

FISCAL YEAR 2017

PERFORMANCE BUDGET REQUEST



UNITED STATES OF AMERICA
CONSUMER PRODUCT
SAFETY COMMISSION

SUBMITTED TO CONGRESS

FEBRUARY 9, 2016

CPSC ORGANIZATION CHART

The Commission consists of five 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 chart depicts the organizational structure of the CPSC:

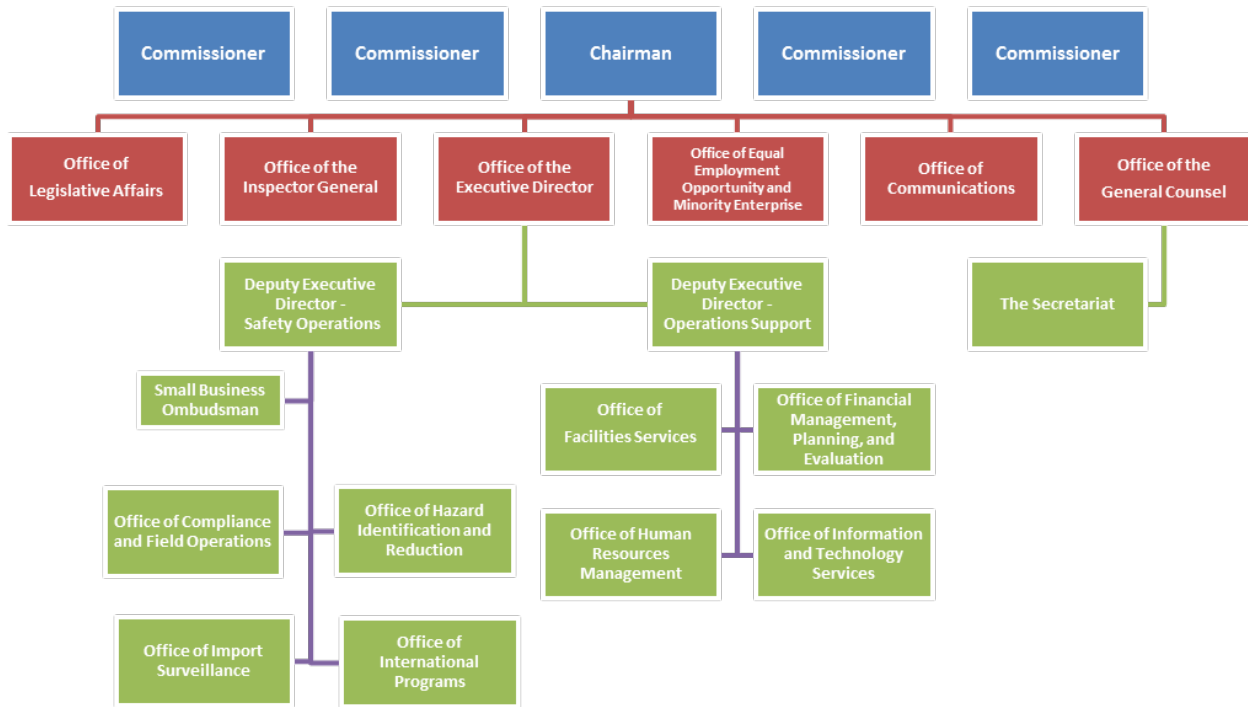


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APPROPRIATIONS LANGUAGE

U.S. CONSUMER PRODUCT SAFETY COMMISSION SALARIES AND EXPENSES

For necessary expenses of the U.S. Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-federal officials' contributions to Commission activities, and not to exceed \$4,000 for official reception and representation expenses, \$130,500,000, of which \$4,000,000 shall remain available until September 30, 2018, to implement section 2 of Public Law No. 108–153 (15 U.S.C. 7501), the 21st Century Nanotechnology Research and Development Act.

User Fee General Provision:

(a) Section 17(h) of the Consumer Product Safety Act (15 U.S.C. 2066(h)) is amended by adding at the end the following:

“(4)(A) Beginning on October 1, 2017, the Commission may prescribe a schedule of fees to be paid by persons who import consumer products, or other products or substances regulated under this Act or any other Act enforced by the Commission, into the customs territory of the United States to cover the expenses of the Commission in carrying out the program required by paragraph (1).

“(B) Amounts collected under this paragraph shall be deposited into “Consumer Product Safety Commission—Salaries and Expenses” as offsetting collections. The amounts shall be collected and shall be available only to the extent and in such amounts as are provided in advance in appropriations Acts—

“(i) to cover the costs expended to carry out the program required by paragraph (1);

“(ii) to cover the costs expended to carry out the administration of this paragraph; and

“(iii) to maintain a reasonable reserve for purposes of clauses (i) and (ii).

“(C) In prescribing a schedule of fees under subparagraph (A), the Commission shall ensure that the amount of the fees collected are commensurate with the costs described in subparagraph (B).

“(D)(i) The Commission may enter into an agreement with another Federal agency to collect fees under this paragraph on behalf of the Commission.

“(ii) In any case in which another Federal agency collects fees on behalf of the Commission under clause (i), the Commission shall reimburse such agency for such expenses as such agency may have incurred in the course of collecting fees under clause (i).

“(E) The Commission may prescribe such regulations as the Commission considers appropriate to carry out this paragraph.”

TABLE 1
SUMMARY OF CHANGES
FROM FY 2016 ENACTED APPROPRIATION
(DOLLARS IN THOUSANDS)

	Dollars	FTE
FY 2016 Enacted Budget	\$125,000	567
Program Adjustments for Critical Initiatives and Priorities:		
1. Third Party Testing Burden Reduction/Assure Compliance	-\$1,000	
2. Maintain Current Levels in Safety Incident Data-Gathering	\$500	
3. Increase Port Presence – Import Surveillance	\$3,000	15
4. Healthy Children at Home, at Play, and in School <i>(Chronic Hazards: Nanotechnology and Crumb Rubber)</i>	\$3,000	
Proposed FY 2017 CPSC Budget	\$130,500	582

SUMMARY OF CHANGES DISCUSSION

Program Adjustments for Critical Initiatives and Priorities

1. **Third Party Testing Burden Reduction/Assure Compliance (-\$1.0 million):** The FY 2016 Consolidated Appropriations Act included \$1.0 million available until September 30, 2017 (2-year availability) to reduce the costs of third party testing associated with certification of children's products under section 14 of the Consumer Product Safety Act (15 U.S.C. 2063). Because of the FY 2016 appropriation, the CPSC has sufficient existing funding in FY 2017 to complete the planned work on potential related rulemakings, as well as to complete the ongoing Fourier-Transform Infrared (FTIR) spectroscopy commercialization analysis. The FY 2017 Request has subsequently been adjusted by -\$1.0 million.
2. **Maintain Current Levels in Safety Incident Data-Gathering (+\$0.5 million):** The CPSC collects information about product-related injuries treated in hospital emergency rooms through the National Electronic Injury Surveillance System (NEISS). This system provides statistically valid national estimates of product-related injuries from a probability sample of hospital emergency rooms and identifies safety issues that may require additional analysis or corrective action. The data are collected through a national network of healthcare providers under contract to the CPSC. This additional funding supports the contract cost escalation for the NEISS hospitals and coders' fees, funds improved functionality to enable Web-based data collection and follow-up of the reported incident data, and updated data-retrieval capabilities from the NEISS Web page [see page 16 for additional information].
3. **Increase Port Presence – Import Surveillance (+\$3.0 million):** The CPSC requests \$3.0 million in additional funding in FY 2017 for the Import Surveillance pilot program to add 15 full-time staff supporting the program and expanding the CPSC's presence at U.S. ports. This increase in staff will enable the CPSC to have staff coverage at 7 percent of U.S. ports, comprising ~65 percent of all consumer product import entry lines. This funding request supports the incremental salary costs to the agency for 15 new staff, the field equipment those employees will need to perform their surveillance duties, and associated support costs. The CPSC is also requesting that Congress authorize an import surveillance user fee as part of the FY 2017 appropriations process (see page 2, general provision). Implementation and collection of the user fee would require rulemaking; and use of fee collections for import surveillance costs would require annual appropriations language. Implementation of the fee is targeted to begin in FY 2018 [see pages 18-20 for additional information].
4. **Healthy Children at Home, at Play, and in School (+\$3.0 million):** Currently, the CPSC is the only agency in the U.S. government primarily focused on chemical hazards research in consumer products. Although the U.S. Environmental Protection Agency (EPA) and other agencies perform research on hazards that overlap with consumer products, chemical exposure from consumer products is not the primary focus of these agencies' research programs or their missions. Chronic hazards present in consumer products or caused by hazardous substances are particularly concerning to consumers because they are hidden hazards. Such chronic hazards are difficult to prioritize because, unlike acute hazards, no easily identifiable deaths are directly attributable to them.

To address this gap, the CPSC requests \$3.0 million in additional funding in FY 2017 to conduct applied research on exposure to potential chronic hazards related to nanotechnology in consumer products and crumb rubber (artificial field turf and playgrounds).

