



**U.S. CONSUMER PRODUCT SAFETY COMMISSION
4330 EAST WEST HIGHWAY
BETHESDA, MD 20814**

**STATEMENT OF COMMISSIONER ELLIOT F. KAYE
ON THE VOTE ON THE FY 2018 PERFORMANCE BUDGET REQUEST TO CONGRESS**

May 25, 2017

Budgets reflect far more than the cold distribution of funds. Budgets speak to real-life policy priorities and preferences, not only in how they assign dollar amounts to various projects, but also in whether they provide sufficient funding to fully carry out a critical mission.

CPSC's Budget

Simply put, the Consumer Product Safety Commission (CPSC) is woefully underfunded and at a real cost to consumers. When the CPSC was formed in 1973, the world was a very different place than it is now. The population of the U.S. was only 212 million people. The market for consumer products was largely maintained by brick-and-mortar stores with a few mail-order companies. How different the 326-million person U.S. marketplace is now dominated by online shopping and truly global manufacturing.

The CPSC is a tiny agency, operating now in a country with tens of millions more consumers, orders of magnitude more products and a more complex, global supply chain than ever before in history. Despite the growth of the population and the consumer product market, the agency is still funded as if we lived in the 1970s brick-and-mortar marketplace. This mindset is more than dated; it is deadly for many consumers.

Each year, we are asked to do the impossible: put a price on product safety. For Fiscal Year (FY) 2017, the CPSC submitted a budget request to Congress for a mere \$130.5 million, which was an infinitesimal .003% of the total federal budget for that year. That requested number already was a painful compromise in recognition of a larger budget process that perpetuates the ever-expanding gap between mission and money.

Even casual observers in the product safety arena know about persistent consumer safety issues such as all-terrain vehicles, corded window coverings and portable

generators that needlessly yet predictably kill and injure consumers each year. These are solvable problems with the right amount of resources. But we do not have the right amount of resources. In light of that well-known fact, we have an obligation to keep putting our safety mission first, without fear, especially in the budget we seek each year from the Congress.

Amendment to the FY 2018 Budget Request

On May 16, 2017, my colleagues approved a *Fiscal Year 2018 Performance Budget Request to Congress* of \$123 million. Not only is this amount \$7.5 million less than the amount the Commission requested last year, but also it is \$3 million less than what Congress appropriated to us for this year, FY 2017. Such a preposterously low number—and one that is less than our current year funding—should have been a non-starter for the Commission. Sadly, it was both the starting and ending point for my fellow Commissioners, despite its obvious insufficiency.

I voted to reject the proposed \$123 million budget for FY 2018 because I could not in good conscience support requesting an amount well below our baseline budget for FY 2017 and an amount well below what we all know is necessary to fund a robust health and safety agency. Instead, I offered an amendment to fund some (but far from all) additional critical initiatives that would have significantly enhanced our safety efforts. My amendment is attached to this statement.

This was not some “wish list” of impractical, luxury projects. These items are critical to fulfilling our safety mission and are directly in line with the priorities outlined in the proposed request that was before us. More specifically, my proposal provided an increase of \$5.5 million in funding to:

- protect consumers by expanding our coverage at the ports and keeping dangerous products out of our country;
- protect consumers by expanding our internet surveillance and keeping recalled products out of our homes;
- enhance our critical safety messaging around baby safety, child drownings and other deadly hazards to protect our families;
- enhance our assistance to small businesses to ensure they can sell safer products;
- promote more effective recalls and more informed consumers by publishing monthly recall status reports;
- accelerate our ability to mine and analyze safety data to more quickly protect consumers from emerging product hazards; and

- enhance our risk-based identification and reduction of product hazards through more robust and effective participation in voluntary standards efforts.

Critical, Cost-Effective and Cost-Saving Projects

These projects would address critical needs and meaningfully contribute to consumer safety. They would provide great return on investment and would save lives and prevent injuries. In fact, prevention as a public health strategy is a well-accepted means for saving more than just lives – it saves society money.

We are a tiny agency with a big mission that has proven to be an excellent return on investment for safety and for society. Not only do we save lives but we save taxpayers money in the long run. My message as displayed by the amendment that I offered is simple. Do not cut or flat-fund the CPSC's budget. A \$3 million cut as proposed by my colleagues will be detrimental to the safety of the American public. No one should ever accept that.

