



UNITED STATES
 CONSUMER PRODUCT SAFETY COMMISSION
 WASHINGTON, DC 20207

Memorandum

Date: May 20, 2002

TO : The Commission

THROUGH: Todd Stevenson, Secretary *Todd Stevenson*
 Melissa V. Hampshire, Acting General Counsel *MVH*

FROM : Thomas W. Murr, Jr. *Thomas W Murr Jr.*
 Acting Executive Director

SUBJECT : 2002 Midyear Review

This memorandum presents a status report on the use of Commission resources and the progress of planned projects in the first half of fiscal year 2002. This memo also presents staff proposals for adjustments in CPSC's operating plan for the second half of the year.

Resource Status

Agency spending in total through the first half of the fiscal year was 48% of the annual plan. We have \$1.26 million available for possible reallocation. Most of the available funding is from staff vacancy salary savings.

Current employment, including hiring commitments, is about 470 FTEs with active recruitment underway for vacancies, primarily for the technical directorates, compliance and the field. Since October, we have had 39 departures (13 or 33% were retirements) and have hired 31 new employees. Our employment is down because of the 9 vacancies related to the change in the Chairman's staff and the uncertainty over FY 2003 funding. So far, through careful planning and a great effort by staff, there have been no substantial project delays because of vacancies. We are in the process of interviewing candidates for 14 positions with vacancy announcements for another 6 positions outstanding. With these actions underway, we estimate that we may use up to 470 FTEs for the full year. In an effort to help our recruitment and retention, we are developing plans for a review of critical agency position classifications; we expect to present study options to the Commission later this fiscal year.

Attachment A contains a summary of our resource status.

Project Status

We have reviewed agency projects in terms of progress to date, Commission direction, new information, and opportunities to advance safety initiatives. We are generally on track to meet or exceed our 2002 annual performance goals.

NOTE: This document has not been reviewed or accepted by the Commission.
 Initial *tlh* Date 5/21/02

CPSA 6 (b)(7) Cleared

No Mfrs/Products or Products Identified *5-21-02 AB*

Under Hazard Identification and Analysis, work continues on collecting data for the All Injury NEISS project. In addition, staff continues to collect consumer product death and injury data, investigate incidents, research emerging hazards, and conduct economic analyses in support of hazard reduction efforts. Staff recommends expanding the telephone investigations of fire injuries to improve staff understanding of the burden and cost of fire injuries.

Our Hazard Assessment and Reduction projects are moving forward. We submitted the requested report to Congress on CCA Pressure-Treated Wood in Playground Equipment. Staff has sent five briefing packages to the Commission – hormone replacement therapy exemption, non-wood baseball bats, backyard playsets, baby walkers, and lead in candlewicks (The Commission has voted on all five briefing packages). Staff has worked with voluntary standards organizations on a number of issues and three standards have been completed (non-powered scooters, baby bouncers, and glass container candles). In addition, staff completed analyses in 8 areas including fixed electric room heaters and child restraints; work continues on 6 additional analyses including bicycle head injuries and clothes dryers.

The Office of Hazard Identification and Reduction recommends adding this new work: development of a surrogate cigarette ignition test in partnership with the U.S. Fire Administration (USFA); study on recall effectiveness; application of sensor technology to clothes dryers; survey on smoke alarm/sprinkler operability in partnership with USFA and the Centers for Disease Control and Injury Prevention; evaluation of fuel cell technology; update of the pool and spa entrapment hazards guidelines; and development of voluntary standards requirements for juicers. This work can be done within our present staffing. We expect the new work to carryover into 2003 and we will have to adjust our plan for 2003. Staff is delaying work on recommendations to address electrocutions associated with cutting through power cords on power and garden appliances due to lack of sufficient detail in the data to determine causes; we will assign cases and attempt to obtain more detailed information. Finally, staff has completed an assessment of injuries associated with non-metallic sharp edges and determined that the data does not support the need for standards development.