Nanotechnology: The congressional oversight and appropriations committees provided helpful comments to the CPSC on its FY 2016 President's Budget Request of \$5.0 million for a nanotechnology research center. During last year's budget process, the importance of research on

human exposure from consumer products containing nanotechnology was generally acknowledged, but questions were asked whether the CPSC was the correct agency to lead the development of a national nanotechnology research center. The CPSC subsequently re-evaluated its nanotechnology research center proposal and met with U.S. government agencies with a primary mission in research and development to discuss alternative approaches to collecting the methods and exposure data the CPSC requires. Based on those discussions, the National Institute of Environmental Health Sciences (NIEHS), an institute at the National Institutes of Health, is allocating funding and leading the development of a new NIEHS nanotechnology center focused on environmental, health, and safety (EHS) implications, including exposure assessment and human health. The CPSC is requesting \$2.0 million in additional appropriations as part of the Healthy Children initiative to fund research on human health and safety to develop test methods and to quantify and characterize the presence, release, and mechanisms of consumer exposure to nanomaterials in consumer products at the new NIEHS-led nanotechnology center. This cost-effective, interagency collaboration will enable the CPSC – through NIEHS – to collect the needed data to inform the safety of nanotechnology in consumer products and allow the CPSC to benefit from NIEHS’s scientific network and experience in leading this type of research center [see pages 12-13 for additional information].

Crumb Rubber: Crumb rubber is granular recycled rubber material used as a ground substrate for playgrounds and landscaping mulch, in residential flooring, and in conjunction with artificial turf on athletic fields. Crumb rubber may contain metals, such as lead, arsenic, cadmium, chromium, manganese, and mercury; organic compounds, such as ketones, chloroethane; polycyclic aromatic hydrocarbons, benzene, and halogenated fire retardants; nylon and polyester fibers; dyes and latex. Many of these substances have been associated with possible acute and chronic health effects, such as sensitization and cancer. The CPSC requests an additional \$1.0 million as part of the Healthy Children initiative to conduct a hazard analysis and quantitative risk assessment on crumb rubber to determine whether crumb rubber may be “hazardous,” as defined in the Federal Hazardous Substances Act, in support of coordinated action with other Federal agencies, as needed. [see page 13 for additional information].

KEY PERFORMANCE MEASURES AND TARGETS SUMMARY

	ID	Program	Performance Measure Statement	FY2016 Target	FY2017 Target
Strategic Goal 1: Leadership in Safety					
			Number of collaborations undertaken with domestic nongovernment organizations such as trade associations, universities, or federations	3	2
	1.2.5	International	Number of training or outreach seminars for foreign manufacturers and overseas U.S. importer representatives conducted by CPSC staff ¹	13	13
	1.6.1	Personnel	Employee retention rate	85%	85%
	1.6.2	Personnel	Average hiring time (recruitment time using OPM's End-to-End hiring process) (days)	80	80
	1.6.3	Personnel	Training participation rate	90%	90%
Strategic Goal 2: Commitment to Prevention					
	2.1.3	Hazard	Number of reports produced on the results of collaboration on nanotechnology issues affecting consumer products	5	5
	2.1.4	Hazard	Number of voluntary standards activities that are actively participated in by CPSC staff	77	74
	2.1.5	Hazard		---	Establish Agreement
	2.2.1	Hazard	Number of candidates for rulemaking prepared for Commission consideration	19	14
	2.3.1	Executive	Number of domestic training activities made available to industry stakeholders	7	11
Strategic Goal 3: Rigorous Hazard Identification					
	3.1.2	Hazard	Percentage of consumer product-related injury cases correctly captured at NEISS hospitals	90%	90%
	3.2.1	Hazard	Time from incident received to integrated team adjudication of incident report (business days)	10	10
	3.2.2	Hazard	Percentage of priority import regulated samples (excluding fireworks) tested within 30 days of collection	85%	85%
	3.2.3	Hazard	Percentage of priority import fireworks samples tested within 60 days of collection	90%	90%
	3.2.4	Hazard	Percentage of all regulated non-import product samples that are tested within 90 days of receipt at NPTEC ²	TBD	TBD
	3.2.5	Hazard	Percentage of section 15 Product Safety Assessment requests that are completed within the Hazard Level Completion time assigned ²	TBD	TBD

TBD: To be determined

¹The original performance measure statement was BK1.2.1: Number of training or outreach seminars for foreign manufacturers conducted by CPSC staff.

²The FY2016 and FY2017 targets will be established based on analysis of the FY 2015 baseline data collected.

	ID	Program	Performance Measure Statement	FY2016 Target	FY2017 Target
	3.4.3				
	3.4.4	Import	Percentage of CPSC import entry hold requests acted on by CBP	86%	86%
	3.4.7	Import	Percentage of entries sampled as identified through the Risk Assessment Methodology (RAM) pilot system ²	TBD	TBD
	3.4.8	Import	Percentage of first-time violators who are engaged with a timely informed compliance inspection after violation determination ³	TBD	80%
	3.5.3	Hazard	Number of hazard characterization annual reports completed on consumer product-related fatalities, injuries, and/or losses for specific hazards	10	10
	3.5.4	Compliance	Total number of products screened by CPSC field staff (excluding imports)	200,000	180,000
Strategic Goal 4: Decisive Response					
	4.3.1			70%	70%
	4.3.2	Compliance	Percentage of cases for which the corrective action is accepted within 60 business days of the preliminary determination	80%	80%
	4.3.3	Compliance	Percentage of cases in which the firm is notified of a violation in a timely manner	90%	90%
	4.3.4	Compliance	Percentage of Fast-Track cases with corrective actions initiated within 20 business days	90%	90%
	4.4.2	Communications		19	18.5
	4.5.2	Compliance		75%	75%
Strategic Goal 5: Raising Awareness					
			Number of impressions of CPSC safety messages received by consumers on targeted consumer product safety hazards (in millions)	6,500	11,150
	5.2.3	Communications		5	5
	5.3.1	Communications	Number of impressions of CPSC safety messages received by consumers on priority hazards in vulnerable communities (in millions)	1,795	2,550
	5.3.4	Communications		15	15

³ The original performance measure statement was BK3.4.6: Percentage of first-time violators who are engaged with an informed compliance inspection within 30 days of violation determination

BUDGET DISCUSSION

SUMMARY OF THE CPSC BUDGET REQUEST

The U.S. Consumer Product Safety Commission (CPSC) requests \$130.5 million for FY 2017. The FY 2017 Performance Budget Request (Request) is \$5.5 million (4.4 percent) above the FY 2016 enacted appropriation of \$125.0 million. The FY 2017 Request includes funding to expand the CPSC's port presence, participate in the National Institute of Environmental Health Sciences (NIEHS) led nanotechnology center, and conduct a hazard analysis and quantitative risk assessment on crumb rubber in support of coordinated action with other Federal agencies.

CPSC Strategic Plan and the FY 2017 Performance Budget Request

The CPSC's 2011–2016 Strategic Plan guides the performance targets and funding proposals outlined in this request. The CPSC established five strategic goals:

1. Leadership in Safety;
2. Commitment to Prevention;
3. Rigorous Hazard Identification;
4. Decisive Response; and
5. Raising Awareness.

These goals constitute the overarching strategy for how the CPSC is working toward fulfilling its mission to protect the public against unreasonable risks of injury from consumer products through safety standards activities, regulation, enforcement, and education.

TABLE 1

FY 2017 REQUEST BY STRATEGIC GOAL AND PROGRAM COMPONENT (DOLLARS IN THOUSANDS)

FY 2017 Request			Goal 1:	Goal 2:	Goal 3: Rigorous	Goal 4:	Goal 5:
Organization	FY 2017 Request	FY 2017 FTE	Leadership in Safety	Commitment to Prevention	Hazard Identification	Decisive Response	Raising Awareness
Chairman & Commissioners	\$3,174	21	\$3,174	\$0	\$0	\$0	\$0
Hazard Identification and Reduction	\$35,778	170	\$159	\$16,726	\$14,764	\$3,818	\$311
Compliance and Field Operations	\$25,079	161	\$29	\$186	\$4,261	\$20,354	\$249
Import Surveillance	\$9,578	54	\$57	\$0	\$9,521	\$0	\$0
International Programs	\$1,726	7	\$1,712	\$14	\$0	\$0	\$0
General Counsel	\$7,764	50	\$0	\$3,385	\$190	\$2,578	\$1,611
Communications	\$4,134	10	\$0	\$7	\$1,001	\$0	\$3,126
Information Technology	\$21,243	42	\$1,054	\$2,766	\$13,207	\$3,557	\$659
Agency Management, Rent, and Security	\$20,884	60	\$4,025	\$3,712	\$7,087	\$5,123	\$937
Inspector General	\$1,140	7	\$228	\$228	\$228	\$228	\$228
Total	\$130,500	582	\$10,438	\$27,024	\$50,259	\$35,658	\$7,121

Note: Agency Management, Rent, and Security includes Financial Management, Planning, & Evaluation; Facilities Services; Human Resources Management; EEO & Minority Enterprise; Executive Director; and Legislative Affairs.

Agency Priorities

Priority: Improving U.S. effectiveness at ports of entry in identifying and interdicting products that do not meet U.S. laws

Import Surveillance: The Consumer Product Safety Improvement Act of 2008 (CPSIA) was enacted, in part, in reaction to identification of a large number of noncompliant imported products targeted at children. One of CPSIA's congressional requirements for the CPSC was to develop a risk assessment methodology to address these products. During FY 2015, more than 192,000 importers brought into the United States imports of consumer products under the CPSC jurisdiction having a total estimated value of approximately \$754 billion. That averages to more than \$2 billion per day in imports of consumer products under the Commission's jurisdiction. Nearly 80 percent of consumer product recalls in FY 2015 involved an imported product. The CPSC proposes expanding port coverage to address this priority [see pages 18-20].

