Commission action regarding approval of an alternative test method, as warranted. Staff will also participate in interagency groups, including the National Toxicology Program, ICCVAM, and National Cancer Advisory Board.

**Completed:** In 2006, there were no ICCVAM reports for review, however, staff continued to participate in interagency groups such as the National Toxicology Program, ICCVAM, and the National Cancer Advisory Board. This is an ongoing activity and will continue in 2007.

### **Pediatric Poisoning Fatalities Update**

42 deaths to children <5 (2002)  
74,000 emergency room-treated potential poisonings (2004)



CPSC has continued to track drugs and other hazardous household product-related pediatric poisoning fatalities for children under 5 years old in the U.S. The most recent data from the National Center for Health Statistics is for 2002. Child fatalities have declined substantially since the Poison Prevention Packaging Act became law, from 216 deaths in 1972 to an average of about 34 each year over the last three years.

**Goal:** In 2006, staff will prepare the annual report on pediatric deaths due to unintentional ingestions of drugs and other household substances.

**Completed:** Staff completed its annual report on pediatric deaths due to unintentional ingestions of drugs and other household substances.

### **Poison Prevention**



The purpose of the project is to reduce injuries and deaths of children associated with ingestion of household chemicals. The project will continue to monitor ingestions of hazardous household chemicals and to assess them for the need for child-resistant packaging.

**Goal:** In 2006, staff will work on technical analyses related to hydroxide-containing products and imidazolines, as appropriate. This work will be summarized in a report. Staff will also prepare a draft package on nonaspirin salicylates that were identified during the rule review of the child-resistant packaging requirements for aspirin and methyl salicylate.

**Not Met:** Staff completed reports of toxicity reviews, packaging analyses, and data analyses on imidazolines and hydroxide-containing products. The activity on salicylates was discontinued due to higher priority work on other chemical related issues, such as the CCA Mitigation Study. This work may be conducted in the future if resources are available.

### **Strong Sensitizer Definition**

In 1986, the Commission issued a rule supplementing the definition of strong sensitizer found in the Federal Hazardous Substances Act (FHSA). The area of immunology has grown and changed since the 1986 rule and it is appropriate to update this definition, as it could be the basis for labeling and/or recalling consumer products. The purpose of this project is to formally review and revise accordingly the supplemental definitions of a sensitizer found in the FHSA



regulations. This will involve input and review from experts in the fields of immunology.

**Goal:** *In 2006, based on technical analysis of the results from a panel of experts on sensitizers convened in 2004-2005, staff will draft recommendations and the rationale for them, as appropriate.*

**Completed:** In 2006, staff completed a report on draft proposed revisions to the supplemental definitions of a sensitizer. The report will be posted on the CPSC Web site.

### Toxicity Assessment



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. Potential topics in 2006 include nanotechnology, ozone generators/air cleaners, lead, chromated copper arsenic (CCA) mitigation, and/or silica.

**Goal:** *Staff will complete at least one report or risk assessment under this activity in 2006.*

**Exceeded:** In 2006, staff completed assessments on CCA mitigation, ozone generators, perchloroethylene, and nanotechnology. Staff completed a risk assessment of FR chemicals that could be used to meet a new flammability mattress standard, as well as a draft risk assessment of flame-retardant chemicals to address upholstered furniture flammability. Staff also completed toxicity assessments of lead in children's jewelry and vinyl lunchboxes.

## 2. Voluntary Standards

**Goal:** *Staff will monitor or participate in developing or modifying 5 voluntary standards related to other chemical hazards. Staff will participate in development of analytical methods for product chemical analyses. Areas will include child-resistant packaging, gasoline containers, CCA, lead in jewelry, and flame-retardant chemicals.*

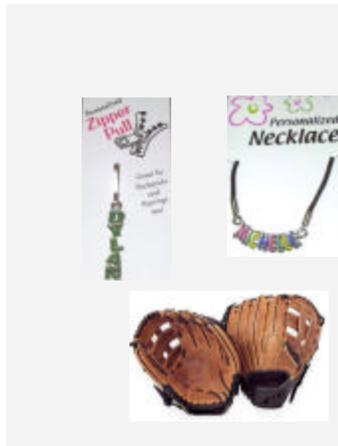
**Not Met:** Staff was unable to work on voluntary standards activities in three chemical areas due to higher priority work on chemical analyses, including those related to lead in children's jewelry. Staff monitored or participated in the development or modification of 2 voluntary standards for the following products:

- Child-resistant packaging
- Gasoline containers

## Compliance

### 3. Recalls

**Goal:** *Staff will identify and act on products that present a risk of death from other chemical hazards by pursuing 142 recalls or other corrective actions for violations of mandatory safety standards or for unregulated products that present a substantial risk of other chemical hazards.*



**Completed:** In 2006, staff obtained recalls or other corrective action for 217 products directly involving other chemical hazards.

For example, CPSC recalled over 7.5 million children's metal jewelry items and zipper pulls because they contained high levels of accessible lead in the metal and/or the paint, posing a serious risk of lead poisoning to young children. Lead is toxic if ingested by children and can cause adverse health effects.

CPSC also obtained a recall of 12,800 baseball gloves that could contain aspergillus mold. Such mold usually does not affect healthy individuals, but could cause respiratory or other infections in individuals with chronic health problems or in individuals who have impaired immune systems.

## Consumer Information

### 4. Poison Prevention Effort



**Goal:** During National Poison Prevention Week, staff will 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:** CPSC's Chairman took part in a national press conference on poison prevention. Staff produced a video news release on poison prevention that reached an estimated 4.2 million viewers. Staff partnered with the Poison Prevention Week Council to promote child-resistant packaging and other poison prevention measures. CPSC Field staff conducted 19 activities promoting child-resistant packaging and poison control, including television segments in Seattle and St. Louis, reaching over a million people nationwide.

### 5. Press Releases/Recall Alerts

**Goal:** Staff will issue an estimated 22 press releases or recall alerts to inform the public about hazardous products presenting a risk of other chemical hazards.

**Completed:** In 2006, staff substantially met the goal by issuing 20 press releases and recall alerts for products presenting a risk of other chemical hazards.

### 6. Television Appearances

**Goal:** In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 10 television interviews and appearances to air on local and national network stations on topics related to products that present other chemical hazards.

**Completed:** In 2006, there were ten television appearances on products that present a chemical hazard. High interest topics included poison prevention, lead in children's jewelry and vinyl lunchboxes.

## 7. E-Publications

**Goal:** *Through our Web site, inform consumers of other chemical hazards through the electronic distribution of 250,000 safety alerts, fact sheets, and other Web publications.*

**Exceeded:** In 2006, we provided 446,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

## REDUCING PRODUCT HAZARDS: HOUSEHOLD AND RECREATION HAZARDS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	48	45	53	51	62
Amount	\$5,396	\$5,595	\$6,722	\$6,902	\$9,342

### THE HAZARD

The annual societal cost to the nation of these hazards is at least \$66 billion. CPSC activities have made significant contributions to household and recreation safety. For example, the Commission improved lawn mower safety by establishing a standard addressing blade contact. We estimate that the lawn mower standard saves about \$1 billion in societal costs annually. The agency also has been a leader in urging consumers to use safety gear when participating in recreational activities, such as biking, in-line skating, skiing, and scooter riding.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Safety Standards</b>						
1. Prepare candidates for rulemaking	Goal	*	*	*	*	1
	Actual	0	0	0	0	1
2. Complete testing, data collection, hazard analysis, or technical review activities	Goal	2	2	4	5	4
	Actual	2	1	3	5	4 <sup>d</sup>
3. Monitor or participate in voluntary standards revisions	Goal	*	11	14	17	13
	Actual	8	15	18	19	13
<b>Compliance</b>						
4. Pursue for recall or other corrective action	Goal	30	45	80 <sup>a</sup>	100 <sup>a</sup>	130 <sup>a</sup>
	Actual	135	84	125	147	171
<b>Consumer Information</b>						
5. Conduct public information efforts	Goal	*	*	1	2	1
	Actual	--	--	0	1	1
6. Issue press releases and recall alerts	Goal	20 <sup>b</sup>	20 <sup>b</sup>	50 <sup>b,c</sup>	50 <sup>b,c</sup>	116 <sup>b,c</sup>
	Actual	65	49	86	143	123
7. Provide television interviews and appearances	Goal	*	*	*	*	15
	Actual	--	--	13	16	25
8. Inform consumers through electronic publications on our Web site (in thousands)	Goal	*	*	*	*	135
	Actual	--	--	150	158	223

\*No goal established for that year.

--Data not available.

<sup>a</sup>Estimate 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.

<sup>b</sup>These goals were changed to include all product hazards, not just recalled products as in previous years.

<sup>c</sup>These goals now include Web recall alerts.

<sup>d</sup>This actual includes an unplanned activity on Hot Tubs and Spas.

## Safety Standards

### 1. Prepare for Commission consideration 1 candidate for rulemaking or other alternative.

#### All Terrain Vehicles (ATVs)

740 estimated deaths (2003)  
136,100 emergency room-treated injuries  
(2004)



In recent years, there has been a dramatic increase in both the numbers of ATVs in use and the numbers of ATV-related deaths and injuries. According to the Commission's 2004 ATV annual report, the Commission has reports of more than 6,000 ATV-related deaths since 1982. The Commission is considering what actions, both regulatory and non-regulatory, it could take to reduce ATV-related deaths and injuries

**Goal:** *In 2006, staff will conduct a comprehensive review of regulatory and non-regulatory options to address ATV hazards, including possible voluntary or mandatory performance standards, training requirements, point-of-sale requirements, age guidelines, and others. In 2006, staff will also review comments submitted in response to the ANPR and will prepare a status report for Commission consideration.*

**Exceeded:** In May 2006, following a review of regulatory and non-regulatory options and an analysis of ANPR comments, staff sent a briefing package to the Commission recommending that the Commission issue a notice of proposed rulemaking (NPR) and undertake voluntary activities to address the safety of youth and adult ATVs. In July 2006, the Commission voted to issue an NPR; it was published on August 10, 2006, with comments due December 26, 2006.

The NPR consists of a safety standard for four-wheeled youth ATVs and for four-wheeled adult single-rider and tandem ATVs. The proposed standards would require ATVs to meet specific mechanical performance requirements, age guidelines, and labeling requirements.

Retailers would be required to provide information, including a risk disclosure form, to purchasers prior to an ATV purchase. In addition, at the time of purchase, retailers would be required to provide an offer of free training to the purchaser and members of the purchaser's household. The proposed rule would ban three-wheeled ATVs.

In its vote on the staff's voluntary activity recommendations, the Commission approved a CPSC Web site devoted to ATV safety which is available at [www.ATVSafety.gov](http://www.ATVSafety.gov).

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

#### ATV Data Update

740 estimated deaths (2003)  
136,100 emergency room-treated injuries  
(2004)

Data on ATV deaths and injuries has been collected and updated annually since 1982. The report includes the total number of ATV related deaths, deaths by state, relative risk of death by year, annual estimates of ATV-related hospital emergency room-treated injuries, and injuries distributed by year and age grouping.

**Goal:** Staff will complete the annual ATV data update report.

**Completed:** Staff completed its annual report on ATV-related deaths and injuries.

### **Bicycle Integrity/Illumination**

80,000 injuries  
(2003) (bicycle integrity only)



The Federal bicycle regulation was developed by CPSC in the early 1970s and last amended by CPSC in 1981. Since then, the evolution of bicycle technology, especially in mountain and extreme downhill bicycles, and frame configurations, has led to advancements that are not currently covered by the Federal bicycle regulation. Voluntary standards coverage of new technology is emerging, but limited. Meanwhile, bicycle injury rates remain high.

While the majority of bicycle-related injuries occur during daylight hours, CPSC staff analysis found that a bicyclist is 24 times as likely to get killed while riding at night versus riding during the day. Staff research found that, while improvements to bicycle reflectors likely will not significantly improve nighttime conspicuity, a rear flashing light emitting diode (LED) bicycle light could significantly improve the bicycle's visibility. Over the past few years, advances in LED technology have resulted in affordable, brighter lights that use less battery power.

**Goal:** In 2006, staff will review the Federal bicycle regulation, ASTM and ISO standards and injury data. Based on the staff's evaluation, staff will selectively test bicycle components with the intent of developing specific recommendations for new provisions in voluntary and/or mandatory standards. In 2006, staff will also review the current data associated with nighttime bicycling, bicycle lighting standards, and the bicycle lighting market. Staff will initiate work with ASTM to develop minimum requirements for bicycle detection and recognition. This effort will continue in 2007.