Commissioner Kaye Amendment to the FY 2018 Performance Budget Request to Congress

Staff is directed to increase the total request amount in the Fiscal Year 2018 Performance Budget Request to Congress by \$5.5 million, for a total request of \$128.5 million. Staff shall include the following initiatives in the FY 2018 Performance Budget Request as part of the \$5.5 million increase:

- 1. Protect Consumers by Expanding Port Coverage** – the expansion of CPSC port coverage through an increase in CPSC staff at U.S. ports of entry from 62 percent of consumer product imports to 65 percent in FY 2018, working toward the ultimate goal of covering 95+ percent of imported consumer products in the future. (Funding amount: \$3 million)
- 2. Protect Consumers by Expanding Internet Surveillance** – the hiring of 3 FTE investigators who will be assigned and dedicated to internet surveillance and utilizing any additional automated surveillance tools. Among other duties as assigned, the new internet investigators shall concentrate their efforts on monitoring online sales and working closely with website management of retail and resale sites to improve the methods that companies use to identify and address improper listings. They will also assist in responding to complaints from consumer or industry involving recalled or banned products being sold on websites. (Funding amount: \$450,000)
- 3. Accelerate Enhancement of Data Mining Capabilities** – an acceleration of the system improvements to mine and analyze consumer product related death and injury data received by the CPSC. (Funding amount: \$550,000)
- 4. Enhance Recall Effectiveness by Posting CAP Monthly Compliance Reports** - the systematic and regular publication of Monthly Compliance Progress reports to better inform consumers and other stakeholders about recall effectiveness. (Funding amount: \$200,000)
- 5. Enhance Risk-Based Safety Work Through More Effective Voluntary Standards Efforts** – the hiring of 1 FTE who shall work with the Voluntary Standards Coordinator to assist in the CPSC's voluntary standards efforts. The funding will also support increased CPSC staff participation in voluntary standards efforts. (Funding amount: \$200,000)
- 6. Enhance Education and Outreach By Building Out SBO Capabilities** – the hiring of 2 FTEs who shall assist the SBO in responding to inquiries from small businesses and to provide additional resources to enhance the capability of tools such as the Regulatory Robot. (Funding amount: \$600,000)
- 7. Enhance Safety Messaging Through Micro-Targeting** – the hiring of 1 FTE and the study, development, administration, and evaluation of a pilot program for a micro-targeting safety communications effort to reach the most at-risk populations. (Funding amount: \$500,000)

To reflect the inclusion of the initiatives above in the FY 2018 Performance Budget Request to Congress, staff is directed to make the following changes:

- 1. Protect Consumers by Expanding Port Coverage** – pg 5, strike “Maintain Port Presence” and replace with “Expand Port Presence”. pg 5, under “Maintain Port Presence,” strike “In FY 2018 the CPSC proposes to maintain the current port presence coverage. With the baseline funding level, the CPSC will continue with” and replace with “In FY 2018 the CPSC proposes to increase its port coverage at U.S. ports of entry from 62 percent to 65 percent of consumer product imports by expanding” pg 5, under “Maintain Port Presence”, add the following language at the end of the section: “Because consumers deserve full protection from non-compliant and dangerous imported consumer products, the CPSC is working toward the ultimate goal of screening 95+ percent of imported products at the ports. “
- 2. Protect Consumers by Expanding Internet Surveillance** – pg 8, under “Field Investigators,” strike “93 field investigators” and replace with “96 field investigators”. pg 8, under “Field Investigators” add the following language at the end of the section: “In FY 2018, CPSC staff plans to utilize additional automated surveillance tools to assist in improving recall effectiveness.”
- 3. Accelerate Enhancement of Data Mining Capabilities** – pg 6, under “Enhance Data and Analysis,” add the following language at the end of the section: “In FY 2018, the CPSC also plans a significant data collection upgrade under its NEISS system.”
- 4. Enhance Recall Effectiveness by Posting CAP Monthly Compliance Reports** – pg 8, under “Recall Effectiveness,” add the following language at the end of the section: “As a first step, in FY 2018 the CPSC plans to systematically and regularly publish Monthly Compliance Progress reports to better inform consumers and other stakeholders about recall effectiveness.”
- 5. Enhance Risk-Based Safety Work Through More Effective Voluntary Standards Efforts** – pg 6, under “Voluntary Standards,” add the following language after “[see Voluntary Standards table on pp. 18-20].”: “The CPSC also plans to enhance its participation and technical input in voluntary standards activities by increasing the staff dedicated to voluntary standards work.”
- 6. Enhance Education and Outreach Through Building out SBO Capabilities** – pg. 9, under “Small Business Ombudsman (SBO),” add the following language at the end of the section: “In FY 2018, the CPSC will provide additional resources to the SBO to assist the office in responding to inquiries from small businesses and enhancing tools such as the Regulatory Robot.”
- 7. Enhance Safety Messaging Through Micro-Targeting** – pg. 9, under “Public Education and Education Campaigns,” add the following language at the end of the section: “In FY 2018, the CPSC will study, develop, pilot and evaluate a micro-targeting safety communications effort to reach the most at-risk populations.”

Staff is directed to make any additional conforming changes throughout the FY 2018 Performance Budget Request to Congress as needed to comply with this amendment, including but not limited to any conforming changes to the proposed appropriations language, executive summary, budget discussion, and tables to reflect the increased request amount of \$128.5 million.