Priority: Identifying emerging technology and consumer safety issues in nanotechnology

Nanotechnology: Nanotechnology research and development is rapidly being commercialized into consumer products, including products for children. In 2014, a National Science Foundation (NSF) and National Nanotechnology Coordination Office (NNCO) funded study estimated a \$4.4 trillion worldwide market for final products incorporating nanotechnology by the year 2018, with more than a third of that total contributed by the United States; this represents an increase of 13 times the level reported in 2010. Global trading partners are investing in the manufacturing infrastructure to produce and export new products to the United States, including the Chinese nanotechnology commercialization hub called Nanopolis Suzhou. To help facilitate the safe commercialization of this game-changing

technology, it is important that the requisite testing methods for characterizing and quantifying nanotechnology materials in consumer products, identifying and quantifying consumer exposures, and assessing the potential health risks are developed. The CPSC is proposing to participate in the NIEHS-led nanotechnology center to gather the needed consumer product safety data [see pages 12-13].

Priority: Empowering stakeholders and the public through education and information

Public Outreach: Communicating safety responsibilities to industry and educating the public on best safety practices and recalled products continue to be regarded as cost-effective methods of reducing injuries and deaths. Useful, timely information helps make consumers aware of hazardous products in the marketplace and can instruct consumers to act quickly if they own recalled products. Continuing to reach consumers and businesses, including at-risk communities and constituents, is an ongoing priority.

Priority: Implementing congressional requirements in a prudent and timely manner

CPSIA: The CPSIA increased the mission requirements of the CPSC, requiring new regulations and mandates to improve consumer product safety. The Danny Keysar Child Product Safety Notification Act (Section 104 of the CPSIA) requires the Commission to study and develop safety standards for at least two durable infant or toddler products every 6 months. CPSIA-mandated rulemaking is ongoing, and the agency will consider four CPSIA Section 104 draft proposed rules in FY 2017, which are changing tables, infant gates and other enclosures, infant inclined sleep products, and stationary activity centers. In FY 2017, the CPSC will consider a draft notice of proposed rulemaking for booster seats [see mandatory standards table on pages 34-35].

Goal 1: Leadership in Safety (\$10 million)

Quick Facts:

- *In FY 2015, the CPSC conducted international training exchanges with consumer product safety authorities of Australia and South Korea.*
- *In March 2015, the CPSC participated in the OECD Working Party on Consumer Product Safety's consumer outreach project that conducted an international campaign to alert consumers about the dangers of laundry pod ingestion by children.*
- *In FY 2015, the CPSC provided product safety training or in-depth practical briefings to product safety officials and industry from 15 foreign jurisdictions.*

The FY 2017 Request allocates \$10 million to work on education and outreach to advance product safety with international and domestic stakeholders, including foreign governments, manufacturers, retailers, resellers, small businesses, and consumers. As part of a strategy for addressing the growing complexity and risk associated with additional global sources of production, the CPSC works to reduce the number of recalls through outreach and education for foreign manufacturers and regulators. International programs include education and exchange of best regulatory practices to help ensure that manufactured products meet U.S. safety requirements. This reduces the need for remedial action or recalls later, benefiting both the U.S. consumer and the manufacturer. The CPSC's Small Business Ombudsman (SBO) is another important component of this strategic goal. This position is the dedicated CPSC contact for small businesses and provides information and guidance tailored to small businesses. The SBO continues to develop regulatory summaries, "plain English" regulatory guidance, and technology enhancements in an easy-to-understand format for manufacturers and retailers.

The FY 2017 Request supports three international fellowship exchanges; one outbound with CPSC staff and two inbound with technical staff from foreign consumer product safety regulatory agencies. These exchanges will benefit the United States and the

participating foreign jurisdictions by providing valuable information and alternative perspectives on processes, testing procedures, analysis, and enforcement. During FY 2015, the CPSC's third Regional Product Safety Officer to be assigned to Beijing began his assignment, where, with our locally employed Product Safety Specialist, he is responsible for conducting a full program of outreach to Chinese consumer product suppliers to the U.S. market. The Beijing team also coordinates with Chinese government product safety authorities, as well as with government and industry stakeholders throughout East Asia. During FY 2015, the CPSC partnered with the European Commission to conduct product safety training for buyers and sourcing professionals in China and Hong Kong, who procure consumer goods for export to the United States and Europe. In addition, the CPSC will support ongoing training opportunities for product safety regulators in the Western Hemisphere through the Organization of American States. The CPSC led the effort by the Working Party on Consumer Product Safety of the Organization of Economic Cooperation and Development (OECD) to establish the first global recalls portal, a single site on the Internet to view recall announcements from around the world to help regulators, businesses, and consumers make informed decisions about how a recall might affect their country, company, or family.

Goal 2: Commitment to Prevention (\$27 million)

Quick Facts:

- 185 CPSIA-related rulemaking activities, from the passage of the Act in 2008, through FY 2015, including 45 final CPSIA-related rules.* In FY 2015, the CPSC completed three final CPSIA-related rules.
- In FY 2015, participated in the U.S. government's National Nanotechnology Initiative (www.nano.gov), to sponsor research and data collection to identify releases of nanoparticles from selected consumer products to determine the potential health effects from exposure. Efforts included a symposium, *Quantifying Exposure to Engineered Nanomaterials (QEEN) from Manufactured Products* (<http://www.nano.gov/node/1327>), held in July 2015, that focused on methods to characterize and quantify exposure to nanomaterials. The symposium included approximately 180 attendees from industry, academia, non-governmental organizations, the European Union and scientists across the U.S. federal government. Publications included 10 reports or manuscripts on nanotechnology issues affecting consumer products.
- Participated in 81 voluntary standard activities in FY 2015**, collaborating with industry leaders, consumer advocates, and other stakeholders to improve "consensus voluntary standards" across a wide range of consumer products.

* Source: *Federal Register* documents relevant to the CPSIA, as amended by Public Law No. 112-28 and other laws administered by the CPSC during the period of January 1, 2008 to September 30, 2015.

** CPSC staff actively participated in 79 of the originally planned 81 voluntary standards, plus an additional 2 voluntary standards that emerged as priorities during FY 2015.

The FY 2017 Request allocates \$27 million to analyze, research, develop, and implement safety standards. CPSIA-mandated rulemaking will continue in FY 2017, and 14 rulemaking packages, including six required by the CPSIA, will be sent to the Commission (see Mandatory Standards Summary table on pages 34-35). Mandatory standards are federal rules set by statute or regulation that define requirements for consumer products. Mandatory standards typically are performance requirements that consumer products must meet or warnings they must display to be imported, distributed, or sold in the United States. The CPSC participates in the voluntary standards process to reduce the risks associated with hazardous consumer products. The CPSC's statutory authority requires the agency to rely on voluntary standards rather than promulgate mandatory standards, if compliance with a voluntary standard would eliminate or adequately reduce the risk of injury identified and it is likely that there will be substantial compliance with the voluntary standard. Voluntary standards for consumer products are developed through a consensus process coordinated by Standards Development Organizations (SDOs). In FY 2017, the CPSC has a goal of supporting or

monitoring 74 voluntary standards activities (see Voluntary Standards Summary table on pages 30-32).

Implementing the CPSIA (Pub. L. No. 110-314): The CPSIA mandated a number of new regulations and requirements. Most of the required actions have been completed, including:

- development of rules for third party testing and certification;
- identification of requirements for the accreditation of third party conformity assessment bodies;
- development of mandatory standards for toy safety;
- development of rules to reduce lead content limits in children's products;
- establishment of the SaferProducts.gov public database of product safety incidents;
- establishment of a Chronic Hazard Advisory Panel (CHAP) to study the effects of phthalates on children's health and receipt of the CHAP's final report ; and
- issuance of final guidance on inaccessible component parts in

children's toys or childcare articles subject to the phthalates provisions, Section 108, of the CPSIA.

Several actions are ongoing, including:

- rulemaking proceedings related to the CHAP final report on the effects of phthalates on children's health;
- implementing the Danny Keysar Child Product Safety Notification Act, which requires the CPSC to promulgate standards for durable infant or toddler products after consultation with the voluntary standards organization;
- conducting periodic reviews of the mandatory toy safety standards;
- adopting, as it arises, a revision or a section of a revision of the American Society for Testing and Materials (ASTM) F963, the voluntary standard for toy safety, into the mandatory children's product safety rule, unless the revision does not improve the safety of the product covered by the mandatory rule; and
- performing research activities related to a final rule on all-terrain vehicles.

Public Law No. 112-28 amended certain sections of the CPSIA, and includes:

- a requirement to adopt revisions to voluntary standards for durable infant or toddler products, unless a proposed revision does not improve the safety of the consumer product covered by the standard;
- mandates to issue guidance for an exclusion for inaccessible component parts that contain phthalates; and
- establishing a completion date for a final rule on all-terrain vehicles.

Major Investments

Healthy Children at Home, at Play, and in School (\$3.0 million):

Chemical use is extensive, dynamic, and growing. There are millions of consumer products in homes, and these products are made from any of the 80,000 or so chemicals in commerce in the United States. Manufacturers are not required by law to disclose which naturally occurring or intentionally added

chemicals are in their products. The CPSC's statutory basis for addressing chronic chemical hazards is the Federal Hazardous Substances Act (FHSA).

Currently, the CPSC is the only agency in the U.S. government primarily focused on chemical hazards research in consumer products. Although the EPA and other agencies perform research on hazards that overlap with consumer products, chemical exposure from consumer products is not their primary research focus. The CPSC's capabilities to assess the risk of chronic chemical hazards to support FHSA responsibilities are extremely limited due to insufficient resources. Chronic hazards involving consumer products or hazardous substances are particularly concerning to consumers because they are hidden hazards. Chronic hazards are difficult to prioritize because, unlike acute hazards, identifiable deaths are not easily linked to the chronic hazards.

To address aspects of this gap, the CPSC is requesting funding to research potential chronic hazards related to nanotechnology in consumer products and crumb rubber (artificial field turf and playgrounds).