**Completed:** In 2006, staff completed a review of bicycle regulations and voluntary standards, investigated the bicycle lighting market and reviewed bicycle injury data as a function of daylight and non-daylight hours. The data was shared with ASTM to initiate work on developing minimum requirements for bicycle detection and recognition.

Based on the staff's evaluation, it was determined that selective testing of bicycle components was not necessary. Staff is participating in ASTM activities to develop requirements for improved bicycle wheel retention, frame and fork testing, use conditions and handle bar grips.

### **Hot Tubs and Spas**

**Completed (Unplanned Activity):** Hyperthermia, a condition of increased core body temperature, can cause birth defects in humans and animals. Hyperthermia may be caused by fever or by external heat, such as through the use of spas or hot tubs. Since some thermostats currently used in hot tubs/spas may not control water temperatures within a narrow range or provide accurate read-outs of water temperature, a pregnant woman using a hot tub/spa may be exposed to water temperatures that exceed recommended limits.

This project was initiated because of a manufacturers' proposal to the voluntary standards committee to allow higher temperatures in hot tubs. Contract was awarded to obtain expert opinion on the effects of hyperthermia during pregnancy on an embryo/fetus. The contractor report was intended to assist staff in its evaluation of the appropriateness of current performance requirements concerning the water temperature limit and its regulation in hot tubs/spa bathing areas, as well as future proposals concerning these requirements in the appropriate voluntary standards. The contractor report was posted for public comment on the CPSC Web site in Spring 2006.

### Senior Safety

7,500 fall-related deaths in home settings  
(ages 65 and over; 2003)



From 1997 to 2002, there has been an increase in injuries to the elderly. There were roughly 1.4 million emergency room-treated injuries to the elderly (ages 65 and older) in 2002. Twenty-three percent of these injuries were serious enough for the patient to be hospitalized, transferred, or held for observation. The proportion of older adults in the U.S. population continues to rise.

There exists a wealth of data on the compromised psychological, anthropometric, cognitive, sensory, and performance capabilities of older persons. The implications for increased potential hazards and injury to this vulnerable population are significant. Designing products and the environment for safety and easier use most typically results in outcomes that benefit all user populations. The human factors profession has long advocated "universal design," a well-designed product that is not only easier to use and safer for someone who has compromised abilities, but also is easier to use for those who are fully capable. The outcomes of this project, therefore, while initiated for seniors, would ultimately serve all populations. In 2005, staff completed a comprehensive profile of older adults in terms of attributes relevant to consumer-product interactions.

**Goal:** *In 2006, staff will complete a human factors evaluation of epidemiological data associated with injuries to older adults. Staff will identify common hazard patterns and determine likely human factors-related causes of incidents and hazard patterns. A report of this work will be completed in 2006. This information will be used to develop hazard reduction strategies in 2007.*

**Will Complete in 2007:** In 2006, staff finalized its report, *Older Consumer Safety: Phase 1*, and made it available on the CPSC Web site at [www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/older.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/older.pdf). The remainder of this activity was deferred until 2007 due to higher priority work on portable generators.

### Sensor Technology (Riding Mower, Garden Tractor)

631 injuries (children < 15 years; 2002)

In 2002, there were an estimated 631 children under 15 years of age who were injured when a riding mower or garden tractor ran over them. Many injuries are caused by children running in front of an operating mower or walking unnoticed behind an in-service mower. About one-third of injuries were of a serious nature such as internal injuries or amputations, while the remaining victims suffered from contusions/abrasions, fractures, lacerations, or other injuries.



Staff began exploring the feasibility of an onboard interactive system for a typical riding lawn mower that will be capable of sensing and/or anticipating a potentially dangerous condition, quickly overriding the operator, and forcing the riding mower into a “safe” mode. In 2005, staff performed data collection and analysis; defined riding lawn mower, bystander, and operator motion and response parameters; defined the specific hazards associated with the lawn mower; and determined the relative feasibility of solving the technical problems.

**Goal:** *In 2006, staff will complete a report of the staff’s assessment of the data analysis, review requirements in the voluntary standard, and make recommendations for next steps.*

**Completed:** In 2006, staff completed a summary report of an analysis of incident data and an assessment of the adequacy of requirements in the voluntary standard in addressing hazard scenarios identified in riding mower incidents. Staff identified follow-on activities that could be undertaken to address incidents of runaway/backover involving riding mowers.

### 3. Voluntary Standards

**Goal:** *Staff will monitor or participate in voluntary standards activities related to products including ATVs, bicycles, hot tubs/spas, garage door and gate operators, ride-on mowers, paintball guns, paper shredders, motorized scooters, and hunting tree stands.*

**Completed:** Staff monitored or participated in the development or modification of 13 voluntary standards for the following products:

- ATVs
- Bicycles
- Garage door/gate openers
- Hot tubs/spas
- Hunting tree stands
- Ladders
- Motorized scooters
- Paintball guns
- Paper shredders
- Portable amusement rides
- Recreational helmets
- Ride-on mowers
- Table saws

## Compliance

### 4. Recalls



**Goal:** *Staff will obtain 130 recalls or other corrective actions for violations of mandatory safety standards and for unregulated products that present substantial hazards.*

**Completed:** In 2006, we obtained recalls of 171 products that present a risk from household and recreational hazards

For example, CPSC obtained a recall of 19,000 kite tubes due to reports of two deaths in the United States and a variety of serious injuries, including a broken neck, punctured lung, chest, back and facial injuries. A kite tube is a circular, inflatable watercraft designed to be towed behind a power boat. A rider in the tube becomes airborne by pulling on handles attached to the floor of the tube.

## Consumer Information

### 5. Conduct 1 public information effort to provide information to the public about mechanical hazards and prevention.

#### All Terrain Vehicles (ATVs) (Carryover from 2004)



**Goal:** Staff will develop and conduct a major information and education campaign focusing on preventing injuries and deaths to both children and adults from ATVs similar to the campaign staff developed in 2005. The 2006 campaign will focus specifically on states with the highest proportion of injuries and deaths. The campaign will include a press release, a video news release on ATV hazards, and promote safety tips to help reduce the number of deaths and injuries.

**Completed:** In September 2006, CPSC launched a major ATV Safety Information and Education Campaign. The campaign was launched with interviews on CNN and Good Morning America and was followed by a national press conference in Washington, D.C. with CPSC Acting Chairman, NASCAR legend, Richard Petty, and National 4-H Council CEO Donald Floyd. Following the press event, the Acting Chairman conducted a satellite media tour with local media markets most deeply affected by ATV-related deaths and injuries. CPSC provided these 12 media markets with television and radio public service announcements, which are currently airing. We also launched a brand new Web site, [www.ATVSafety.gov](http://www.ATVSafety.gov) and utilized the Neighborhood Safety Network to promote a new poster and to encourage members to establish grassroots safety programs with CPSC.

### 6. Press Releases/Recall Alerts

**Goal:** Staff will issue an estimated 116 press releases and Web recall alerts to inform the public about products presenting a risk of a household or recreation hazard.

**Completed:** In 2006, staff issued 123 press releases and recall alerts for household and recreational products presenting hazards to consumers.

### 7. Television Appearances

**Goal:** In an effort to have the widest dissemination possible of our safety message, staff will utilize mass media and provide 15 television interviews and appearances to air on local and national network stations on topics related to products that present household or recreation hazards.

**Exceeded:** In 2006, staff conducted 25 television interviews and agency appearances on topics related to products that present household or recreation hazards including ATV safety, paper shredders, television and furniture tipovers, tube kiting and a recall involving personal transporters.

**8. E-Publications**

**Goal:** *Through our Web site, inform consumers of household and recreation hazards through the electronic distribution of 135,000 safety alerts, fact sheets, and other Web publications.*

**Exceeded:** In 2006, we provided 223,000 safety alerts, fact sheets and other publications through our Web site. The greater-than-expected increase in hits on CPSC's Web publications reflects the increased use of the Internet since our overall Web hits increased from 13.7 million in 2005 to 20.3 million in 2006. The increase is also attributed to the successful introduction of new technology such as the "Really Simple Syndication (RSS)" feed system to notify Internet users of publications available. We also revised certain publications to improve readability.

## INTERNATIONAL PROGRAMS AND INTERGOVERNMENTAL AFFAIRS

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	--	--	--	8	6
Amount	--	--	--	\$850	\$988

Note: These resources shown are also included in the program resources for the agency's two major programs: Reducing Hazards to Children and Families and Identifying Product Hazards.

### THE PROGRAM

Over one-third of all consumer products under CPSC jurisdiction are imports, and over two-thirds of CPSC recalls involve imported products. In an effort to ensure greater import compliance with American safety standards, CPSC established the Office of International Programs and Intergovernmental Affairs (EXIP). This Office coordinates efforts with other countries regarding safety standards development and harmonization, and inspection and enforcement coordination. A major emphasis of this program is helping foreign manufacturers establish product safety systems as an integral part of manufacturing. EXIP provides background information and rationale as well as suggestions for how to implement a comprehensive, systematic approach to manufacturing safe products that will comply with U.S. standards, thus reducing consumer product-related deaths and injuries. This program cuts across all hazard types and complements all other CPSC work.

A major accomplishment of EXIP was the signing of an Action Plan on Consumer Product Safety with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the People's Republic of China in August 2005. The Plan (<http://www.cpsc.gov/businfo/china/planaction.pdf>) outlines specific cooperative actions to be taken by AQSIQ and CPSC to improve the safety of consumer products manufactured in China for sale in the United States. Planned activities include a biennial Consumer Product Safety Summit, annual meetings of Working Groups in four priority product areas (cigarette lighters, electrical products, fireworks, and toys), an Urgent Consultation mechanism, and technical cooperation, training, and assistance.

EXIP is exploring the feasibility of creating a specific section of the Web site to provide access to the formalized cooperative agreements with international counterparts and electronic copies of the *CPSC Handbook for Manufacturing Safer Consumer Products* (available in both English and Mandarin). This section of the Web site would be designed to be useful to international manufacturers seeking the relevant regulations, standards and testing expectations for products bound for the U.S. market.

## ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
<b>Memoranda of Understanding (MOUs)</b>						
1. Agreements with foreign countries	Goal	*	*	*	*	3
	Actual	--	--	2	4	5
2. Annual MOU review	Goal	*	*	*	*	5
	Actual	--	--	--	1	5
<b>China Program</b>						
3. Industry-specific safety seminars	Goal	*	*	*	*	1
	Actual	--	--	--	--	2
4. Retail/Vendor training seminars	Goal	*	*	*	*	1
	Actual	--	--	--	--	1
5. Working Groups	Goal	*	*	*	*	2
	Actual	--	--	--	4	2
6. Dialogues with stakeholders	Goal	*	*	*	*	1
	Actual	--	--	-	2	2
7. China program plan update	Goal	*	*	*	*	1
	Actual	--	--	--	--	1

\*No goal established for that year.

--Data not available

### Memoranda of Understanding (MOUs)

#### 1. Agreements with Foreign Countries



CPSC has MOUs with a number of foreign governments. These agreements, signed with CPSC's counterpart agencies in other countries or regions, establish closer working relationships between the signatories, provide for a greater and more significant exchange of information regarding consumer product safety, and may include plans for informational seminars and training programs. In 2004 and 2005, CPSC signed MOUs with the People's Republic of China (April 2004), Taiwan (July 2004), Costa Rica (October 2004), the European Commission (February 2005), Chile (June 2005), and Canada (June 2005).

**Goal:** In 2006, CPSC will sign MOUs with three additional countries.

**Exceeded:** In 2006, we signed five MOUs with five countries, Mexico, Israel, India, Korea and Peru.

#### 2. Annual MOU Review

Once MOUs are in place, annual review is required in some cases to keep the documents and agreements current.

**Goal:** In 2006, we will review 5 MOUs signed prior to 2006.

**Completed:** In 2006, staff conducted five MOU annual reviews (Taiwan, European Commission, Canada, Chile, and Costa Rica).

## China Program

### 3. Industry-Specific Safety Seminars

Trade fairs in China present an opportunity to conduct safety seminars with manufacturers in targeted industry areas. There also may be opportunities to present keynote or plenary addresses during trade shows to emphasize CPSC's safety message.