In the Compliance program, the Fast Track Recall program continues to be successful with about two-thirds of the Commission's recalls being conducted under Fast Track. In addition, we have continued to work on a wide range of product hazards, including air powered rockets, bicycles, ATV's, cigarette and multipurpose lighters, fireworks, toys and children's products. We have announced more than 230 recalls involving about 40 million product units. In addition, eight firms have paid \$2.125 million in civil penalties. The Offices of Compliance and General Counsel continue to work on several major civil and criminal cases. Finally, it is noted that while our Field office monitoring of imported consumer products with the U.S. Customs was disrupted due to the events of September 11, activities are now starting to return to normal. We are hopeful that once the Commission signs a new agreement, we will be able to make up some of the lost work.

We continue to get safety messages to the public. We issued 5 CPSC-funded consumer information video news releases (VNRs) in the first half of the year as well as 7 manufacturer-funded VNRs. The Office of Information and Public Affairs also issued 128 press releases on recalls and safety topics and distributed almost 800,000 safety publications. The Offices of Field Operations, Compliance, Public Affairs, and Information Services conducted a successful 2002

Recall Roundup campaign using many communication methods to reach millions of consumers. Our Recall Roundup VNR reached more than 21 million TV viewers. Our Recall Roundup news release was distributed to all media contacts, health departments, consumer protection offices, and safety organizations. Our Recall Roundup List was distributed to more than 3,000 State and local officials for redistribution through their networks, reaching for example more than 72,000 daycare centers. State and local groups continue to use the List to identify hazardous products. Finally, the CPSC website continues to experience growth in use; for the first six months, the site received over 3.6 million visitor sessions, a 15% increase compared to the previous six months.

Our focus in information technology this year is on meeting various government-wide requirements. Significant progress has been made. The Office of Information Services has developed a plan to remedy areas that our first annual Government Information Security Reform Act (GISRA) audit identified as needing improvement. Funding proposals have been recommended for midyear consideration. The office is also recruiting an IT security specialist to ensure continuing compliance with GISRA mandates. In response to the Government Paperwork Elimination Act (GPEA), several web-based applications are currently being developed that will electronically enable: manufacturers to submit information regarding compliance and recalls; companies to submit information for Continuing Guarantees under the Flammable Fabrics Act; and State Designees to submit death and injury data. EXIS is also in the process of developing a Public Key Infrastructure (PKI) pilot to explore the possibility of providing the agency with Electronic Signature capabilities required by GPEA. In response to the Telecommuting Act, we have completed the pilot test for headquarters staff and are launching the second headquarters phase. We are on schedule to meet the Act's requirement of full implementation of headquarters telecommuting by 2004.

We continue to strengthen our training program. Funds are allocated with decision authority delegated directly to major offices. Funding is recommended for all midyear training requests, either through individual or group training opportunities. The training goals in our annual performance plan are being met. We have identified several new investments to further increase training opportunities.

New Funding Proposals

Staff has suggested over \$3 million in new funding proposals designed to advance safety initiatives or otherwise improve agency operations. However, as we only have \$1.26 million in available funds, we had to make choices. After review with staff, I propose that the Commission fund the items listed in Attachment B. The major items proposed for funding are summarized next.

I recommend the following to directly advance the program work of the Office of Hazard Identification and Reduction (HIR). These include:

1. \$80,000 for the first stage of a study on recall effectiveness - these funds will provide for a review and evaluation of literature and expertise on recall effectiveness;
2. \$25,000 for follow-up to contractor work on sensor technology - this effort will be a demonstration effort using clothes dryers;

3. \$10,000 to expand telephone investigations to develop greater understanding of the cost of fire injuries; and
4. \$172,000 to replace aging laboratory testing equipment, including \$110,000 for an infrared camera.

I also recommend an additional \$10,000 for HIR technical staff training and \$11,000 for other operating expenses, such as the purchase of technical reference materials to support standards development and small tools for hazard screening/assessment here at headquarters. Finally, I recommend \$5,000 for our annual college student partnership in support of our mechanical codes and standards work.