Nanotechnology

The congressional oversight and appropriations committees provided helpful comments to the CPSC on its FY 2016 President's Budget Request of \$5.0 million for a nanotechnology research center. During last year's budget process, the importance of research on human exposure from consumer products containing nanotechnology was generally acknowledged, but questions were asked whether the CPSC was the correct agency to lead the development of a national nanotechnology research center. The CPSC subsequently re-evaluated its nanotechnology research center proposal and met with U.S. government agencies with a primary mission in research and development to discuss alternative approaches to collecting the methods and exposure data the CPSC requires. Based on those discussions, the National Institute of Environmental Health Sciences (NIEHS), an institute at the National Institutes of Health, is allocating funding and leading the development of a new NIEHS nanotechnology center focused on environmental, health, and

safety (EHS) implications, including exposure assessment and human health. The CPSC is requesting \$2.0 million in additional appropriations as part of the Healthy Children initiative to fund research on human health and safety to develop testing methods and to quantify and characterize the presence, release, and mechanisms of consumer exposure to nanomaterials in consumer products at the new NIEHS-led nanotechnology center. This cost-effective, interagency collaboration will enable the CPSC – through NIEHS – to collect the needed data to inform the safety of nanotechnology in consumer products and allow the CPSC to benefit from NIEHS’s scientific network and experience in leading this type of research center. Thus, the FY 2016 request of \$5.0 million for a CPSC hosted nanotechnology center is removed in FY 2017.

The NIEHS-led nanotechnology safety research center and the CPSC’s proposed participation is consistent with the National Nanotechnology Initiative (NNI) objectives outlined in both the 2014 NNI strategic plan and the 2011 NNI Environment Health and Safety (EHS) Research Strategy for conducting interagency research. Over the last decade, several federal agencies have developed academically based centers of excellence to research nanomaterials. The CPSC has concluded that working through the proposed NIEHS center is the most cost-effective way to gather the needed CPSC research on testing methods and exposure data. For NIEHS to lead a human health and safety nanocenter, they will need a multiyear funding commitment from the CPSC that will supplement funding that NIEHS plans to allocate to this effort. The CPSC’s request for \$2.0 million of additional appropriations for nanotechnology research will enable the CPSC to make that commitment to the NIEHS-led center. The CPSC envisions funding the center for 5 years, and thereafter will evaluate whether and how to proceed with continued research.

The CPSC-funded research at the NIEHS-led center will enable the safe commercialization of consumer products containing nanomaterials by developing testing methods to quantify exposures and assess health risks, consistent with U.S. research and development priorities, including those set by the White House Office of Science and Technology Policy (OSTP). The

CPSC-funded research will target the development of methods for quantifying and characterizing the presence, release, and mechanisms of consumer exposure to nanomaterials from consumer products. The NIEHS-led center will also serve as a resource for consumer product manufacturers and distributors of nano-enabled products by developing approaches to provide for the safe use of technology in consumer products, as well as for consumer groups and others in the public who have a desire to learn more about nanomaterial use and implications. Since 2011, the CPSC has budgeted \$2.0 million annually to support U.S. government goals as established by the NNI in environment health and safety. This additional \$2.0 million funding request would result in a total FY 2017 CPSC budget for nanotechnology research and development of \$4.0 million.

Crumb Rubber

Crumb rubber is granular recycled rubber material used as a ground substrate for playgrounds and landscaping mulch, in residential flooring, and in conjunction with artificial turf on athletic fields. Crumb rubber may contain metals, such as lead, arsenic, cadmium, chromium, manganese, and mercury; organic compounds, such as ketones, chloroethane; polycyclic aromatic hydrocarbons, benzene, and halogenated fire retardants; nylon and polyester fibers; dyes and latex. Many of these substances have been associated with possible acute and chronic health effects, such as sensitization and cancer. The CPSC requests an additional \$1.0 million as part of the Healthy Children initiative to conduct a hazard analysis and quantitative risk assessment on crumb rubber to determine whether crumb rubber may be “hazardous,” as defined in the Federal Hazardous Substances Act, in support of coordinated action with other Federal agencies, as needed.

Third Party Testing Burden Reduction/Assure Compliance:

With unanimous Commission support, the CPSC allocated \$1.0 million in FY 2015 toward reducing the third party testing burden for children’s products while assuring compliance with all applicable laws, rules, bans, regulations,

and standards. In FY 2015, the CPSC undertook the following actions:

- The Commission approved a notice of proposed rulemaking to exempt toys using unfinished wood from the chemical testing requirements of the toy standard ASTM F963-11;
- Staff prepared a draft notice of proposed rulemaking to address the use of component part testing for the chemical testing requirements of the toy standard ASTM F963-11;
- Staff prepared a draft notice of proposed rulemaking to clarify the lead content testing exemptions regarding prints;
- The CPSC awarded contract task orders to research potential third party testing exemptions for manufactured woods, several specified plastics, and specified manufactured fibers; and
- The CPSC established a research grant program to promote the development of Fourier-Transform Infrared (FTIR) spectroscopy technology to reduce the tests for the presence of phthalates in toys and child care articles.

The FY 2016 Consolidated Appropriations Act included \$1.0 million available until September 30, 2017 (2-year availability) to reduce the costs of third party testing associated with certification of children's products under section 14 of the Consumer Product Safety Act (15 U.S.C. 2063). As a result of the FY 2016 appropriation, the CPSC has sufficient existing funding in FY 2017 to complete planned work that includes staff submission for Commission approval of draft final rules on testing phthalates in specified plastics; notices of proposed rulemaking for Commission approval on testing lead, phthalates, and the chemical tests in the toy standard, ASTM F963, in manufactured woods

and manufactured fibers; phthalates testing in several additional plastics; and completion of phase 3 of the FTIR technology development program that will focus on commercialization of the developed FTIR technology. The FY 2017 Request has subsequently been adjusted by -\$1.0 million.

Laboratory Sciences Operations (\$1.3

million): The National Product Testing and Evaluation Center (NPTEC), which opened in June 2011, continues to enhance the CPSC's ability to protect families and consumers from harm, by maintaining and expanding the CPSC's testing capabilities, increasing the efficiency of agency staff and equipment, and facilitating more rapid testing. The CPSC plans \$1.3 million in FY 2017 for the safe and efficient operation of NPTEC. This investment will help to ensure that laboratory equipment is maintained and replaced, as needed, to support ongoing analysis of samples collected by CPSC investigators.

In FY 2017, a number of key analytical equipment items are due for life-cycle replacement. Life cycle replacements include:

- Micro-gas chromatograph spectrometer for accurate gas concentration analyses;
- Two multichannel gas analyzers for combustion appliance emissions testing;
- X-ray scanner sample table drive motor replacements due to x-ray exposure in chamber;
- Ion chromatography system;
- High-definition XRF units; and
- Microwave digester replacements to maintain high throughput of import sample analyses.

Risk Assessment and Project Prioritization

CPSC staff uses a risk assessment and prioritization approach, based on 16 C.F.R. § 1009.8 and the Commission's implementing Directive 0606.1, to help identify product hazards and prioritize work to use resources most effectively to address the identified hazards. Factors considered in the prioritization of these hazards include: risks of death and injury from a hazard, such as the severity of injuries associated with a product; the probability of consumers' exposure to a hazard; analysis of the population at risk, including children, teenagers, people with disabilities, and/or the elderly; whether the hazard can be addressed through CPSC authorities; and the expected effectiveness, cost, and time to implement CPSC's approach. Among other projects in FY 2017, the CPSC plans to prioritize work on:

- *Developing critical research collaborations as part of the National Nanotechnology Initiative (NNI), to evaluate the exposure and effects of the commercial deployment and use of nanomaterials in consumer products;*
- *Researching the potential health and safety issues associated with crumb rubber;*
- *Improving the safety of portable generators; and,*
- *Taking the lessons learned from the Senior Safety Summit to address the growing segment of the U.S. population over age 55, CPSC will consider pursuing activities with the National Fire Protection Association (NFPA) around their "Fires and Falls" senior safety campaign; and building relationships with other agencies and organizations on senior safety in and around the home. Additional epidemiological data analysis will be conducted in areas involving seniors and consumer products.*

Goal 3: Rigorous Hazard Identification (\$50 million)

Quick Facts:

- *Collected and reviewed more than 362,000 National Electronic Injury Surveillance System (NEISS) reports and more than 13,000 death certificates and medical examiner and coroner reports during FY 2015.*
- *In FY 2015, approved registration for 1,682 businesses through www.SaferProducts.gov, resulting in more than 7,000 registered business. The cumulative number of reports of harm posted in CPSC's searchable public database from March 2011, when the database was launched, through September 2015 exceeds 27,000.*
- *Received nearly 67,000 calls to the CPSC Hotline in FY 2015.*
- *Received nearly 2.2 million estimated visits and more than 63 million estimated page views to: www.SaferProducts.gov, in FY 2015.*

Safety Statistics:

- *10,500 estimated injuries treated in emergency departments in 2014 involved fireworks.*
- *138 estimated carbon monoxide poisoning deaths associated with consumer products in 2012; generators and other engine-driven tools were associated with the largest percentage of the carbon monoxide deaths.*
- *626 ATV-related fatalities reported in 2011; 13 percent were children younger than 16 years of age.*
- *69,300 estimated emergency department-treated injuries in 2014 and 104 estimated deaths per year [2010-2012] associated with nursery products among children younger than 5 years of age.*

The FY 2017 Request allocates \$50 million to help provide for the timely and accurate detection of consumer product safety risks. The CPSC uses a systematic approach to enhance the quality of crucial product hazard data and reduce the time required to identify trends. This approach consists of improved collection and assessment of hazard data, regular scanning of the marketplace, expanded import surveillance, and increased surveillance of used consumer products offered for resale. The CPSC has made significant investments in information technology to enhance and streamline hazard detection processes and improve analytic capabilities. This includes development of the CPSIA-mandated, open government public database (available at: www.SaferProducts.gov), which enables consumers and others to submit reports of harm to the CPSC and view publicly reported incident information in a Web-based, searchable format. The agency also developed the Consumer Product Safety Risk Management System (CPSRMS) to standardize how data are captured and to enable expanded and expedited data collection and analysis.