**Goal:** *In 2006, staff will conduct 1 safety seminar in coordination with a Chinese trade fair.*

**Exceeded:** In 2006, staff conducted a toy safety seminar in Shenzhen at the Tenth Annual Toy Safety Conference for Chinese Manufacturers sponsored by the Toy Industry Association. Staff also conducted an electro safety seminar in Guangzhou coordinated with Canton Fair.

### 4. Retail/Vendor Training Seminars

Many major U.S. retailers have a "direct source" relationship with their Chinese vendors, i.e., they have an arrangement with specific vendors to manufacture specific goods for sale in their stores. Most of the retailers hold annual, semi-annual, and/or other regular meetings with these vendors.

**Goal:** *In 2006, staff will conduct at least one safety training seminar at a scheduled vendor meeting.*

**Completed:** In 2006, staff conducted a supplier safety seminar with Best Buy in Shanghai, China.

### 5. Working Group Meetings

Working Groups were convened at the first biennial Sino-American Consumer Product Safety Summit (August-September 2005). Several issues emerged and will be discussed at the annual working group meetings in 2006. These include the necessity for child-resistant testing of cigarette lighters, recalls of electrical products, compliance of fireworks with CPSC regulations, and common practices in toy testing.

**Goal:** *In 2006, staff will hold annual Working Group meetings in 2 priority product areas.*

**Completed:** In 2006, staff held a Toy Working Group meeting in Shenzhen and an Electrical Working Group meeting in Guangzhou.

### 6. Dialogues with Stakeholders

The benefits of stakeholder input into the direction and scope of CPSC's activities with China are immeasurable. Staff anticipates future dialogues and public meetings to solicit ideas on the direction of the program and to obtain feedback on staff work such as the CPSC Conformity Assessment Message.

**Goal:** *In 2006, staff will hold 1 public Roundtable Meeting to discuss an aspect of CPSC's China Program.*

**Exceeded:** In 2006, staff held an open dialogue to discuss the *Handbook for Manufacturing Safer Consumer Products* and the CPSC's Conformity Assessment Message. Staff also held an open dialogue to discuss the draft 2006 China Program Plan.

#### 7. China Program Plan Update

In May 2005, staff published the draft, *International Consumer Product Safety Program Plan-China*, detailing proposed activities to be undertaken to improve the safety of consumer products imported from China.

**Goal:** In 2006, staff will update the China Program Plan. The plan will be modified based on experience gained after implementing proposed activities, as well as stakeholder input, including consultation with CPSC's counterpart in the Chinese government.

**Completed:** In 2006, staff prepared a draft update of the China Program Plan for agency review.



## IDENTIFYING PRODUCT HAZARDS: DATA COLLECTION

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	79	85	67	85	80
Amount	\$9,691	\$10,299	\$9,353	\$10,600	\$11,361

### 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. CPSC 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 work provides underlying support to all the Commission's Results Act activities.



In 2006, staff continued to strengthen our data collection and analysis process. Staff continued to identify and evaluate the utility of collecting additional variables of interest and/or standardizing existing variables for comparisons to other national data bases. Past improvements include the purchase of annual data on poisonings to children; a study of the long-term costs of head injuries; and the exploration of a new statistically valid system to collect consumer product-related fire death and injury data.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
1. Evaluate, train and audit each hospital in the NEISS sample	<b>Goal</b>	100%	100%	100%	100%	95%
	<b>Actual</b>	100%	100%	98%	99%	100%
2. Capture the product-related cases	<b>Goal</b>	90%	90%	90%	90%	90%
	<b>Actual</b>	94%	94%	93%	92%	91%
3. Complete headquarters telephone investigations in fewer than 45 business days	<b>Goal</b>	85%	85%	85%	90%	90%
	<b>Actual</b>	95%	100%	100%	99%	100%
4. Complete field telephone and onsite investigations in fewer than 45 business days	<b>Goal</b>	85%	85%	85%	90%	85%
	<b>Actual</b>	89%	90%	90%	96%	86%
5. Sustain the number of onsite investigations	<b>Goal</b>	*	*	1,200	1,200	1,577
	<b>Actual</b>	1,327	1,334	1,523	1,746	1,483
6. Sustain the number of incident reports collected from medical examiners/coroners	<b>Goal</b>	2,800	3,600	3,600	3,600	4,161
	<b>Actual</b>	4,165	3,774	4,514	4,428	4,843 <sup>a</sup>
7. Sustain the number of incident reports collected from news clips	<b>Goal</b>	5,000	7,000	7,000	7,000	8,097
	<b>Actual</b>	7,101	8,131	7,870	8,766	8,634

\*No goal established.

<sup>a</sup> Preliminary data October 2005 through July 2006.

### 1. Monitoring Hospitals

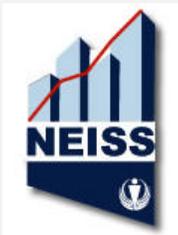


Evaluation visits to hospitals in the NEISS sample provide CPSC staff an opportunity to review hospital records and assure that hospital coders are capturing and reporting data on the highest possible percentage of reportable cases.

**Goal:** *Staff will conduct at least one evaluation visit at each of the almost 100 hospitals in the NEISS sample.*

**Completed:** We visited 100% percent of the hospitals in the NEISS sample at least once to evaluate, train, and audit.

### 2. Capturing Product-Related Cases



A high reporting percentage of product-related cases is necessary to assure the integrity of the data estimates. Remedial action would be instituted in any hospital missing significant numbers of reportable cases.

**Goal:** *The results of the audits in each hospital should indicate that NEISS hospitals are reporting at least 90 percent of the product-related cases.*

**Completed:** Based on the evaluation visits conducted in 2006, we captured about 91 percent of all product-related cases in 2006.

### 3. Telephone Investigations (Headquarters)



The headquarters telephone investigations provide valuable information on specific NEISS cases of interest to CPSC analysts. Analysts must receive this data as quickly as possible so that they can use the information to support hazard reduction activities.

**Goal:** *Staff will complete at least 90 percent of investigations in fewer than 45 business days.*

**Exceeded:** For investigations conducted in 2006, 99.6 percent were completed within 45 days.

### 4. Telephone/Onsite Investigations (Field) Timeliness

The field investigations provide valuable information on cases of interest to CPSC analysts. Analysts must receive this data as quickly as possible to support hazard reduction activities.

**Goal:** *Staff will complete at least 85 percent of field investigations in fewer than 45 business days.*

**Completed:** In 2006, we completed 86% percent of field investigations in less than 45 business days.

### 5. Onsite Investigations (Field)

Sustaining the number of onsite investigations will maintain both the timeliness and quality of our information.

**Goal:** *Staff will sustain the number of onsite investigations completed by the field at 1,577.*

**Not Met:** In 2006, Field investigators conducted 1,483 onsite investigations. In 2006, early retirements and other unexpected vacancies due to budget reductions decreased the amount of available Field investigator time by 24 staff months below the levels projected at the start of the fiscal year. Had this unforeseen decline in staff resources not occurred, allowing an additional 24 staff months of average productivity to be realized, this goal would have been met.

#### 6. Medical Examiner and Coroner Reports



Reports from medical examiners and coroners provide critical information on product-related deaths. The data is especially valuable because it is generally received soon after the incident and provides some detail on how the incident occurred.

**Goal:** Staff will sustain the number of medical examiner/coroner reports at 4,161.

**Exceeded:** To date, staff entered 4,843 reports in our database.

#### 7. News 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 report fill gaps in reporting from other data systems and provide a very important source of incidents to investigate in support of hazard identification and analysis activities.

**Goal:** Staff will sustain the number of incident reports from news clips at 8,097 clips.

**Exceeded:** In 2006, staff entered 8,634 reports in our database.

## IDENTIFYING PRODUCT HAZARDS: EMERGING HAZARDS/DATA UTILITY

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	--	--	18	13	9
Amount	--	--	\$1,782	\$1,961	\$1,326

### STRATEGIC GOAL

Improve the utility of CPSC's data through 2009 by developing and implementing a more systematic method to identify new strategic goal areas, hazard reduction projects, and remedial actions.

### THE PROGRAM

Improvements in the overall utility of CPSC data are necessary for the agency to focus its limited resources effectively. To improve the utility of the data, staff will more systematically review and analyze death and injury data and identify areas where staff must obtain more information in order to develop effective strategies to reduce deaths and injuries.

Each year, CPSC collects incident data involving consumer products. Incidents are screened on a daily basis and routinely summarized. Selected incident information is expanded by conducting follow-up investigations of individual incidents, either by telephone or through on-site visits. The follow-up investigations provide an opportunity to examine the interaction between the product involved in the incident, the environment in which the incident occurred, and the injured person.

While these methods have worked effectively in the past, increasingly limited resources require that staff target agency efforts more systematically and prioritize our efforts through the strategic planning process. Staff has developed and implemented a new data review system that will identify promising strategic goal areas and hazard reduction projects to incorporate into our Strategic Plan, as well as provide insight into potential remedial actions.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
1. Complete analysis of product areas and other emerging hazard reviews	Goal	*	2	4	4	4
	Actual	--	2	5	6	4
2. Conduct special studies	Goal	*	*	1	2	2
	Actual	--	0	1	2	2
3. Conduct special economic studies	Goal	*	*	10	8	8
	Actual	19	9	10	8	11
4. Respond to petitions	Goal	*	*	3	3 <sup>a</sup>	3 <sup>a</sup>
	Actual	3	4	5	3	4

\*No goal established.

--Data not available.

<sup>a</sup>These goals are an estimate based on prior years' experience. The actual number of petition responses will be based on the number of petitions the Commission receives and other safety-related issues that arise during the year.

### 1. Product Area/Emerging Hazard Analysis

Staff conducts systematic reviews of injury, incident, death, market and cost data on a variety of product-related hazard areas and conducts other emerging hazard reviews. As appropriate, injury and death data, poison control center data, market/exposure data, toxicity data, medical/physiological/engineering analysis, literature searches, and laboratory assessment are used to identify and evaluate new and existing hazards.

**Goal:** *In 2006, staff will complete analysis of 4 product areas and other emerging hazard reviews.*

**Completed:** In 2006, 1 hazard screening report, *Home Furnishings and Fixtures* was completed. This report is available on the CPSC Web site at [www.cpsc.gov/LIBRARY/hazard\\_home.pdf](http://www.cpsc.gov/LIBRARY/hazard_home.pdf). Staff also completed 3 emerging hazard reviews on kite tubes, TV/furniture tipover, and portable pools.

### 2. Special Studies

Staff conducts special studies such as those using telephone interviews and on-site investigations to determine the circumstances surrounding injuries or deaths associated with a product or hazard of interest.

**Goal:** *In 2006, staff will conduct 2 special studies.*

**Completed:** Staff conducted a special study on fireworks. The staff report, *2005 Fireworks Annual Report: Firework-Related Deaths, Emergency Department-Treated Injuries, and Enforcement Activities During 2005*, is available on CPSC's Web site at [www.cpsc.gov/LIBRARY/2005fwreport.pdf](http://www.cpsc.gov/LIBRARY/2005fwreport.pdf). Staff also completed a special study of pool drowning incidents to children under 5 years old; the study, *2006 Pool Drowning Memorandum*, is available at [www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/drownMemo.pdf](http://www.cpsc.gov/LIBRARY/FOIA/FOIA06/os/drownMemo.pdf).

### 3. Special Economic Studies

Staff conducts economic studies to provide injury cost estimates; estimates of product life and numbers in use; and general and small business impacts, such as costs of production and environmental impact; labeling, and recalls. Staff will maintain econometric models through periodic review to assure that methodological approaches and models are current and adequate for CPSC use.

**Goal:** *In 2006, staff will complete 8 special economic studies.*

**Exceeded:** Staff conducted 11 economic studies, including studies on the societal costs of fire-related projects, the share of consumer products in personal expenditures, imports of consumer goods from various countries, and the revision of medical costs for the Injury Cost Model.

### 4. Petitions

**Goal:** *In 2006, staff will prepare 3 briefing packages in response to petitions.*

**Exceeded:** In 2006, staff prepared 4 briefing packages in response to petitions on ATVs, candles, table saws, and infant cushions. The goal was an estimate based on prior years' experience. The actual number of petition responses is based on the number of petitions the Commission receives and other safety-related issues that arise during the year.

## QUALITY AND MANAGEMENT GOALS: DATA QUALITY

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	--	--	0.5	1.7	0.5
Amount	--	--	\$60	\$212	\$64

Note: These resources shown are also included in the program resources for the agency's two major programs: Reducing Hazards to Children and Families and Identifying Product Hazards.