Information technology continues to be essential to CPSC productivity and we must continue our investments to keep up with technology and new IT requirements. These investments benefit all staff and all program work. I recommend these investments:

1. \$656,000 to meet requirements of the GISRA, GPEA, and Clinger-Cohen Acts:
 - a. \$150,000 contract for the development of an IT enterprise architecture plan in support of the agency's business processes as required by the Clinger-Cohen Act;
 - b. \$200,000 for a full data system risk analysis required by GISRA;
 - c. \$80,000 for a secure "firewall" backup system required by GISRA;
 - d. \$73,000 for a transaction tracking system required by GISRA;
 - e. \$50,000 for a threat management system required by GISRA;
 - f. \$48,000 for electronic signature capability and a server required by GPEA;
 - g. \$29,000 for MS Exchange 2000 software upgrade required by GISRA; and,
 - h. \$26,000 for network administration software required by GISRA.
2. \$65,500 additional "help desk" contract support to meet increasing IT assistance calls, particularly from the increasing number of headquarters telecommuters.
3. \$60,000 for replacement servers to handle databases and to serve telecommuter growth.
4. \$22,000 for field support (\$15,000 to develop Integrated Field System user manual and \$7,000 to partially replace investigator cameras).
5. \$14,000 be added to our original training budget for technical training of our IT staff.

The balance of my funding recommendations applies to other offices. In total, I recommend additional funding for staff training of \$55,000 for various offices, including several agency-wide courses and the addition of on-line training available to all staff (the total training increases recommended for funding at this time equal \$79,000, for a total of \$254,000 for the year). I also recommend \$75,000 for various operating expenses of various offices. The largest single expense is \$37,000 to implement the GSA/HHS recommended installation of defibrillators at headquarters, the laboratory, and the three regional centers.

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

Next Steps

The staff and I are available to review these recommendations and related materials with you. The Executive Director will keep the Commission informed of staff progress on these proposals. If additional funds become available by the end of the year, we will apprise the Commission of spending plans.

Attachments

**2002 MIDYEAR REVIEW
RESOURCE SUMMARY
(dollars in thousands)**

	Operating Plan	Current Estimate	Available Resources
FTEs	480	470	+10
Budget	\$57,502*	\$56,242	+\$1,260**

* Includes \$2.302 million reimbursement income beyond the \$55.2 million appropriation.

** \$1.235 million from salaries, \$25,000 from unneeded HIR contract funds for furnace study, and \$50,000 from space rent savings offset by reserve for end-of-year fund lapse (\$50,000).