Major Investments

NEISS (\$2.7 million): Each year, through the National Electronic Injury Surveillance System (NEISS), the CPSC collects information about product-related injuries treated in hospital emergency rooms. This unique system provides statistically valid national estimates of product-related injuries from a probability sample of hospital emergency rooms (www.cpsc.gov/library/neiss.html). The FY 2017 Request for NEISS will fund the following activities: collection and review of data from approximately 100 hospitals; technical and statistical support for data collection; coordination of NEISS activities funded by other federal agencies through reimbursable agreements; and travel to hospitals for training, quality control, and recruitment of additional hospitals into NEISS to maintain the statistically valid sample size. The \$0.5 million in additional funding supports the contract cost escalation for the NEISS hospitals and coders' fees, funds improved functionality to enable Web-based data collection and follow-up of the reported incident data, and updated data retrieval capabilities from the NEISS webpage.

Consumer Hotline (\$0.9 million): The CPSC's customer service Hotline--800.638.2772 has been in operation for more than 40 years. In FY 2015, it is estimated that nearly 85,500 calls were received; 2,600 incident reports were filed; about 1,000 requests for 300,000 copies of

publications were fulfilled; and 6,800 e-mails were processed. Consumers are encouraged to contact the Hotline for information and assistance related to consumer product safety issues and to file incident reports.

+\$3 MILLION: INCREASE PORT PRESENCE – IMPORT SURVEILLANCE PROGRAM EXPANSION

Product Import Problem

In 2015, \$754 billion in products under the CPSC's jurisdiction, nearly \$2 billion per day, were imported into the United States. Nearly 80 percent of consumer product recalls in FY 2015 involved an imported product. American consumers run a higher risk of purchasing a noncompliant product due, in part, to product imports entering the United States that do not comply with federal safety standards or laws. Furthermore, the CPSC does not have a sufficient number of consumer product inspectors at the 327 U.S. ports of entry to review a significant percentage of consumer product imports; nor does the CPSC have the necessary computer systems to identify systematically noncompliant products before they leave U.S. ports for store shelves and ultimately consumers' homes.

Congressional Mandate

Congress is aware of the consumer product import problem and has mandated that the CPSC address it. The CPSIA, Section 222, requires the CPSC to create a Risk Assessment Methodology (RAM) to identify products imported into the United States that are most likely to violate consumer product safety statutes and regulations.

Increase CPSC Presence at Ports [+\$3 million]:

Currently, the CPSC can staff approximately 6 percent of U.S. ports. The CPSC proposes an expanded import surveillance program, in close coordination with U.S. Customs and Border Protection (CBP), aimed at reducing the number of noncompliant products entering the United States, and clearing compliant cargo faster. The CPSC requests \$3 million in additional funding in FY 2017 to add 15 full-time staff supporting the import surveillance program. This increase in staff will enable the CPSC to have staff coverage at nearly 7 percent of U.S. ports, comprising ~65 percent of all consumer product import entry lines. The FY 2017 Request supports the incremental salary costs to the agency for 15 new staff supporting the program, the field equipment those employees need to perform their surveillance duties, and associated support costs. With this additional funding, the CPSC would build upon its existing strategy of co-locating staff with CBP officers at ports to identify and take action on noncompliant consumer product imports and to expedite clearance and entry of compliant consumer product cargo.

Risk Assessment Methodology Pilot System – Future Steps FY 2018 and Beyond

The CPSC uses a computer-based Risk Assessment Methodology (RAM) pilot system with a risk-scoring algorithm to analyze CBP manifest data to identify certain consumer product imports with a high risk of a violation or defect. Those consumer product imports identified as high risk are physically evaluated for compliance. Currently, the CPSC is operating a limited-functionality, pilot-scale version of the computer-based RAM system. The pilot-scale RAM system needs to transition to a full production system with full-functionality to integrate with the U.S. government single window initiative. The single window initiative, an element of the Safe Port Act of 2006 implementation, envisions importers having a single U.S. government interface at import and export, rather than having to work individually with each of the 47 U.S. government agencies with customs-related responsibilities. The single window will allow information to be shared seamlessly from the importers and exporters to the 47 U.S. government agencies, as well as among the 47 agencies; a one-stop shop for all affected entities. The cost-saving benefits to industry and the U.S. government are expected to be sizeable. The CPSC wants to develop a full functionality computer-based RAM system that fits into the larger single-window initiative.

The CPSC has hired a firm to refine the computer system requirements and develop an updated cost estimate for developing a full-functionality, computer-based RAM system that integrates with the single window initiative. The CPSC will review and assess the refined requirements and cost estimates in FY 2016, and present a cost-effective funding proposal for a full-functionality, computer-based RAM system as part of the FY 2018 appropriations process. The CPSC is not requesting additional funding in FY 2017 for developing and deploying a full-functionality, computer-based RAM system, and will continue to operate the pilot-scale RAM system in FY 2017.

Product Safety User Fees to Fund Only Import Surveillance Program

To fund the import surveillance program on a going forward basis, the CPSC is again requesting that Congress authorize a product safety user fee in FY 2017, with collections beginning in FY 2018 (see page 2, general provision). The proposed product safety user fee would be collected on imported products under the CPSC's jurisdiction. The CBP has the necessary statutory authority and administrative capability to collect the product safety user fee on the CPSC's behalf. The product safety user fee, when fully implemented, is expected to allow the CPSC to offset the estimated \$36 million annual cost of the envisioned import surveillance program. The fee could be adjusted if the annual costs are less than forecast, and would also be calibrated during rulemaking for the revised full-functionality, computer-based RAM system estimate once the estimate is completed. The CPSC's proposal to fund import activities with a product safety user fee is consistent with other federal agencies that have importation responsibilities and fund analogous activities through a user fee (*e.g.*, U.S. Food and Drug Administration, Animal and Plant Health Inspection Service, and CBP). The CPSC has the necessary financial-reporting and transaction-recording capabilities to record import surveillance program costs correctly and fund only those costs using the product safety user fee. The CPSC is committed to full transparency in reporting the annual user fee collections and disbursements through the agency's Annual Financial Report and independent financial statement audit, and other federal financial reporting requirements. The CPSC estimates that the proposed product safety user fee would be negligible as a percent of the value of total products most likely covered by a product safety user fee (~.007 percent, or ~7 cents per \$1,000 of import value).⁴

Industry Benefits

An expanded import surveillance program and deployment of a full-functionality RAM system benefits industry and importers. First, a full-functionality, computer-based RAM system will enable the CPSC to clear compliant cargo faster, by allowing the CPSC to focus inspections on shipments with a high probability of violation or defect, as determined by the RAM risk calculation. The CPSC estimates that more than 99 percent of compliant cargo can be released within 1 day with a full-functionality RAM system. Second, the CPSC initiated preplanning and analysis work in FY 2015 to explore expanding and possibly making permanent the Importer Self-Assessment-Product Safety (ISA-PS) pilot program, or "Trusted Trader" program. The Trusted Trader program allows importers to provide additional information to the CPSC on their compliance with U.S. laws and regulations, qualifying for streamlined procedures, and thereby, expedite clearance of their imports through the computer-based RAM system. This pilot program envisions similar benefits, as described in the American Association of Exporters and Importers (AAEI) recent report, "A Blueprint to Trust."⁵

Engaging Industry through Rulemaking

The CPSC has endeavored to work with industry on the import surveillance program. Upon congressional authorization of a product safety user fee, the CPSC will initiate a rulemaking process, as provided in OMB Circular A-25, to structure the proposed product safety user fee. The rulemaking will be an open, public process that collects and considers viewpoints from all interested stakeholders. The CPSC's overriding interest is to formulate a user fee that is reasonable, simple, and that works for everyone affected.

See page 2 for User Fee General Provision.

⁴ The exact fee structure and amount would be set through the required rulemaking process, as defined by OMB Circular A-25.

⁵ <http://www.aaei.org/aaei-releases-blueprint-for-trusted-traders/>.

Import Surveillance Pilot Success Stories

Small Parts and Lead/Phthalates Violations

In FY 2015, 299 shipments were seized for Lead/Phthalates violations, stopping nearly 1,750,000 units from entering commerce. An additional 70 imported shipments were seized for Small Parts violations because they represent a choking hazard, stopping more than 150,000 units from entering commerce. One of those products seized contained nearly 44,000 units of a global brand children's whistle.

CPSC Import Coordination Leads to Discovery of a Violative Shipment

Late in FY 2014, an establishment inspection of an importer was conducted due to violative shipments found earlier in the year. During the inspection, CPSC learned that the importer also imported products under another business name with a separate Importer of Record number. Early in FY 2015, a shipment targeted at the Port of Baltimore, MD, which required a collection of more than 40 samples, led to a determination of more than 100 violations involving in excess of 155,000 units. The violations found included small parts, lead in paint, phthalates, and lead content.

CPSC Collaborates with Industry on eFiling Pilot

In an August 12, 2015 press release the Retail Industry Leaders Association (RILA) stated, "We appreciate the CPSC's willingness to work constructively with industry to achieve our shared product safety goals and we look forward to continuing to engage with the Commission in the development and execution of the pilot, and evaluation of the pilot results to inform the drafting of the final regulation." The eFiling pilot program will enhance risk targeting, facilitate the flow of legitimate cargo, and bring the CPSC in line with the "single window" approach called for in a 2014 executive order.