### STRATEGIC GOAL – CRITICAL MANAGEMENT INITIATIVE

Improve the quality of CPSC's data through 2009 based on criteria such as accuracy, consistency, security, and completeness of CPSC's data.

#### THE PROGRAM

Improvements in the overall quality of CPSC data are necessary if the agency is to achieve its mission in the future, both in the near term and in the long run. The quality of in-house databases that track agency activity needs to be upgraded and better maintained. Failure to improve these basic operations could present significant risks to future agency functioning.



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

#### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
1. Identify, develop, and implement improvement activities resulting from assessment recommendations	<b>Goal</b>	*	*	*	*	2
	<b>Actual</b>	--	--	--	--	1
2. Conduct data quality planning activities	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	0	1	1	1
3. Identify, develop, and implement activities for data quality improvement	<b>Goal</b>	*	*	2	3	3
	<b>Actual</b>	--	0	1	3	3

\*No goal established.  
 --Data not available.

#### 1. Identify, develop, and implement improvement activities resulting from assessment recommendations.

##### Improvement Plan

**Goal:** Last year's assessment activities will result in a Barriers and Costs report for improving our initial database being shared with

management. They will choose several tasks to pursue in early 2006. In 2006, an implementation plan describing the improvement tasks and a timeline necessary to implement the selected improvements will be completed soon afterwards.

**Completed:** The Barriers and Costs report produced from the 2005 effort will be used as a basis for a larger effort of system improvement in the future.

### **Implementation Activities**

**Goal:** Improvement tasks on our first database will be implemented starting in 2006. Depending on the tasks selected, the full implementation of all data improvement tasks may not be completed until 2007.

**Project Discontinued:** Implementation of stakeholder recommendations was not completed due to reduced resources and higher priority IT initiatives and may be rescheduled in the future depending on availability of resources. Smaller improvements have been implemented by stakeholders on an ad-hoc basis. Findings from the Barriers and Costs report will be used as a basis for improvements during an upcoming migration to a Web platform. Timing for completion will depend on coordination with other elements of that effort.

## **2. Conduct data quality planning activities.**

### **Assessment Plan**

**Goal:** In 2006, staff will develop an assessment plan on our second candidate database. It will detail the assessment tasks, resources to complete those tasks, and a timeline for completion. The completion of this assessment will result in a Barriers and Costs report that will allow management to choose from the improvement tasks based on current resource levels.

**Completed:** An assessment plan was developed for the candidate database in the spring of 2006. Timeline development required research into the condition of available materials and resources. The timeline was used to track milestones and keep all stakeholders informed of progress and deliverable due dates.

## **3. Identify, develop, and implement activities for data quality improvement.**

### **Baseline Data**

**Goal:** Data quality is being defined by characteristics such as: utility, accuracy, consistency, completeness and security of the database. In 2006, the team will collect several different sources of performance data on the selected second database and its use. Staff will use this data to develop an overall baseline from which staff will investigate possible improvements.

**Completed:** Performance data was extracted in April 2006. An overall review of all fields was presented in the Data Accuracy Report and reviewed by primary stakeholders. A strategy for the evaluation of error rates was developed based on this baseline.

**Data Assessment**

**Goal:** *In 2006, the team will analyze the baseline data and describe the overall condition of the second database and associated processes. This task will result in a baseline report that all stakeholders will have the opportunity to review and critique.*

**Completed:** Data accuracy and consistency of the system were evaluated in three separate reports. An overall snapshot view of the system confirmed flaws previously noted by some stakeholders. The security and source verification were demonstrated with the first system in 2005. The Summary Data Assessment Report defined problems discovered in this process.

**Barriers and Costs**

The baseline report may result in ideas for improvement that will need to be evaluated for barriers and cost. Some of these barriers could include high workload, objectives that reward productivity over data quality, or inadequate computer software or hardware.

**Goal:** *In 2006, the team will review identified barriers and assess the benefits and costs of performing each suggested improvement. From this review, a list of improvement tasks will be ranked for feasibility and overall need, as warranted.*

**Completed:** The Barriers and Costs Report was completed and proposed different strategies for addressing the problems identified in the assessment. This report will be used as the basis for future improvement plans.

## QUALITY AND MANAGEMENT GOALS: INDUSTRY SERVICES

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	28	15	15	15	15
Amount	\$2,829	\$1,324	\$1,485	\$1,530	\$1,580

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

### STRATEGIC GOAL

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

### 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. Under the Fast-Track program, a firm that reports a hazardous product and recalls it quickly avoids a CPSC staff preliminary determination that its product presents a substantial risk of injury. Other advantages of this program for industry include reductions in paperwork, red tape, and legal expenses related to the recall of potentially defective products. For CPSC, advantages of this program include removing hazardous products from consumers and the marketplace more quickly and a reduction in the staff time to process the recall. To date, over 1,200 firms participated in the program, resulting in over 1,900 product recalls involving over 220 million product units. The Fast-Track program has been cited as an outstanding innovation by both government and private organizations.

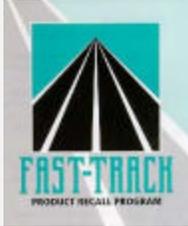


With the Small Business Ombudsman program, we help small businesses comply more easily with product safety guidelines to manufacture safer products. This program provides firms with a single point of contact that expedites a clearly understandable response from our technical staff. To date, we have helped about 2,700 small businesses through CPSC's Ombudsman. Our program was cited in the National Ombudsman Report to Congress on Regulatory Fairness as one of the best programs in the Federal government.

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
1. Initiate a recall within 20 business days	Goal	90%	90%	95%	95%	90%
	Actual	95%	95%	96%	94%	98%
2. Respond to requests within 3 business days	Goal	80%	80%	80%	80%	80%
	Actual	99%	88%	82%	94%	69%
3. Develop guidance documents	Goal	5	5	5	5	5
	Actual	5	7	8	8	8

### 1. Fast Track Timeliness



**Goal:** Staff will complete a technical review and initiate a recall within 20 days 90 percent of the time for the Fast-Track Program.

**Exceeded:** In 2006, a review of the records reveals that Fast Track recalls were initiated within 20 business days 98% percent of the time.

### 2. Ombudsman Timeliness

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

**Not Met:** CPSC staff responded to and offered guidance to 241 small businesses in 2006. A review of the Small Business Ombudsman program's records found that requests were responded to within three business days 69 percent of the time. There were technical problems with the tracking database that resulted in elapsed business days being calculated incorrectly during a portion of 2006. This tracking system malfunction has been corrected and we anticipate reaching our goal in 2007.

### 3. Guidance Documents



In 2000, staff began an effort to develop brief guides or other guidance documents for CPSC regulations where most of our compliance efforts have been targeted so that industry could quickly and easily understand how to comply. These guides have been posted to the CPSC Web site.

**Goal:** In 2006, staff will develop five additional guidance documents to explain regulations, other policies, or procedures; or assist industry in complying with CPSC regulations

**Exceeded:** In 2006, 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. These included amusement ride directory update, lighter submission lists, the 2005 Toy Recall Report, guidance letters on baby walkers and drawstrings in children's outerwear, and documents related to the mattress standard.

## QUALITY AND MANAGEMENT GOALS: CONSUMER SATISFACTION WITH CPSC SERVICES

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	15	12	17	17	17
Amount	\$1,595	\$1,591	\$2,346	\$2,416	\$2,488

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

### STRATEGIC GOAL

Sustain the high level of customer satisfaction with the CPSC Web site, hotline, Clearinghouse, and State Partnership Program at 90 percent or better through the year 2010.

### 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](http://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 over 2,500 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.



**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2002	2003	2004	2005	2006
<b>CPSC Web Site</b>						
1. CPSC Web site visits (in millions)	<b>Goal</b>	7.0	8.0	10.0	11.0	18.0
	<b>Actual</b>	7.9	9.2	11.9	13.7	20.3
<b>Hotline Services (1-800-638-2772)</b>						
2. Respond to voicemail messages the next business day	<b>Goal</b>	85%	85%	85%	85%	85%
	<b>Actual</b>	86%	92%	96%	86%	89%
3. Process incident reports within 8 working hours	<b>Goal</b>	85%	85%	90%	95%	95%
	<b>Actual</b>	100%	100%	100%	100%	100%
<b>National Injury Information Clearinghouse</b>						
4. Mail incident information for verification to consumers within 2 business days	<b>Goal</b>	95% <sup>a</sup>	95%	95%	95%	95%
	<b>Actual</b>	100%	98%	99%	95%	100%
5. Provide manufacturers with verified incidents and investigations within 48 business days	<b>Goal</b>	90%	90%	90%	90%	90%
	<b>Actual</b>	79%	95%	95%	95%	96% <sup>c</sup>
6. Provide responses to requests within 7 business days	<b>Goal</b>	95% <sup>b</sup>	95% <sup>b</sup>	95% <sup>b</sup>	95% <sup>b</sup>	95%
	<b>Actual</b>	96%	97%	97%	99%	98%
<b>State Partners Program</b>						
7. Conduct product safety activities	<b>Goal</b>	50	50	150	120	183
	<b>Actual</b>	140	287	195	179	224
8. Conduct recall checks, inspections, and investigations to support CPSC priorities	<b>Goal</b>	900	900	740	740	922
	<b>Actual</b>	979	924	1,180	916	952

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

<sup>b</sup> Goal was to provide responses to requests within 5 business days for this fiscal year.

<sup>c</sup> Preliminary data October 2005 through July 2006.

**1. Web Site Visits**



CPSC’s Web site (<http://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 and providing the ability to search and download data from our National Electronic Information Surveillance System. The number of users of the Web site has grown rapidly from about 200,000 visits in 1997 to about 13.7 million visits in 2005.

**Goal:** In 2006, staff anticipates that we will have 18 million visitors to CPSC’s Web site.

**Exceeded:** In 2006, we had 20.3 million visits to CPSC’s Web site ([www.cpsc.gov](http://www.cpsc.gov/)). This number has rapidly grown from about 200,000 in 1997. Our site is continuously upgraded; in 2006, several new features were added such as wireless device access to recalls, mp3s and podcasts of recalls and product safety news, Commission meeting summaries, and Commission ballot vote summaries. In addition, CPSC launched [www.ATVSafety.gov](http://www.ATVSafety.gov/), a Web site dedicated

to reducing the large number of deaths and injuries, especially to children, from the use of all terrain vehicles.

## 2. Voicemail

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



The hotline maintains high levels of customer satisfaction through administering a performance-based contract for hotline operators who deal directly with the public. Under this type of contract, staff evaluates the performance and renews the contract only if the performance level meets or exceeds the standards set forth in the contract. This includes maintaining the hotline automated message system, maintaining the system for responding to e-mail messages, and preparing reports on consumer usage of these systems.

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

**Completed:** In 2006, we responded to 2,741 voicemail messages the next business day 89% percent of the time.

## 3. Incident Reports

Consumers may make a complaint of an unsafe product or product-related injury through the hotline. We then send a copy of the report to the consumer for confirmation of the information recorded by the hotline staff. Staff use these complaints to look for emerging hazards and to support studies of specific product hazards

**Goal:** *In 2006, staff will process product incident reports within 8 working hours 95 percent of the time.*

**Completed:** In 2006, we processed over 4,000 complaints about consumer products within 8 working hours 99.8% percent of the time.

## 4. Consumer Confirmation

The National Injury Information Clearinghouse contacts consumers to request verification of information contained in reports of unsafe products submitted to us through our consumer hotline, the Internet, or by mail. Requests for verification are mailed to consumers within 48 hours after the report arrives in the Clearinghouse.

**Goal:** *In 2006, staff will mail incident report verification information to consumers within 2 business days at least 95 percent of the time.*

**Completed:** We mailed 10,883 requests for verification within 48 hours 99.97% percent of the time.

## 5. Manufacturer Mailing

The incident information from consumers and investigation reports from CPSC's field staff is sent to manufacturers whose products are named in these reports. Consumer verification information and manufacturer responses are also made available to staff electronically for review.

**Goal:** *In 2006, staff will provide reported incidents and completed investigation results to manufacturers of identified products within 48 business days of receiving the reports in the Clearinghouse 90 percent of the time.*

**Exceeded:** In 2006, we exceeded our goal by providing 13,786 incident and investigation reports to manufacturers within 48 business days 96 percent of the time.