**2002 MIDYEAR REVIEW
PROPOSED NEW FUNDING**

	<u>\$000</u>
Hazard Identification and Analysis:	
<i>Recall Effectiveness</i> – review and evaluation of literature and expertise (first stage of project)	\$80
<i>Sensor Technology</i> – instrument clothes dryer to demonstrate applicability	25
<i>NEISS Fire Injury Data</i> – expand telephone investigations to better understand injury cost	10
<i>Training for technical staff</i>	10
<i>Laboratory equipment</i> to replace aging: infrared camera -\$110,000; oscilloscope - \$32,000; machine shop tools - \$24,000; and, balancer equipment - \$6,000)	172
<i>Operating funds</i> – reference materials, small tools, and office equipment	11
<i>Student partnership contract</i> in support of mechanical codes and standards work	5
Information Technology:	
<i>Enterprise Architecture Plan</i> – contract to meet Clinger-Cohen IT planning requirement	150
<i>Data System Risk Analyses</i> to meet GISRA requirement	200
<i>Security Firewall Backup System</i> to meet GISRA requirement	80
<i>Transaction Tracking System</i> to meet GISRA requirement	73
<i>Threat Management (intrusion detection) System</i> to meet GISRA requirement	50
<i>Electronic Signature Capability/Server</i> to meet GPEA requirement	48
<i>Network MS Exchange 2000 Software Upgrade</i> to meet GISRA requirement	29
<i>Network Administration Software</i> to meet GISRA requirement	26
<i>Help Desk Contract Support</i> to meet increasing calls from telecommuting staff	65
<i>Replacement and Upgraded Servers (3)</i> for growing databases and increasing number of telecommuters	60
<i>Field Support</i> for Integrated Field System users manual and partial replacement of investigator cameras (30)	22
<i>Training for computer specialists</i>	14
Other Items:	
<i>Staff Training</i> – \$17,200 for individual training; \$10,000 for 4 on-site courses, and \$28,000 for one-year on-line training subscription for over 500 courses	55
<i>Field Contract Support</i> – \$5,000 to expand State/Local inspections of pharmacies; \$6,000 for outreach campaigns: bicycle helmets, ski/snowboards, mobile homes	11
<i>Travel</i> – OIG (\$6,000); EEO (\$2,000); HRM (\$600); and OPE (\$200)	9
<i>Defibrillators (10)</i> to equip headquarters, laboratory and regional centers	37
<i>Other Operating Expenses</i> – EEO investigations (\$5,500); OPE statistical software (\$2,000); OGC shelving (\$2,000); and staff ergonomics safety (\$8,000)	18
Total	<u>\$1,260</u>

**2002 MIDYEAR REVIEW
UNFUNDED REQUESTS (not listed in priority order)**

	<u>\$000</u>
Hazard Identification and Reduction:	
<i>Laboratory Equipment/Supplies</i> – various items such as sewing machine, upgrades for routers, cyclic testing facility, and bench test electric supply, plotting software, etc.....	\$29
Information Technology:	
<i>Field Replacement Computers (30)</i> – scheduled replacement cycle.....	79
<i>Headquarters Telecommuting Computers (50)</i> for next expansion stage	130
<i>Network Infrastructure Upgrade</i> – full e-commerce capability.....	165
Database Improvements/Integration:	
<i>Age Determination</i> – new application	88
<i>Compliance Legal Cases</i> – update recall system for casework use.....	88
<i>Integrated Field System</i> – improve sample accountability; speed up casework.....	44
<i>Human Factors Database</i> – convert to Sybase and link to other CPSC databases.....	73
<i>Recall Application</i> – enhance data retrieval by Compliance legal division	88
<i>Headquarters Replacement Computers</i> - scheduled replacement cycle	130
<i>Telephone System</i> – replace 9 year old headquarters system; vendor support ending	470
<i>Projection Equipment</i> – enhance multi-media presentation capability at headquarters	9
<i>Laboratory Server Relocation</i>	5
<i>Telecommuting Servers</i> – two additional servers for future telecommuting growth	50
<i>User Security Training</i> – for all CPSC staff	25
<i>Hearing Room Monitors</i> – replace aging monitors with computer display capability	87
Office of Public Affairs and Information:	
<i>Publication Printing</i> – reprints of “best-sellers” would reduce 2003 costs	20
Field:	
<i>Fireworks and Fire Investigation Training</i> for field investigators	28
<i>Training for State and Local Officials</i>	50
<i>Equipment</i> – chairs, shredders, printers.....	4
Human Resources:	
<i>Training Center</i> – private space with computer/TV/VCR/training materials	3
Administrative Services:	
<i>Upgrade Copy Center Copiers</i> to meet color demand (needs more study)	144
<i>Copier Replacements</i> – upgrade 5 office copiers (needs more study)	25
<i>Chemical/Flammable Storage</i> – secure storage for existing space (needs more study)	3
<i>New Master Keys</i> to update 9 year key sets	4
<i>Property Management System</i> – replace aging system (needs more study).....	25
<i>Office Equipment</i> – shredder	1
Other Offices:	
<i>Equipment/Supplies</i> – OS (\$800); EEO (\$500).....	<u>1</u>
Total	<u>\$1,868</u>