Goal 4: Decisive Response (\$36 million)

Quick Facts:

- Conducted nearly 415 recalls in FY 2015, involving approximately 68 million units.
- In FY 2015, sent nearly 2,960 Notices of Non-Compliance and negotiated nearly 365 corrective action plans (CAPs) to address safety in consumer products.
- Negotiated nearly \$26 million in civil penalties through out-of-court settlements in FY 2015.
- In FY 2015, completed nearly 3,840 establishment inspections of firms for compliance with the CPSC's laws and regulations.

The FY 2017 Request allocates \$36 million for CPSC enforcement of CPSIA-mandated and other safety standards. Most substantially, this funding allocation supports CPSC Compliance Field Investigators and staff located across the country who are the CPSC's first responders when a product is associated with an injury or fatality. Ongoing regulatory compliance activities include data analysis, investigations, processing Section 15 reports, assessments of the level of compliance with new regulations and providing advice and guidance on the regulations to stakeholders. Additional regulatory areas include: fire hazards, all-terrain vehicles (ATVs), refuse bins, and refrigerators; and CPSIA-mandated requirements including, but not limited to, durable infant or toddler products, cribs, toddler beds, play yards, carriers, bath seats, strollers, and swings; Poison Prevention Packaging Act; and Federal Hazardous Substances Act (FHSA) regulations for household chemicals, fireworks, toys, rattles, pacifiers, and infant pillows.

Major Investments

Field Investigator Workforce (\$16.0 million):

The FY 2017 Request supports 103 CPSC Compliance Field Investigators and other staff located in 37 states. Compliance Field

Investigators are responsible for carrying out investigative, compliance, consumer information, and marketplace surveillance activities within their geographic areas. Compliance Field Investigators conduct inspections of manufacturers, importers, wholesalers, and retailers to encourage compliance with the laws and regulations administered by the Commission and to investigate the illegal distribution of hazardous, banned, or previously recalled consumer products. Compliance Field Investigators coordinate with federal, state, and local government offices to identify consumer product-related incidents and conduct on-site investigations of incidents involving serious injuries or deaths. Compliance Field Investigators routinely screen the retail marketplace and Internet websites for dangerous products, new and used; and these investigators provide support to the CPSC's import surveillance program by intermittently covering ports, as resources permit, where the CPSC does not have a permanent presence. Compliance Field Investigators work out of their homes, teleworking 100 percent of the time, enabling the CPSC to have a national presence without procuring related leased space.

Goal 5: Raising Awareness (\$7 million)

Quick Facts:

- *More than 16 billion impressions of CPSC safety messages were received by consumers in FY 2015, including about 519 million impressions for the CPSC's crib safety education program (Safe to Sleep®); more than 81 million impressions for minority outreach efforts; and nearly 1.2 billion impressions for the pool drowning and drain entrapment prevention program.*
- *More than 37,000 followers of CPSC safety messages on Twitter in FY 2015. More than 24 million impressions from Hispanic media and media interviews in Spanish for all major media events*

Safety Statistics:

- *382 estimated pool or spa drownings per year [2010-2012] involving children younger than 15 years of age*
- *38,000 estimated emergency department-treated injuries per year [2011-2013] and 430 estimated reported fatalities between 2000 and 2013 associated with television, furniture, and appliance tip overs*
- *More than 200,000 emergency department-treated injuries estimated annually on public playgrounds.*

Notes: "Impressions" represent the estimated number of people hearing or seeing CPSC safety messages via TV and radio broadcasts, online stories, and social media mentions.

The FY 2017 Request allocates \$7 million to raise public awareness through timely and targeted information about consumer product safety issues, helping to empower individual citizens with information. This includes outreach on major drivers of death and injury, and notifying the public about recalls and new Commission-implemented safety requirements. The CPSC uses a variety of platforms to reach the public, including the CPSC website (www.cpsc.gov); Web pages hosted by consumers and other organizations that provide real-time recall information via the CPSC's free recall widget; e-mail alerts; tweets; and videos. The CPSC posts recalls and press releases in an RSS feed format, which allows blogs, TV stations, and other media to obtain information from the CPSC's website, and in seconds, have the information posted on their websites. A strong Web presence is a key component of achieving the CPSC's safety mission.

Major Investment

Communications Safety Information and Education Programs: The FY 2017 Request supports more than two dozen programs addressing historically significant and emerging hazards. The majority of the agency's education programs address child safety risks in the home. The programs are designed to achieve the most awareness possible. Maintenance-level

programs can be ramped up quickly with additional funding to achieve greater levels of awareness and stakeholder participation to reduce deaths and injuries.

Pool and Spa Safety Act Information and Education (\$1.0 million): To advance the goals of the Virginia Graeme Baker Pool and Spa Safety Act (VGB Act), the CPSC continues to expand its national and grassroots *Pool Safely* campaign—the largest and longest education campaign carried out in the agency's history. This safety information and education campaign is designed to reduce fatal child drownings and nonfatal drownings and to maintain zero reported fatalities of children who become entrapped on pool and spa drains. The multifaceted initiative includes partnerships with more than 850 industry, drowning prevention and safety organizations, associations, and agencies; press and social media events raising consumer awareness of learning to swim, having layers of protection, and designating a Water Watcher; outreach to local, national, and minority organizations that share CPSC messages; and advertising via public service announcements to build greater awareness of pool safety. These combined outreach efforts are intended to engage a broad target audience; and these efforts have helped the CPSC surpass annual targets of more than 1 billion impressions.

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TABLE 2

PROGRAM AND FINANCING SCHEDULE

(DOLLARS IN MILLIONS)

	FY2015 <u>Actual</u>	FY2016 <u>Enacted</u>	FY2017 <u>Request</u>
Obligations by program activity:			
Consumer Product Safety Commission	\$123	\$125	\$131
Direct program activities, subtotal	\$123	\$125	\$131
Reimbursable program	3	3	3
Total new obligations	\$126	\$128	\$134
Budgetary Resources:			
Unobligated balance:			
Unobligated balance brought forward, Oct 1	\$1	\$1	\$1
Budget authority:			
Appropriations, discretionary:			
Appropriation	123	125	131
Spending authority from offsetting collections, discretionary:			
Collected	3	3	3
Budget authority (total)	126	128	134
Total budgetary resources available	\$127	\$129	\$135
Change in obligated balance:			
Obligated balance, start of year (net):			
Unpaid obligations, brought forward, Oct 1 (gross)	\$34	\$35	\$37
Obligations incurred, unexpired accounts	126	128	134
Obligations incurred, expired accounts	0	0	
Outlays (gross)	-123	-126	-133
Recoveries of prior year unpaid obligations, expired	-2		
Obligated balance, end of year (net):			
Unpaid obligations, end of year (gross)	\$35	\$37	\$38
Budget authority and outlays, net:			
Discretionary:			
Budget authority, gross	\$126	\$128	\$134
Outlays, gross:			
Outlays from new discretionary authority	98	102	107
Outlays from discretionary balances	25	24	26
Outlays, gross (total)	\$123	\$126	\$133
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
Federal sources	-3	-3	-3
Budget authority, net (total)	\$123	\$125	\$131
Outlays, net (total)	\$120	\$123	\$130

TABLE 3
OBJECT CLASSIFICATION SCHEDULE & PERSONNEL SUMMARY
(DOLLARS IN MILLIONS)

	FY 2015	FY 2016	FY 2017
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Direct Obligations:			
11 Personnel Compensation:	\$57	\$63	\$65
12 Personnel Benefits	17	17	18
21 Travel and Transportation of Persons	1	1	1
23 Rent, Communications, and Utilities	10	10	10
24 Printing and Reproduction	1	0	0
25 Other Services	32	31	34
26 Supplies and Materials	1	1	1
31 Equipment	4	2	2
99 Subtotal, Direct Obligations	<u>\$123</u>	<u>\$125</u>	<u>\$131</u>
Reimbursable Obligations:	<u>\$3</u>	<u>\$3</u>	<u>\$3</u>
Total Obligations:			
99.9 Total Obligations	<u><u>\$126</u></u>	<u><u>\$128</u></u>	<u><u>\$134</u></u>
Personnel Summary			
Total Direct Compensable Work Years:			
Full-Time Equivalent Employment	535	567	582

TABLE 4
CPSC FTEs BY ORGANIZATION

	FY 2015	FY 2016	FY 2017
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Chairman & Commissioners	16	21	21
Hazard Identification and Reduction	158	167	170
Compliance and Field Operations	156	159	161
Import Surveillance	36	44	54
International Programs	7	7	7
General Counsel	48	50	50
Communications	11	10	10
Information Technology	39	42	42
Agency Management, Rent, and Security	57	60	60
Inspector General	7	7	7
Total	535	567	582

*Note: Agency Management, Rent, and Security includes Financial Management, Planning, & Evaluation; Facilities Services; Human Resources Management; EEO & Minority Enterprise; Executive Director; and Legislative Affairs.

TABLE 5

INSPECTOR GENERAL BUDGET REQUEST

(DOLLARS IN THOUSANDS)

In compliance with Public Law No. 110-409, the Inspector General Reform Act of 2008, the following information is presented:

Resource	FY 2015 <u>Actual</u>	FY 2016 <u>Enacted</u>	FY 2017 <u>Request</u>
FTEs	7	7	7
Salaries & Expenses	\$973	\$984	\$1,004
Contracts & Operating Expenses	108	119	119
Training	10	17	17
Total Amount	\$1,091	\$1,120	\$1,140

The CPSC Inspector General certifies that the amount requested for training satisfies all known IG training requirements for FY 2017.