## 6. Information Requests

The Clearinghouse provides the public with technical information relating to the prevention of death and injury associated with consumer products. Requests for injury data are assigned to technical information specialists who search agency databases and publications to tailor responses to each customer's needs. Most of the 2,500 requests received on average each year are completed within five business days.

**Goal:** *In 2006, staff will provide responses to requests for information within 7 business days 95 percent of the time.*

**Completed:** In 2006, we responded to consumers within 7 business days 98% percent of the time.

## 7. Product Safety Activities



CPSC's *State Partners* program works in cooperation with a group of state and local officials to deliver CPSC services to consumers. Most of these cooperative activities at the state level complement those performed by the Commission's field staff and are done at little or no cost to the Federal Government

**Goal:** *In 2006, staff will conduct 183 product safety activities including media events, congressional contacts, public information seminars, and safety consultations.*

**Completed:** In 2006, staff conducted 224 product safety activities including working with senior citizen groups, child care centers, state health departments and grassroots organizations to promote CPSC's Federal-State program.

## 8. Assignments

**Goal:** *Staff will conduct at least 922 State Partners recall checks, inspections, and in-depth injury investigations to support CPSC priorities within 90 days of assignment.*

**Completed:** In 2006, staff successfully conducted 952 State Partner recall checks, inspections, and in-depth injury investigations within 90 days of assignment.

## QUALITY AND MANAGEMENT GOALS: PRESIDENT'S MANAGEMENT AGENDA

Total Resources for This Goal (dollars in thousands)					
Fiscal year	2002	2003	2004	2005	2006
FTEs	5	5	5	5	5
Amount	\$412	\$457	\$481	\$495	\$510

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. CPSC has taken a number of steps to support the management initiatives in the areas, which allow us to achieve our goals while managing public resources with prudence.



## STRATEGIC MANAGEMENT OF HUMAN CAPITAL

### ANNUAL GOALS AND RESULTS

Annual Goals Summary		2002	2003	2004	2005	2006
1. Modify the SES appraisal system to include progress toward meeting Results Act goals and the President's Management Agenda	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	1	1	0
2. Identify skills gaps and develop training plans	<b>Goal</b>	*	*	*	1	1
	<b>Actual</b>	--	--	--	0	0
3. Maintain the recruitment process time	<b>Goal</b>	62	62	62	62	62
	<b>Actual</b>	61	51	60	61	61
4. Conduct training for managers in human resource management	<b>Goal</b>	2	2	2	1	2
	<b>Actual</b>	2	2	3	2	4
5. Conduct focus groups of new employees	<b>Goal</b>	2	2	2	2	1
	<b>Actual</b>	2	2	2	2	1
6. Target recruitment efforts to organizations serving under-represented populations	<b>Goal</b>	10	10	10	12	12
	<b>Actual</b>	11	12	12	14	14
7. Conduct training sessions for employees in EEO/AEP responsibilities	<b>Goal</b>	*	3	3	3	3
	<b>Actual</b>	0	4	8	10	4
8. Promote representation of Hispanics and individuals with disabilities	<b>Goal</b>	5	5	5	5	5
	<b>Actual</b>	6	7	12	13	10
9. Develop and implement the Training Plan	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	1	0	1
10. Identify and promote low/no-cost training	<b>Goal</b>	1	1	1	1	1
	<b>Actual</b>	1	1	1	1	1

\*No goal established. --Data not available.

## 1. Appraisal System

**Goal:** *In 2006, staff will monitor the use of the SES performance elements and standards and implement the modified elements and standards for the remainder of the GS employees.*

**Will Complete in 2007:** In 2006, a formal assessment of the Senior Executive Service performance management system was completed. The modified elements for all GS employees were refined based on the Performance Appraisal Assessment Tool and are being negotiated with our Union. The implementation of new performance elements is planned for 2007.

## 2. Skills Analyses

**Goal:** *In 2006, staff will identify skill gaps and develop training plans for the mission critical positions to assure staff has well-qualified individuals performing the strategic mission of the agency. Additionally, in 2006, staff will develop a succession plan to ensure continued development of current employees as well as targeted recruitment for mission critical positions.*

**Not Met:** In 2006, core competencies were developed for managers and supervisors as well as several mission critical positions. A contract was not awarded for this effort in 2006 due to higher priority work. Due to staffing reductions in 2006 and proposed staff reductions in 2007, this goal is being deferred until Commission staffing and organizational changes are stabilized.

## 3. Recruitment Time

**Goal:** *Staff will maintain the recruitment process time at 62 days.*

**Completed:** The recruitment process time is calculated as the difference in the number of days between the recruitment request and the candidate selection date. The staff met the goal by maintaining an average recruitment process time of 61 days for 2006. This number is well below the 2002 government average of 102 days and a reduction from the 1999 average process time of 72 days. Applicants have the option to hand carry, mail, fax, or submit their application online, making it easy to apply for jobs at CPSC. CPSC updated its Merit Promotion Plan to further reduce barriers to hiring and implement strategies for effective hiring, such as category rating and shortened open periods.

## 4. Human Resources Training

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

**Completed:** In 2006, staff completed management training sessions in Time and Attendance, Staffing and Recruitment, Results-Based Performance, and Human Management for Supervisors and Managers.

## 5. Focus Groups

**Goal:** *Staff will conduct 1 focus group of new employees to learn from their experience and determine how to improve our recruitment process.*

**Completed:** In 2006, staff utilized a Web-based survey tool, Zoomerang, to survey new employees on their experience with the recruitment process. A focus group was then held for a discussion of the responses.

## 6. Target Recruitment

**Goal:** Staff will target 12 recruitment efforts to organizations serving under-represented populations. Staff will contact organizations serving under-represented populations, such as Hispanic-serving institutions, Hispanic Association of Colleges and Universities, Hispanic Outreach Leadership Alliance, League of United Latin American Citizens, and the President's Committee for People with Disabilities.

**Exceeded:** In 2006, staff participated in the annual Hispanic College Fund Meeting providing vacancy announcements and our recruitment brochure to interested individuals. We mailed each Hispanic-serving institute a copy of our recruitment brochure with a cover letter describing our agency. This letter asked schools to enroll in the Neighborhood Safety Network as well as consider us for employment opportunities for graduating students. We posted several vacancies with promotion potential with the Hispanic Association of Colleges and Universities. We used the National Council of Hispanic Employment Program Managers to solicit candidates for several higher graded vacancies. We used the Department of Labor EARN program to post vacancies for qualified individuals with disabilities. We obtained and forwarded resumes of soldiers participating in Operation Warfighter to interested managers in an attempt to make a match.

## 7. EEO/AEP Training

**Goal:** Staff will conduct 3 training sessions for CPSC employees about their EEO/AEP responsibilities. Training will continue to emphasize the shared responsibility for developing and implementing a successful CPSC Federal Equal Opportunity Recruitment Plan.

**Exceeded:** In 2006, staff conducted 4 training sessions for CPSC employees. These included prevention of harassment training for both employees and supervisors with an emphasis on creating an environment where all people feel that they are treated with dignity and respect. We provided Diversity of Type training for our Eastern Region and all Compliance managers. We conducted awareness activities to raise consciousness among workgroups for the creation of a workforce that is reflective of the population we serve. We submitted our annual report to the Equal Employment Opportunity Commission on our efforts to obtain a model EEO program and to recruit, retrain and advance women, minorities, and individuals with disabilities. We provided a state of the agency briefing to the Chairman.

## 8. Promote Representation

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

**Exceeded:** In 2006, staff continued its partnership with the Bethesda Chevy Chase High School both tutoring students and providing student internships. We conducted employee training in how to write a resume and "Knowledge, Skills and Abilities" (KSAs) statements. We circulated articles to management on Disability awareness. We promoted lunchtime Spanish language classes. We conducted cultural awareness activities that included outreach to Hispanics and Hispanic media and a program on Native American song and storytelling. We continued to work with our focus group on finalizing our mentoring circles program. We conducted training in Communicating with Individuals with Disabilities and provided the opportunity for CPSC staff to attend National Special Emphasis Training Conferences.

### 9. Training Plan

In 2004, The Director of Human Resources developed a draft coordinated training plan for the agency. In 2005, the agency began implementation of the plan. 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.

**Goal:** *In 2006, staff will continue with the implementation and monitor the use of the agency's training plan.*

**Completed:** In 2006, staff continued with the implementation of the training plan. The top ten training courses identified by employees in the training needs survey were given on-site. On-site IT training was given on all of the software packages supported by the Commission. Executive development training opportunities were competed and afforded to five employees.

### 10. Low/No-Cost Training

**Goal:** *Staff will identify and promote no or low-cost training opportunities such as periodic Small Agency Council training sessions, and on-line training.*

**Completed:** In 2006, Skillsoft which provides a library of over 3,000 on-line training courses was available to all staff for unlimited use at their desktop 24 hours a day. Courses were made available to all employees through the Small Agency Council training fund. Six on-site training courses were held for all employees in Technical Writing, Retirement Planning, Human Resources Management, and Results-Based Performance. Six Employee Assistance Program training sessions were held on-site.

**COMPETITIVE SOURCING**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2002	2003	2004	2005	2006
11. Review and revise the annual FAIR Act Inventory as appropriate	<b>Goal</b>	*	1	1	1	1
	<b>Actual</b>	1	1	1	1	1
12. Complete performance work statements and cost statements for activities in the Fair Act Inventory annually	<b>Goal</b>	*	*	20%	20%	20%
	<b>Actual</b>	--	--	0%	0%	0%
13. Complete competitions for activities in the Fair Act Inventory	<b>Goal</b>	*	*	*	20%	20%
	<b>Actual</b>	--	--	--	0%	0%

\*No goal established. --Data not available.

**11. FAIR Act Inventories**

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

Staff currently contract for most of our commercial services. For example, CPSC contracts for mail and driver services, laborer services, and copy and library services. Staff also contract for our consumer hotline operation, data screening for NEISS, and much of our computer programming and help desk operations. In addition, staff contract for specialized commercial reviews, such as bankruptcy experts, during the course of our investigations. Staff also contract out for operations of various major administrative systems such as payroll, finance, human resources, and procurement. Staff estimates that these contracts represent the equivalent of 50 FTEs already contracted out.

**Goal:** *In 2006, staff will review and revise the FAIR Act inventory, as appropriate.*

**Completed:** We completed and submitted the inventory to OMB as required by June 30. In our 2006 inventory, staff determined that an additional 14 employees over and above the 50 that are already contracted out may be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised).

**12. Performance Statements**

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

Staff currently contract for most of our commercial services. For example, CPSC contracts for mail and driver services, laborer services, and copy and library services. Staff also contract for our consumer hotline operation, data screening for NEISS, and much of our computer programming and help desk operations. In addition, staff

contract for specialized commercial reviews, such as bankruptcy experts, during the course of our investigations. Staff also contract out for operations of various major administrative systems such a payroll, finance, human resources, and procurement. Staff estimates that these contracts represent the equivalent of 50 FTEs already contracted out.

In our 2005 inventory, staff determined that an additional 17 employees over and above the 50 that are already contracted out may be performing commercial activities under the definitions in the FAIR Act and OMB Circular A-76 (Revised).

**Goal:** *Through 2006, staff will complete performance work statements and cost statements for at least 20 percent of the activities in our FAIR Act inventory.*

**Not Met:** In 2006, all the activities on the inventory were affected by the agency reorganization in response to resource reductions. Due to staffing reductions in 2006 and proposed staff reductions in 2007, this goal is being deferred until Commission staffing and organizational changes are stabilized.

**13. Competition**

In 2004, staff began developing agency procedures to implement revised OMB Circular A-76. Staff expects to complete these procedures in 2006.

**Goal:** *Staff expects to complete these procedures in 2006. Through 2006, staff plans to complete competitions following these procedures for a total of at least 20 percent of the activities in our FAIR Act inventory.*

**Not Met:** In 2006, all the activities on the inventory were affected by the agency reorganization in response to resource reductions. Due to staffing reductions in 2006 and proposed staff reductions in 2007, this goal is being deferred until Commission staffing and organizational changes are stabilized.

**IMPROVED FINANCIAL PERFORMANCE**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2002	2003	2004	2005	2006
14. Monitor financial management systems that meet Federal requirements and standards (Letter of Assurance)	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	1	1	1	1	1
15. Implement a data warehouse capability	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	0	1	1
16. Reduce or maintain the number of business days after month-end to produce monthly financial reports	<b>Goal</b>	*	*	3	3	3
	<b>Actual</b>	5	3	3	3	3

\*No goal established. --Data not available.

#### 14. Financial Management Systems

In 2001, CPSC implemented a new core accounting system, the Federal Financial System (FFS), contracted from the Department of Interior's National Business Center (NBC), a major provider of Federal accounting services meeting all Federal accounting system requirements and standards. FFS is fully compliant with requirements for accuracy and timeliness.

**Goal:** *In 2006, staff will continue to monitor the system to ensure continued compliance with all applicable Federal regulations and standards. This will be documented in the staff annual letter of assurance.*

**Completed:** In 2006, staff monitored the system by performing various system and program reviews to ensure compliance with Federal regulations and standards. System reviews to support compliance are documented in the annual letter of assurance.

FFS users were officially advised in March 2006 by NBC that support for FFS would no longer be provided starting October 1, 2010. CPSC has begun its evaluation process to review available options for a new system.

#### 15. Data Warehouse Capability

The FFS described above was designed expressly for government accounting, integrated budget execution, and reporting. Key management data is 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 this data can be time-consuming and prone to error through manual processing, and does not allow for error classification and analysis.

Fortunately, this data is also optionally available in FFS in a data warehouse, providing information easily accessed with standard report and query tools. The FFS data warehouse provides reporting from summary to detail level. In 2004, staff pilot-tested this capability. In 2005, CPSC trained allowance holder staff in other CPSC offices.

**Goal:** *If funding for software license fees is secured, we will fully implement this warehouse capability in 2006 or 2007.*

**Completed:** In 2006, the Budget and Finance staff used the data warehouse application to develop new queries and provide information in support of various financial inquiries. After reviewing the access level needed for this application, it was determined that additional licenses were not needed. At this time, user implementation will not expand beyond existing users because NBC is dropping the report to FFS and we are in the process of acquiring a new financial system.

#### 16. Information Timeliness

Currently staff provides monthly financial reports throughout the agency by the 3rd business day, on average, after the close of the month. In 2004, staff pilot-tested electronic transmission of FFS reports with full implementation in 2005.

**Goal:** In 2006, staff will evaluate reporting needs in order to improve on-demand access to financial information.

**Completed:** In 2006, monthly financial reports were provided by the third business day after month-end close.

**EXPANDED ELECTRONIC GOVERNMENT**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2002	2003	2004	2005	2006
17. Develop Internet applications allowing direct government-to-citizen access	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	1	1	1
18. Implement XML based application to improve government-to-business communication	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	1	1	0
19. Develop and implement technologies to allow secure access and transfer of information government-to-government	<b>Goal</b>	*	*	1	1	1
	<b>Actual</b>	--	--	1	1	1
20. Reduce the weaknesses identified in the 2001 GISRA audit to improve internal efficiency and effectiveness	<b>Goal</b>	*	*	2	1	1
	<b>Actual</b>	2	5	2	3	6

\*No goal established. --Data not available.

**17. Government-To-Citizen**

Government-to-citizen initiatives seek to provide one-stop, on-line access by citizens to benefits and services. They also bring modern management tools to improve the quality and efficiency of service. Citizens can currently request technical, scientific, legal, program, and policy data from CPSC through the Freedom of Information Act (FOIA). In 2004, staff implemented an on-line FOIA request form for use by the public. In addition to making a request using this form, the public can also access additional FOIA information through CPSC's Web site. However, this FOIA information is currently not always easy to find because of the quantity of information available. In 2005, staff launched the FOIA form for use by the public

**Goal:** In 2006, we will fully implement the FOIA form for use by the public.

**Completed:** In 2006, the on-line FOIA request form was fully implemented for use by the public.

**18. Government-To-Business**

Government-to-business initiatives will reduce the burden on business by adopting processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses and enable digital communications with businesses. Currently businesses have difficulty finding applicable regulations and Federal Register (FR) notices on the Web site because of the large number of regulations and notices available. In 2004, staff introduced a regulation retrieval system to allow visitors to retrieve regulatory information by specific products. Under the CPSC Flammable Fabrics Act, manufacturers are required to update their information periodically. To date, this has been done using a hard-copy paper

system. In 2005 staff developed and launched a new Voluntary Standard link on the [www.cpsc.gov](http://www.cpsc.gov) home page, making it easier for businesses to research and view Voluntary Standards activities involving consumer products.

**Goal:** *In 2006, staff plans to develop and introduce an on-line filing system for manufacturers as an alternative to the paper system.*

**Will Complete in 2007:** In 2006, staff completed the first phase of the on-line filing system which includes enabling industry to search the system and view the status of guarantees. The second phase—enabling on-line submissions will be completed in 2007. Several factors, including resource limitations and technical issues delayed the completion of the project.

## 19. Government-To-Government

Government-to-government initiatives will enable sharing and integration of federal, state and local data. Recently completed CPSC initiatives include the [www.recalls.gov](http://www.recalls.gov) Web site, a one-stop site that provides the most up-to-date information on recalls developed in partnership with the Food and Drug Administration, the U.S. Coast Guard, the National Highway Traffic Safety Administration, the U.S. Department of Agriculture, and the Environmental Protection Agency - completed in 2003; an XML based news feed that provides media and Web masters with the latest CPSC recall notices within minutes of their release, completed in 2004; and an application that enables CPSC's state partners to electronically report recall effectiveness information that they provide us under contract, completed in 2004. In 2005, staff improved [www.recalls.gov](http://www.recalls.gov) which will make it easier for participating agencies to enter their recall information.

**Goal:** *In 2006, staff will continue dialogue with participating Agencies to find ways to improve this Web site.*

**Completed:** In 2006, CPSC staff worked with one of the participating agencies to assist them in establishing an email subscription service, which would link from [www.recalls.gov](http://www.recalls.gov). Currently three of the six participating agencies provide the subscription service from [www.recalls.gov](http://www.recalls.gov). In addition, we added a one-stop search page where consumers can search for recalls from all six agencies, further enhancing participating agencies' ability to disseminate important safety information.

## 20. Internal Efficiency and Effectiveness

Internal Efficiency and Effectiveness initiatives bring commercial best practices to key government operations, particularly information security, supply chain management, human capital management, financial management and document workflow. The increase in computer viruses, hacker attempts and potential physical threats put both internal and external CPSC interactions at risk and reduce government-to-employee efficiency and effectiveness. A successful e-Government strategy must deploy effective security controls into government processes and systems. In 2004, staff began implementation of our Business Continuity Plan (BCP), a requirement under the Federal Information Security Management Act (FISMA),

which includes a disaster recovery plan. Implementation of the disaster recovery plan began in 2004

**Goal:** *In 2006, staff will continue to implement one of the BCP's recommended security actions.*

**Completed:** In 2006, staff implemented several of the BCP's recommended security actions. Staff implemented and/or completed:

- A network auditing system that tracks a variety of system changes making security issues easier to detect and trace.
- User Rules of Behavior, requiring users to certify that they have reviewed the rules regarding use of CPSC's information system resources.
- Network-wide security assessment and penetration testing.
- Network deployed security policies that allow support personnel to control the countless security settings on each user computer.
- Network intrusion detection system that continuously monitors the network for threats and attacks.
- An update of the agency's System Security Plan

**BUDGET AND PERFORMANCE INTEGRATION**

**ANNUAL GOALS AND RESULTS**

Annual Goals Summary		2002	2003	2004	2005	2006
21. Perform program evaluations	<b>Goal</b>	7	8	7	8	6
	<b>Actual</b>	4	8	5	6	6

**21. Program Evaluations**

We believe that our annual budget and performance plans make the agency performance-oriented by showing progress achieved on our hazard reduction goals, quality and management goals. For continued improvement, however, staff must evaluate our programs. Staff will continue to set goals for performing specific evaluations as indicated in the Performance Evaluation section of this plan.

**Goal:** *We will conduct 6 program evaluations.*

**Completed:** In 2006, staff conducted 6 planned program evaluations.



## PROGRAM EVALUATIONS

This section provides a summary of the evaluations we identified in our 2006 Performance Plan, as required in the Office of Management and Budget's Circular No. A-11.

Injury and death reduction strategic goals will have two types of evaluations: yearly tracking of injuries and deaths at the hazard level and evaluations of injury and death reductions associated with specific products at appropriate time intervals. The timing for evaluating injury and death reductions depends, in part, on how long consumers keep specific products. Evaluations at the product level will be conducted when consumers are expected to have replaced a substantial proportion of older products with safer products. Staff derives estimates of the extent to which safer products have replaced older products using CPSC's Product Life Model.

Customer service/customer satisfaction goals will also have two types of evaluations: tracking of customer service standards and activities, and assessments of consumers and industry. Tracking will be evaluated annually, while assessments are planned to be implemented on a cycle of every three years.

### A. Reducing Fire-Related Deaths

#### *Tracking of fire-related deaths*

**Completed:** In 2006, staff completed its update of fire-related (non-arson) deaths, injuries, and dollar losses for the year 2003.

#### *Tracking of fireworks-related deaths*

**Completed:** In 2006, staff completed its update of fireworks-related deaths. The report is at [www.cpsc.gov/LIBRARY/2005fwreport.pdf](http://www.cpsc.gov/LIBRARY/2005fwreport.pdf) on our Web site.

#### *Impact evaluation of product(s) with fire-related hazards*

**Completed:** In 2006, staff completed an impact evaluation of the 1973 mattress standard.

### B. Reducing CO Poisoning Deaths

#### *Tracking of CO deaths*

**Completed:** In 2006, staff completed an update of non-fire-related carbon monoxide poisoning deaths associated with portable generators.

### C. Customer Satisfaction

#### *Clearinghouse (Carryover from 2005)*

**Completed:** Staff planned to conduct this survey in 2005. A large amount of data was lost during the collection period caused by the misrouting of responses by the U.S. Postal Service. After correcting the problems encountered during this year, staff conducted a new evaluation of the Clearinghouse in 2006. Staff completed a final draft of the survey which is under staff review.

#### *State Partners*

**Completed:** Staff completed a final draft of the survey which is under staff review.



## PROGRAM ASSESSMENT RATING TOOL (PART) SUMMARY

**Program Title:** Consumer Product Safety Commission

**Program Type:** Regulatory-based Program

**Assessment Year:** 2002

**Assessment Status:** Final

Improvement Plans	Status
No Improvement Plans defined as of November 15, 2006.	N/A

Program Funding Level (in millions of dollars)		
2005 Actual	2006 Plan	2007 Request
62	62	62

Assessment Year: 2002 Outstanding 2002 PART Recommendation			
Recommendation :	Completion Date:	On Track?	Comments on Status:
Review the conduct of cost-benefit analyses on PPPA regulations.	4 <sup>th</sup> Quarter 2007	Y	Draft cost-benefit analyses completed and peer reviewed

**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 formal 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 had not previously performed formal cost-benefit analyses of the type that are developed for products regulated under the Federal Hazardous Substances Act, Consumer Product Safety Act or Flammable Fabrics Act.

**Progress.** To address OMB's recommendation and explore legal requirements, staff completed draft cost-benefit analyses for two potential PPPA rulemaking candidates. These candidates have been finalized and interagency peer reviewed. Staff is reviewing the peer review comments and will prepare recommendations to the Commission thereafter.