TABLE 6

INSPECTOR GENERAL TOP MANAGEMENT CHALLENGES

In compliance with Public Law No. 114-113, the Consolidated Appropriations Act 2016, the following information is presented:

<u>IG Identified Challenge</u>	<u>Brief Challenge Explanation</u>	<u>Management's Response</u>
Adequacy of Internal Controls	Implementing new GAO "Green Book" guidelines that extend internal control principles to program performance.	Implement the GAO Green Book's requirements and the 17 underlying principles that support internal control. Note: OMB Circular A-123 has not been updated to align with the GAO "Green Book" revisions, and this may affect the implementation timeline for all USG agencies. (This is accounted for within the baseline budget for Agency Management, Rent, and Security in Table 1 of this document.)
Information Technology Security	Agency needs to update and approve major applications' security documentation and implement the NIST Risk Management Framework Accrediting the information resources that reside outside of the GSS LAN.	Allocate resources and request funding increases to mitigate these and other security risks. (This is accounted for within the baseline budget for Information Technology in Table 1 of this document.)
Budget Uncertainty due to Continuing Resolutions	Continuing resolutions can result in delayed hiring and contract awards.	Minimize risk through improved planning, prioritization, and analysis. (This is accounted for within the baseline budget for Agency Management, Rent, and Security in Table 1 of this document.)

Note: The CPSC's top management challenges as identified by the agency's Inspector General as well as Management's response to them are found on pages 50-55 of the CPSC's *FY 2015 Agency Financial Report (AFR)* [<http://www.cpsc.gov/en/About-CPSC/Agency-Reports/Performance-and-Budget/>].

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VOLUNTARY STANDARDS SUMMARY

A consumer product voluntary standard is a prescribed set of rules, conditions, or requirements concerning definitions of product-related terms; classification of components; specification of materials, performance, or operations; delineation of procedures; or measurement of quantity and quality in describing products, materials, systems, services, or practices relating to the safety of consumer products used in and around the home, outdoors, and in schools.

The CPSC's statutory authority requires the agency to rely on voluntary standards rather than promulgate mandatory standards, if compliance with a voluntary standard would eliminate or adequately reduce the risk of injury identified, and it is likely there will be substantial compliance with the voluntary standard. CPSC staff works with organizations that coordinate the development of voluntary standards.

Voluntary standards activity is an ongoing process that may involve multiple revisions to a standard within 1 year or over multiple years; and such activity may continue in subsequent years, depending on the activities of the voluntary standards committees and the priorities of the Commission.

CPSC staff expects to participate actively in voluntary standards activities for the products listed in the table on the pages to follow. Active participation extends beyond attendance at meetings and may include, among other things, providing injury data and hazard analyses; encouraging the development of a voluntary safety standard; identifying specific risks of injury; performing research; developing health science data; performing laboratory technical assistance; and/or taking other actions that the Commission, in a particular situation, determines may be appropriate. A list of these activities can be found at 16 C.F.R. §1031.7.

Key to Table
<ul style="list-style-type: none">• Denotes active participation in related voluntary standards activities.

VOLUNTARY STANDARDS SUMMARY

Product		FY 2016 Request	FY 2017 Request
Voluntary Standard Activities Related to CPSIA, as amended by Pub. L. No. 112-28, and including the Danny Keysar Child Product Safety Notification Act (Section 104 of the CPSIA)			
1	ATVs	•	•
2	Bassinets/Cradles	•	•
3	Bath Seats, Infant	•	•
4	Bath Tubs, Infant	•	•
5	Bed Rails (Children's)	•	•
6	Beds, Toddler	•	•
7	Bedside Sleepers	•	•
8	Booster Seats	•	•
9	Bouncers, Infant	•	•
10	Carriers, Child Frame	•	•
11	Carriers, Handheld	•	•
12	Carriers, Soft	•	•
13	Chairs, Children's Folding (Youth)	•	•
14	Chairs, High	•	•
15	Chairs, Hook-on	•	•
16	Changing Tables	•	•
17	Cribs, Commercial	•	•
18	Cribs, Full-Size	•	•
19	Cribs, Non-Full Size and Play Yards	•	•
20	Gates and Other Enclosures, Infant	•	•
21	Inclined Sleep Products, Infant	•	•
22	Phthalates	•	•
23	Slings, Infant	•	•
24	Stationary Activity Centers	•	•
25	Strollers	•	•
26	Swings, Infant	•	•
27	Toys	•	•
28	Walkers, Infant	•	•
Voluntary Standards Activities Related to Existing CPSC Statutes			
29	Architectural Glazing	•	
30	Child-Resistant Packaging	•	•
31	Fireworks	•	•
32	Garage Door Operators	•	•
33	Gasoline Containers (Child-Resistant Closures)	•	•
34	Swimming Pools/Spas (Drain Covers, VGB)	•	•
Voluntary Standards Activities Related to Petitions			
35	Bed Rails, Adult	•	•
36	Candles and Candle Accessories	•	•
37	Crib Bumpers	•	•
38	Torch Fuel and Lamp Oil		•
39	Torch Fuel Containers	•	
Voluntary Standards Activities Related to Rule Review Projects (as listed in the Mandatory Standards Summary Table)			
40	Mattresses	•	•
Voluntary Standards Activities Related to Ongoing or Potential Rulemaking Activities (as listed in the Mandatory Standards Summary Table)			
41	Firepots and Fuel Gels (Portable Fireplaces, Fuels)	•	•
42	Portable Generators	•	•
43	Power Equipment (Table Saws)	•	•
44	Recreational Off-Highway Vehicles (ROVs)	•	•

Product		FY 2016 Request	FY 2017 Request
45	Seasonal Lights	•	
46	Upholstered Furniture	•	•
47	Window Coverings	•	•
Other Planned Voluntary Standard Activities			
48	Baby Monitors	•	•
49	Batteries, Button, Lithium, Cell	•	•
50	Carbon Monoxide (CO) Alarms	•	•
51	Clothes Dryers	•	•
52	Cooktops	•	•
53	Flammable Liquids (Material Handling) (included in Firepots and Fuel Gels)	•	
54	Flammable Refrigerants	•	•
55	Fuel Tanks, Leakage	•	•
56	Furnaces (CO Sensors)	•	•
57	Furniture Tip Overs	•	•
58	Gasoline Containers (Flame Arrestors)	•	•
59	Glass Front Gas Fireplaces	•	•
60	Grills, Gas	•	•
61	Headgear, Recreational	•	•
62	Heaters, Electrical	•	•
63	Inflatable Play Devices (Constant Air)	•	•
64	Laundry and Dishwasher Packets	•	•
65	Mowers	•	•
66	Nanotechnology	•	•
67	National Electrical Code	•	•
68	Playground Equipment (Children under 2 years)	•	•
69	Playground Equipment (Home)	•	•
70	Playground Equipment (Public)	•	•
71	Playground, surfacing		•
72	Pools, Portable Unprotected (Child Drowning)	•	•
73	Ranges (Tip Over)	•	•
74	Ranges, Gas (Control Panels)	•	•
75	Slow Cookers	•	
76	Smoke Alarms	•	•
77	Spray Polyurethane Foam Insulation	•	•
78	Trampolines	•	•
79	Washing Machines, Front Loading	•	•
Grand Total		77	74

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MANDATORY STANDARDS SUMMARY

Mandatory standards are federal rules set by statute or regulation that define requirements for consumer products. They typically take the form of performance requirements that consumer products must meet or warnings they must display to be imported, distributed, or sold in the United States.

The CPSC may set a mandatory standard when it determines that compliance with a voluntary standard would not eliminate or adequately reduce a risk of injury or finds that it is unlikely that there will be substantial compliance with a voluntary standard.⁶ The Commission may also promulgate a mandatory ban of a hazardous product when it determines that no feasible voluntary or mandatory standard would adequately protect the public from an unreasonable risk of injury.

CPSC staff plans to work on the projects listed in the table on the next page. This work will involve continuation of rulemaking activities related to the CPSIA, as well as other laws, and it will include data analysis and technical activities supporting ongoing or potential future rulemaking activities.

Key to Table	
The terms ANPR, NPR, and FR indicate that a briefing package with a draft ANPR, draft NPR, or a draft FR was or will be submitted to the Commission. It does not indicate the final action of the Commission.	
ANPR	Advance notice of proposed rulemaking
NPR	Notice of proposed rulemaking
FR	Final rule
DFR	Direct final rule
BP	Briefing package
DA/TR	Data analysis and/or technical review

⁶ The CPSIA requires the Commission to promulgate mandatory standards by adopting existing voluntary standards (in whole or in part) for some products, such as durable infant or toddler products, children's toys, and all-terrain vehicles. For additional information, please refer to the CPSIA at: www.CPSC.gov/cpsia.pdf.