## BALANCE SHEET

### FOR THE YEAR ENDED SEPTEMBER 30, 2006

<b>Entity Assets:</b>	<b>2006</b>	<b>2005</b>
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 10,645,432	\$ 10,089,918
Advances To Others (Note 3)	360	
Accounts Receivable (Note 4)	2,382	25,050
Equipment (Note 5)	2,638,709	2,686,587
<b>Total Entity Assets</b>	<b>13,286,883</b>	<b>12,801,555</b>
 <b>Non-Entity Assets:</b>		
Intragovernmental Assets:		
Fund Balance with Treasury	3,470,569	9,116,860
Accounts Receivable	551,457	1,755,650
<b>Total Non-Entity Assets</b>	<b>4,022,026</b>	<b>10,872,510</b>
 <b>Total Assets</b>	<b>\$ 17,308,909</b>	<b>\$ 23,674,065</b>
 <b>Liabilities:</b>		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accrued Benefits	\$ 1,718,187	\$ 2,599,947
Accounts Payable	267,436	397,328
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>1,985,623</b>	<b>2,997,275</b>
Liabilities Not Covered by Budgetary Resources		
Intragovernmental Liabilities:		
Actuarial Federal Employees' Compensation Act Liabilities	430,344	371,661
Accrued Annual Leave	3,117,029	3,373,107
Imputed Financing Sources	3,627,493	3,627,493
Unemployment Insurance	15,639	4,102
Other Liabilities (Note 6)	4,022,026	10,872,510
<b>Total Liabilities not Covered by Budgetary Resources</b>	<b>11,212,531</b>	<b>18,248,873</b>
 <b>Total Liabilities</b>	<b>\$ 13,198,154</b>	<b>\$ 21,246,148</b>
 <b>Net Position:</b>		
Balances		
Unexpended Appropriations	8,659,809	7,092,643
Cumulative Results of Operations	(4,549,054)	(4,664,726)
<b>Total Net Position</b>	<b>4,110,755</b>	<b>2,427,917</b>
 <b>Total Liabilities and Net Position</b>	<b>\$ 17,308,909</b>	<b>\$ 23,674,065</b>

## STATEMENT OF NET COST FOR THE YEAR ENDED SEPTEMBER 30, 2006

<b>Gross Costs:</b>	<b>2006</b>	<b>2005</b>
Intragovernmental/Public Gross Costs		
Benefits Expenses	\$ 5,517,430	\$ 5,487,756
Operating Expenses	58,204,746	59,225,008
Unfunded Annual Leave	3,117,029	3,373,107
Imputed costs	3,627,493	3,627,493
Unemployment Insurance	15,639	4,102
Federal Employees Compensation Fund	430,344	371,661
Total Gross Costs	<u>70,912,681</u>	<u>72,089,127</u>
Less: Earned Revenue		
Intragovernmental Earned Revenue	(3,268,366)	(2,769,775)
Donated Revenue	(25,966)	(13,315)
Earned revenues from the Public	(71,060)	(59,045)
Total Revenues	<u>(3,365,392)</u>	<u>(2,842,135)</u>
<b>Total Net Cost of Operations</b>	<b><u>\$ 67,547,289</u></b>	<b><u>\$ 69,246,992</u></b>

## STATEMENT OF CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2006

	2006	2005
<b>Cumulative Results of Operations:</b>		
Beginning Balances	\$ (4,664,726)	\$ (7,266,915)
<b>Budgetary Financing sources:</b>		
Reimbursement Received	(3,300,415)	(2,769,775)
Accounts Receivable	2,382	25,050
Advance	360	-
Donated Revenue	(25,967)	(13,315)
Appropriations Used	63,635,288	64,575,894
Decrease prior year unfunded cost	3,723,820	6,403,834
<b>Other Financing Sources(Non-Exchange):</b>		
Imputed Financing	3,627,493	3,627,493
Total Financing Sources	67,662,961	71,849,181
Net Cost of Operations	(67,547,289)	(69,246,992)
Net Change	115,672	2,602,189
<b>Cumulative Results of Operations</b>	<b>\$ (4,549,054)</b>	<b>\$ (4,664,726)</b>
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 7,092,643	\$ 7,120,297
<b>Budgetary Financing Sources:</b>		
Appropriations Received	63,000,000	62,650,000
Reimbursement Received	3,300,415	2,769,775
Rescission	(630,000)	(501,200)
Donated Revenue	25,966	13,315
Appropriations Used	(63,635,288)	(64,575,894)
Cancellation of expired year	(493,927)	(383,650)
Total Budgetary Financing Sources	1,567,166	(27,654)
<b>Total Unexpended Appropriations</b>	<b>\$ 8,659,809</b>	<b>\$ 7,092,643</b>
<b>Net Position</b>	<b>\$ 4,110,755</b>	<b>\$ 2,427,917</b>

## STATEMENT OF BUDGETARY RESOURCES

### FOR THE YEAR ENDED SEPTEMBER 30, 2006

<b>Budgetary Resources:</b>	<b>2006</b>	<b>2005</b>
Budget authority:		
Unobligated balances-brought forward, October 1	\$ 1,028,349	951,041
Recoveries of prior year unpaid obligations	505,713	748,259
Appropriation	63,000,000	62,650,000
Spending authority from offsetting collections	3,365,392	2,842,135
Cancellation of expired year	(493,927)	(383,650)
Permanently not available	(630,000)	(501,200)
<b>Total Budgetary Resources</b>	<b>\$ 66,775,527</b>	<b>\$ 66,306,585</b>
<b>Status of Budgetary Resources:</b>		
Direct	62,433,279	62,508,462
Reimbursable	3,300,415	2,769,775
Unobligated balances currently available	145,664	95,332
Unobligated balances not available	896,169	933,016
<b>Total Status of Budgetary Resources</b>	<b>\$ 66,775,527</b>	<b>\$ 66,306,585</b>
<b>Change in Obligated Balances:</b>		
Unpaid obligated balance, brought forward, October 1	9,061,569	8,056,310
Obligations incurred	65,733,694	65,278,237
Gross outlays	(64,685,951)	(63,524,718)
Recoveries of prior year unpaid obligations, actual	(505,713)	(748,259)
<b>Total, unpaid obligated balance, net - end of period</b>	<b>\$ 9,603,599</b>	<b>\$ 9,061,570</b>
<b>Net Outlays</b>		
Gross outlays	64,685,951	63,524,718
Less: Offsetting collections	(3,365,392)	(2,842,135)
Less: Distributed offsetting receipts	(8,221)	-
<b>Total Net Outlays</b>	<b>\$ 61,312,338</b>	<b>\$ 60,682,583</b>

## STATEMENT OF FINANCING

### FOR THE YEAR ENDED SEPTEMBER 30, 2006

<b>Resources Used to Finance Activities</b>	<b>2006</b>	<b>2005</b>
Budgetary Resources Obligated		
Obligations incurred	\$ 65,733,694	\$ 65,278,237
Less: Collections	(3,365,392)	(2,842,135)
Less: Adjustment-downward	(505,713)	(748,259)
Obligations net of offsetting collections and recoveries	61,862,589	61,687,843
Less: Offsetting receipts	(8,221)	-
Net Obligations	61,854,368	61,687,843
Other Resources		
Obligations-Beginning of the Period	9,061,570	8,056,311
Imputed Financing Sources	3,627,493	3,627,493
Total Resources Used to Finance Activities	74,543,431	73,371,647
<b>Resources Used to finance items not Part of the Net Cost of Operations</b>		
Changes in Undelivered Orders	(7,617,977)	(6,064,295)
Other/Accrual/Accounts Payable prior year	(2,997,275)	(1,887,055)
Offsetting receipts	8,221	-
Resources that finance the acquisition of assets	(542,084)	(744,109)
Total resources used to finance items not part of the net cost of operations	(11,149,115)	(8,695,459)
<b>Total Resources Used to Finance the Net Cost of Operations</b>	<b>\$ 63,394,316</b>	<b>\$ 64,676,188</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>		
Components Requiring Resources in Future Periods:		
Actuarial Federal Employees' Compensation Act Liabilities	430,344	371,661
Unfunded Annual Leave	3,117,029	3,373,107
Unemployment Insurance	15,639	4,102
Total components of Net Cost of Operations that will Require Resources in the Future Period	3,563,012	3,748,870
Components not Requiring or Generating Resources:		
Depreciation	589,961	821,934
<b>Total Components of Net Cost of operations that will not Require or Generate Resources in the Current Period</b>	<b>4,152,973</b>	<b>4,570,804</b>
<b>Net Cost of Operations</b>	<b>\$ 67,547,289</b>	<b>\$ 69,246,992</b>

## STATEMENT OF CUSTODIAL ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2006

<b>Gross Revenue Activity</b>	<b>2006</b>	<b>2005</b>
Sources of Cash Collections:		
Civil Penalties and Fines	\$ 3,462,348	\$ 9,107,885
FOIA and Misc collections	8,221	8,975
Fees Collected-DOJ	3,544	6,471
<b>Total Custodial Revenue</b>	<b>3,474,113</b>	<b>9,123,331</b>
<b>Disposition of Revenue Collected:</b>		
Amounts to be Transferred to:		
Treasury General Fund	3,470,569	9,116,860
Retained by Justice Department-Fees	3,544	6,471
<b>Net Custodial Activity</b>	<b>\$ -</b>	<b>\$ -</b>

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies

#### Reporting Entity

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

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

#### Fund Accounting Structure

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

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

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

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

#### Basis of Accounting and Presentation

The financial statements present the financial position, net cost of operations, changes in net position,

budgetary resources, financing and custodial activities of the CPSC, in accordance with accounting principles generally accepted in the United States of America and the form and content requirements of OMB Circular A-136-Revised July 2006. The statements have been prepared from the books and records of the CPSC and include the accounts of all funds under the control of the CPSC.

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

### **Budget Authority**

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

### **Fund Balances with the U.S. Treasury**

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

### **Advances and Prepayments**

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

### **Accounts Receivable**

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

### **Property and Equipment**

Property and equipment consists of equipment and software. All items with an acquisition value greater

than \$5,000 and a useful life over two years are capitalized using the straight-line method of depreciation. Service lives range from five to twelve years.

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

### **Accounts Payable and Accrued Liabilities**

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

Liabilities Not Covered by Budgetary Resources exists 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 \$15,000 for 2006 but do not receive a matching contribution from the CPSC. FERS participating employees may contribute up to \$15,000 for 2006. 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 appropriation used and unpaid obligations.
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 \$3.3 million in 2006. The CPSC's reimbursable agreements are with the following trading partners: the Center for Disease Control, National Institute for Occupational Safety and Health, Health and Human Services and the Health Resources and Services Administration. The majority of these agreements are for CPSC to utilize its hospital reporting system to collect injury data, self-inflicted violence, adverse events due to therapeutic drugs (ADEs), conduct research into improvements to residential smoke alarm and detectors of interest to the trading partners, interpersonal violence, ladder-related injuries, and study injuries among children with developmental disabilities.

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 2006 was \$62,370,000.

### **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.

### **Note 2 – Fund Balance with Treasury**

#### **Fiscal Year 2006**

	<b>Entity</b>	<b>Non-Entity</b>	<b>Total</b>
General Funds	\$10,645,432		\$10,645,432
Miscellaneous Receipts		\$8,221	8,221
Fines and Penalties		\$3,462,348	\$3,462,348
<b>Total</b>	\$10,645,432	\$3,470,569	\$14,116,001

## Status of Fund Balance with Treasury:

	<b>Not Available</b>	<b>Obligated</b>	<b>Unobligated Available</b>	<b>Total</b>
Entity	\$896,168	\$9,603,600	\$145,664	\$10,645,432
Non-Entity:				
Miscellaneous Receipts	\$8,221			\$8,221
Fines and Penalties	\$3,462,348			\$3,462,348
<b>Total</b>	<b>\$4,366,737</b>	<b>\$9,603,600</b>	<b>\$145,664</b>	<b>\$14,116,001</b>

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 \$8,221 and \$3,462,348, 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 – Other Assets**

This amount represents an outstanding travel advance.

**Note 4 – Accounts Receivable**

The CPSC's entity receivable of \$2,382 is due from a CPSC employee. This receivable is owed the Agency due to an unsettled debt upon the employee's departure. 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 2006**

Classes of PP&E	Acquisition Cost	Accumulated Depreciation	Net Book Value	Service Life in Years
Equipment	\$8,100,886	( \$5,781,633)	\$2,319,253	5-12
ADP Software	\$950,945	( \$631,489)	\$319,456	5
<b>Total</b>	<b>\$9,051,831</b>	<b>(\$6,413,122)</b>	<b>\$2,638,709</b>	

**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 Government wide

Accounting & Reporting, Report of Unavailable Receipt Transactions, as of 9-30-06. CPSC maintains these accounts in a custodial capacity.

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## REQUIRED SUPPLEMENTARY INFORMATION

### **Deferred Maintenance**

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

### **Intragovernmental Amounts**

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

### **Statement of Budgetary Resources**

The statement is prepared on a total Commission basis.

### **Statement of Custodial Activity**

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

### **Segment Information**

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

## INSPECTOR GENERAL'S AUDIT REPORT OF 2006 FINANCIAL STATEMENTS

### Consumer Product Safety Commission Audit of Financial Statements For Fiscal Year 2006

**Summary:** In our financial statements audit of the Consumer Product Safety Commission (CPSC) for fiscal year 2006, 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, 2006 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, 2006. CPSC's internal controls provided reasonable assurance that misstatements, losses, or noncompliance, material in relation to the financial statements, would be prevented or detected on a timely basis. Our opinion is based on criteria established under 31 U.S.C. 3512 (c), (d), the "Federal Managers' Financial Integrity Act;" the Office of Management and Budget (OMB) Circular A-123, "Management Accountability and Control;" revised OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements;" attestation standards established by the American Institute of Certified Public Accountants (AICPA), the Government Accountability Office (GAO), "Government Auditing Standards" (The Yellow Book); and the "GAO/President's Council on Integrity and Efficiency (PCIE) Financial Audit Manual".

**Systems' Compliance with FFMIA Requirements:** Our tests for systems' compliance with Federal Financial Management Improvement Act requirements found that the Consumer Product Safety Commission's financial management systems substantially comply with Federal financial management systems' requirements, Federal accounting standards, and comply with the Treasury Financial Manual and the United States Government Standard General Ledger at the transactional level; as required by the FFMIA. Our opinion is based on criteria established under the "Federal Financial Management Improvement Act" (FFMIA) of 1996.

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

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

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

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

- Financial Reporting: Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in conformity with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition.
- Compliance with laws and regulations: Transactions are executed in accordance with laws governing the use of budget authority and with other laws and regulations that could have a direct and material effect on the financial statements and any other laws, regulations, and government-wide policies identified by OMB audit guidance.

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

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

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

We did not test compliance with all laws and regulations applicable to the CPSC. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2006. 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 appendix 1), 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 1, 2006

TO : Christopher Dentel  
Inspector General

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

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

SUBJECT : FY 2006 Financial Statements

I have reviewed the audit report on financial statements for fiscal year 2006. I concur with the findings and opinions expressed in the report.

## MANAGEMENT REPRESENTATION



**UNITED STATES  
CONSUMER PRODUCT SAFETY COMMISSION  
WASHINGTON, DC 20207**

### Memorandum

Date: October 26, 2006

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

THROUGH : Patricia Semple *PS*  
Executive Director

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

SUBJECT : Fiscal Year 2006 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, 2006 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, 2006 (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, 2006, 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 2006 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:
  - a. Financial records and related data;
  - b. Where applicable, minutes of meetings of the Commission or summaries of actions of recent meetings for which minutes have not been prepared; and
  - c. Communications from the Office of Management and Budget (OMB) concerning noncompliance with or deficiencies in financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or disclosed in the notes to the financial statements.
5. We believe that there are no uncorrected misstatements, both individually and in the aggregate, to the financial statements.
6. The CPSC has satisfactory title to all owned assets, including plant, and equipment; such assets have no liens or encumbrances; and no assets have been pledged.
7. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
8. Liabilities under which the Commission is contingently liable have been properly reported or disclosed.
9. Accounts receivable or payable, including civil penalty and freedom of information act (FOIA) assessments, have been properly recorded and disclosed.
10. All intragovernmental transactions and balances have been appropriately recorded, reported, and disclosed. We have reconciled intragovernmental transactions and balances with the appropriate trading partners for the four fiduciary transactions identified in Treasury's *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, 2006 that have 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, 2006, 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, 2006 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, 2006.
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.

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## LEGAL REPRESENTATION

### PENDING OR THREATENED LITIGATION

#### AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

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

(Redacted) v. CPSC, EEO No. 531-2006-00165X

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

Employee claims that reassignment to accommodate disability reflected discrimination and reprisal for participation in EEO process. Seeks reinstatement in prior position and unspecified compensatory damages (Agency has fewer than 500 employees; damages capped at \$200,000.)

**3. Progress of the case.**

In discovery; (Redacted)

**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.) (Redacted)

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

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

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

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

(Redacted)

**7. The name and phone number of the government attorney**

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

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7639

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## PENDING OR THREATENED LITIGATION

### AGENCY: Consumer Product Safety Commission

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

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

(Redacted) v. CPSC, EEO No. 120-2005-00575X

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

Applicant for employment claims his no-selection was due to discrimination based on race and national origin. Seeks back pay (ca. \$10,000) and \$250,000 compensatory damages.

**3. Progress of the case.**

Pending on summary judgment.

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

(Redacted)

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

\_\_\_\_\_ PROBABLE – An unfavorable outcome is likely to occur.

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

\_\_\_\_\_ REMOTE – the chance of an unfavorable outcome is slight.

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

(Redacted)

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

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7639

**CASES REPORTED IN THE 2005 LEGAL REPRESENTATION  
LETTER THAT ARE NO LONGER PENDING**

**AGENCY: Consumer Product Safety Commission**

**Amount of potential loss exceeds  
the agency/component materiality  
threshold of: \$100.00**

**1. Name of Matter.**

(Redacted) v. CPSC, EEO No. 140-2005-00305x

**2. The Sequence Number.**

N/A

**3. Resolution of the Case.**

Case remanded to Agency for final decision; Final Agency Decision finding no discrimination entered January 5, 2006; upheld by Office of Federal Operations July 25, 2006.

**4. The name and phone number of the government attorney  
handling the case**

Margaret Plank, Office of General Counsel, CPSC, (301) 504-7639

## INSPECTOR GENERAL'S SUMMARY OF MANAGEMENT CHALLENGES

The Reports Consolidation Act requires that the Office of the Inspector General identify the most serious management and performance challenges facing the agency and the agency's progress towards meeting these challenges. The Inspector General concludes that the most serious management and performance challenges to the Commission are in the following areas:

- Management of Human Capital
- Contracting
- Information Security
- Adoption of Results-Based Performance Management

**Management of Human Capital:** The challenges facing the CPSC's management of human capital include: dealing with two successive years of staff reductions, and possible continued staff reductions as a result of receiving funding inadequate to support existing staff levels; coping 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.

The CPSC has recently conducted two retirement incentive programs and a major reorganization. These actions were designed to reduce staff and related payroll expenses and reshape the workforce. The agency will be facing both short and long term organizational and personnel challenges created by these past actions and any future staff reductions if appropriated funding proves inadequate to support the existing staff level.

To deal with the leadership aspects of the challenges detailed above, the CPSC is in the midst of developing a new training program to better equip supervisors to deal with the challenges facing the agency in the current fiscal/legal environment. This training will emphasize the key role of first level supervisors in meeting strategic challenges on a tactical level.

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: ethical responsibilities of government employees, use of the government travel card, personal use of government computer systems and other equipment, time and attendance policies, procurement policies, and interaction with contractors and their employees.

**Contracting:** In the Federal Government, an increasingly great percentage of the work once performed by Government employees is now performed by contractors. The use of contractors offers opportunities for both cost savings and hiring flexibility. It also offers challenges, particularly when many of the contractor personnel in question work alongside Government personnel inside Federal Offices

and are in many cases difficult to distinguish by sight from Government employees.

At their most fundamental level, these challenges require the CPSC to ensure that it obtains the needed work on time, at the quality level called for by the contract, and in return for only that level of compensation that is proper under the terms of the contract. A lack of suitably trained contract administrators could result in the wasting of Government resources and the violation of laws and regulations. Conversely, an inappropriately intrusive level of Government involvement in the contractor's operations could result in increased costs and potentially in the conversion, by operation of law, of the contractor employees into Government employees.

Particular challenges facing this agency include continuing to implement "Performance Based Contracting" standards and models (in order to maximize cost savings and minimize overhead and administrative costs), providing increased training to those Government personnel charged with administering contracts (the agency reports being on target to have all contract specialists certified by January 1, 2007 and is emphasizing the importance of training for its contracting office representatives), and determining what standards of conduct apply to contractor employees and how those standards may lawfully be maintained.

**Information Security:** Increased use of the Internet, coupled with dramatic expansion in computer interconnectivity, has changed the ways that the government, the nation, and much of the world communicates and conducts business. Without adequate safeguards, computer-supported CPSC operations could be at enormous risk of individuals and groups with malicious intent intruding into systems. This access could allow intruders to launch attacks against other computer networks and systems, disrupt operations, commit fraud, or obtain sensitive information.

The Federal Information Security Management Act (FISMA) was put in place to ensure agencies meet consistent standards for security requirements for information and information systems. The National Institute of Standards and Technology (NIST) defines these standards and the Office of Management and Budget (OMB) oversees their implementation. In the past year, new and substantially more robust security requirements have been mandated by NIST.

Independently of the FISMA process, OMB has recently expanded its efforts to ensure agencies protect personally identifiable information – including names, Social Security numbers, and addresses. OMB has requested that Inspectors General ensure compliance with these standards as well as those promulgated under the FISMA regulatory framework.

An evaluation of the CPSC's Information System Security Program was recently performed to meet the requirements of FISMA, and to determine whether timely and appropriate corrective actions had been taken to correct the material weaknesses identified during prior reviews. The evaluation found that substantial improvements had been made over the past several years and that security had greatly improved. However, like many other agencies caught between limited budgets and the new security system requirements promulgated by NIST and OMB, the CPSC currently finds itself in a position where it is impossible for it to accomplish all of the new security requirements by their implementation

target dates. In this environment, the CPSC is forced to make choices regarding which new requirements to meet in the current fiscal year and which to defer until funding is available. In order to use its limited funds as efficiently as possible, it is important that the choices made provide the agency the greatest possible return on its IT investment. For example, by deferring the adoption of the two factor authentication required by OMB Memo M-06-16 and combining it with the use of smart cards as required by HSPD-12, information security will be improved, the requirements of two separate sets of security requirements will be met, and the CPSC will have made use of its limited funds more efficiently than it would have if the requirements were met individually.

The CPSC recognizes that, as funding allows, more must be done to develop fully, and ensure the continuity of, its information systems security program. Continuing to meet newly issued heightened information security requirements and stay in front of the ever changing threats in this area will be an ongoing challenge to the CPSC for the foreseeable future.

The challenge facing the CPSC regarding protection of personally identifiable information and other sensitive data is even more pronounced. Although the majority of the challenges facing the agency regarding information system security may be addressed through technical improvements, the issues regarding personally identifiable information are more complex and will require the adoption of new policies and methodologies in the management of the agency.

**Adoption of Results-Based Performance Management:** Results-based performance 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. Congress has put in place a statutory framework to instill results-based performance management into federal agencies. This framework includes the Chief Financial Officers (CFO) Act and related financial management legislation; information technology reform legislation; and the Government Performance and Results Act of 1993. 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 continuing challenges for the CPSC in this area include (1) defining appropriate results-oriented goals and measures at the organization and employee levels, (2) aligning organizations and programs in response to current and emerging workload and resource demands, (3) rationalizing crosscutting federal program efforts, (4) creating additional performance-based intergovernmental partnerships, and (5) enhancing the capability to gather and use program performance information to make decisions.

Progress has been made in the past several years at shifting the focus of the CPSC towards outcome based management. In FY 2006, OMB assessed CPSC's program performance using their Performance Assessment Rating Tool and the new assessment shows a substantial improvement over the 2002 PART rating (the official rating will be released with the President's 2008 Budget Request in February, 2007). In FY 2007 the OIG will work on issues related to both the measurements of performance essential to properly employing results-based performance management and on the impact and effectiveness of the reorganization.

## ACRONYMS

AARP	American Association of Retired Persons
AFCI	Arc-Fault Circuit Interrupter
ANPR	Advance Notice of Proposed Rulemaking
ASTM	ASTM International, formerly American Society for Testing and Materials
ATV	All terrain vehicle
BCP	Business Continuity Plan
CFO	Chief Financial Officer
CDC	Centers for Disease Control and Prevention
CO	Carbon Monoxide
CPSC	Consumer Product Safety Commission
FAIR	Federal Activities Inventory Reform
FISMA	Federal Information Security Management Act
FFS	Federal Financial System
FHSA	Federal Hazardous Substances Act
FOIA	Freedom of Information Act
FR	Federal Register
FTE	Full-time equivalent
GFCI	Ground Fault Circuit Interrupter
GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
ICCVAM	Validation of Alternative Methods
ICD	International Classification of Diseases
IEEE	Institute of Electrical and Electronic Engineering
NEC	National Electric Code
NEISS	National Electronic Injury Surveillance System
NFIRS	National Fire Incident Reporting System
NIST	National Institute for Standards Technology
NSN	Neighborhood Safety Network
NPR	Notice of Proposed Rulemaking
NSN	Neighborhood Safety Network
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PPPA	Poison Prevention Packaging Act
SNL	Sandia National Laboratories
UL	Underwriters Laboratories, Inc.
USFA	U.S. Fire Administration
VERA	Voluntary Early Retirement Authority
VNR	Video News Release
2006	Years mentioned refer to fiscal years except for deaths, injuries and associated property loss which are on a calendar year basis.



U.S. Consumer Product Safety Commission  
Bethesda, MD 20814