MANDATORY STANDARDS SUMMARY

Items by Major Categories		FY 2016 Request	FY 2017 Request
CPSIA, as amended by Pub. L. No. 112-28, and including Section 104, the Danny Keysar Child Product Safety Notification Act			
ATVs – Rulemaking		NPR	FR
Booster Seats		DA/TR	NPR
Chairs, Children’s Folding		FR	
Chairs, High		FR	
Changing Tables		NPR	FR
Gates and Other Enclosures		NPR	FR
Hook-on Chairs		FR	
Infant Bath Tubs		FR	
Infant Bouncer Seats		FR	
Infant Inclined Sleep Products		NPR	FR
Infant Slings		FR	
Stationary Activity Centers		NPR	FR
Rule Review			
Certificates of Compliance – 1110 Rule – E.O. 13659		FR	DA/TR
Fireworks		NPR	FR
Lead		BP	DA/TR
Mattresses		BP	DA/TR
Other Ongoing or Potential Rulemaking-Related Activities			
Architectural Glazing		FR	
Bed Rails (Adult) Petition		DA/TR	DA/TR
Bedclothes Flammability		BP	DA/TR
Crib Bumpers		DA/TR	DA/TR
Flammability of Silk Petition			DA/TR
FR Chemical Petition			DA/TR
Garage Door Operators		FR	
Portable Fireplaces (formerly Firepots and Fuel Gels)		DA/TR	DA/TR
Portable Generators		FR	FR
Residential Elevators Petition		BP	DA/TR
Substantial Product Hazard List – 15 (j) Rule			NPR
Supplemental Mattress Petition			DA/TR
Table Saws		NPR	FR
Third Party Testing Burden Reduction/Assure Compliance		FR	NPR, FR
Upholstered Furniture		NPR	FR
VGBA Petition			DA/TR
Window Coverings		DA/TR	NPR
Number of candidates for rulemaking (ANPR, NPR, DFR, and FR)		19	14

Following is a list of CPSIA final rules promulgated and accreditation standards established in reverse chronological order since passage of the CPSIA in 2008:

Final Rules

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| <ol style="list-style-type: none"> 1. Final Rule on “Substantial Product Hazard List: Extension Cords,” 80 FR 44262 (July 27, 2015) 2. Final Rule on “Substantial Product Hazard List: Seasonal and Decorative Lighting,” 80 FR 25216 (May 4, 2015) 3. Final Rule on “Safety Standard for Frame Child Carriers,” 80 FR 11113 (March 2, 2015) 4. Final Rule on “Safety Standard for Soft Infant and Toddler Carriers,” 79 FR 17422 (March 28, 2014) 5. Final Rule on “Safety Standard for Carriages and Strollers,” 79 FR 13208 (March 10, 2014) 6. Final Rule on “Safety Standard for Bedside Sleepers,” 79 FR 2581 (January 15, 2014) 7. Final Rule on “Safety Standard for Bassinets and Cradles,” 78 FR 63019 (October 23, 2013); correction notice 78 FR 77574 (December 24, 2013) 8. Revisions to Safety Standards for Infant Bath Seats, Toddler Beds, and Full-Size Cribs, 78 FR 73692 (December 9, 2013) 9. Final Rule on “Safety Standard for Hand-Held Infant Carriers,” 78 FR 73415 (December 6, 2013) 10. Final Rule on “Safety Standard for Play Yards,” 78 FR 50328 (August 19, 2013) 11. Final Rule on “Children’s Products Containing Lead; Procedures and Requirements for Exclusions from Lead Limits under Section 101(b) of the Consumer Product Safety Improvement Act,” 78 FR 41298 (July 10, 2013) 12. Revisions to Safety Standards for Infant Walkers and Infant Swings, 78 FR 37706 (June 24, 2013) 13. Final Rule on “Requirements Pertaining to Third Party Conformity Assessment Bodies, 16 C.F.R. parts 1112 and 1118” 78 FR 15836 (March 12, 2013) | <ol style="list-style-type: none"> 14. Final Rule on “Testing and Labeling Pertaining to Product Certification Regarding Representative Samples for Periodic Testing of Children’s Products,” 77 FR 72205 (December 5, 2012) 15. Final Rule on “Safety Standard for Infant Swings,” 77 FR 66703 (November 7, 2012) 16. Final Rule on “Safety Standard for Play Yards” 77 FR 52220 (August 29, 2012) 17. Final Rule on “Revisions to Safety Standards for Durable Infant or Toddler Products: Infant Bath Seats and Full-Size Cribs” 77 FR 45242 (July 31, 2012) 18. Final Rule on “Audit Requirements for Third Party Conformity Assessment Bodies,” 77 FR 31074 (May 24, 2012) 19. Final Rule on “Standard for All-Terrain Vehicles,” 77 FR 12197 (February 29, 2012) 20. Final Rule on “Safety Standard for Portable Bed Rails,” 77 FR 12182 (February 29, 2012) 21. Final Rule on “Requirements for Consumer Registration of Durable Infant or Toddler Products,” 77 FR 9522 (February 17, 2012) 22. Final Rule on “Testing and Labeling Pertaining to Product Certification,” 76 FR 69482 (November 8, 2011) 23. Final Rule on “Conditions and Requirements for Relying on Component Part Testing or Certification, or Another Party’s Finished Product Testing or Certification, to Meet Testing and Certification Requirements,” 76 FR 69546 (November 8, 2011) 24. Final Rule on “Substantial Product Hazard List: Children’s Upper Outerwear in Sizes 2T to 12 With Neck or Hood Drawstrings and Children’s Upper Outerwear in Sizes 2T to 16 With |
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| <p>Certain Waist or Bottom Drawstrings,” 76 FR 42502 (July 19, 2011)</p> <p>25. Final Rule on “Substantial Product Hazard List: Hand-Supported Hair Dryer” 76 FR 37636 (June 8, 2011)</p> <p>26. Final Rule on “Safety Standard for Toddler Beds,” 76 FR 22019 (April 20, 2011)</p> <p>27. Final Rule on “Revocation of Requirements for Full-Size Baby Cribs and Non-Full-Size Baby Cribs,” 75 FR 81766 (December 28, 2010)</p> <p>28. Final Rule on “Safety Standards for Full-Size Baby Cribs and Non-Full-Size Baby Cribs,” 75 FR 81766 (December 28, 2010)</p> <p>29. Final Rule on “Publicly Available Consumer Product Safety Information Database,” 75 FR 76832 (December 9, 2010)</p> <p>30. Final Rule on “Interpretation of Children’s Product,” 75 FR 63067 (October 14, 2010)</p> <p>31. Final Rule on “Safety Standard for Infant Walkers,” 75 FR 35266 (June 21, 2010)</p> <p>32. Final Rule on “Revocation of Regulations Banning Certain Baby Walkers,” 75 FR 35279 (June 21, 2010)</p> <p>33. Final Rule on “Safety Standard for Infant Bath Seats: Final Rule,” 75 FR 31691 (June 4, 2010)</p> <p>34. Final Rule on “Civil Penalty Factors,” 75 FR 15993 (March 31, 2010)</p> <p>35. Final Rule on “Guidelines and Requirements for Mandatory Recall Notices,” 75 FR 3355 (January 21, 2010)</p> <p>36. Final Rule on “Children’s Products Containing Lead; Exemptions for Certain Electronic Devices,” 75 FR 3154 (January 20, 2010)</p> <p>37. Final Rule on “Requirements for Consumer Registration of Durable Infant or Toddler Products,” 74 FR 68668 (December 29, 2009)</p> <p>38. Final Rule on “Children’s Products Containing Lead; Determinations</p> | <p>Regarding Lead Content Limits on Certain Materials or Products,” 74 FR 43031 (August 26, 2009)</p> <p>39. Final Rule on “Children’s Products Containing Lead; Interpretative Rule on Inaccessible Component Parts,” 74 FR 39535 (August 7, 2009)</p> <p>40. Final Rule on “Children’s Products Containing Lead; Final Rule; Procedures and Requirements for a Commission Determination of Exclusion,” 74 FR 10475 (March 11, 2009)</p> <p>41. Final Rule on “Ban of Lead-Containing Paint and Certain Consumer Products Bearing Lead-Containing Paint,” 73 FR 77492 (December 19, 2008)</p> <p>42. Final Rule on “Information Disclosure Under Section 6(b) of the Consumer Product Safety Act,” 73 FR 72334 (November 28, 2008)</p> <p>43. Final Rule on “Certificates of Compliance,” 73 FR 68328 (November 18, 2008)</p> <p>44. Final Rule on “Labeling Requirement for Toy and Game Advertisements; Final Rule,” 73 FR 67730 (November 17, 2008)</p> <p>45. “Final Rule: Standard for All-Terrain Vehicles,” 73 FR 67385 (November 14, 2008)</p> <p>Accreditation Requirements</p> <p>1. “Third Party Testing for Certain Children’s Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies to Assess Conformity with the Limits on Phthalates in Children’s Toys and Child Care Articles, 76 FR 49286 (August 10, 2011)</p> <p>2. “Third Party Testing for Certain Children’s Products; Toys: Requirements for Accreditation of Third Party Conformity Assessment Bodies,” 76 FR 46598 (August 3, 2011)</p> <p>3. “Third Party Testing for Certain Children’s Products; Clothing Textiles: Revisions to Terms of Acceptance of Children’s Product Certifications Based</p> |
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| <p>on Third Party Conformity Assessment Body Testing Prior to Commission's Acceptance of Accreditation," 76 FR 22608 (April 22, 2011)</p> <p>4. "Third Party Testing for Certain Children's Products: Toddler Beds; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 76 FR 22030 (April 20, 2011)</p> <p>5. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies – Lead Paint," 76 FR 18645 (April 5, 2011)</p> <p>6. "Third Party Testing for Certain Children's Products: Full-Size and Non-Full-Size Cribs; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 81789 (December 28, 2010)</p> <p>7. "Third Party Testing for Certain Children's Products: Children's Sleepwear; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 70911 (November 19, 2010)</p> <p>8. "Third Party Testing for Certain Children's Products: All-Terrain Vehicles; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 52616 (August 27, 2010)</p> <p>9. "Third Party Testing for Certain Children's Products: Mattresses, Mattress Pads, and/or Mattress Sets; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 51020 (August 18, 2010)</p> <p>10. "Third Party Testing for Certain Children's Products: Clothing Textiles; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 51016 (August 18, 2010)</p> <p>11. "Third Party Testing for Certain Children's Products: Vinyl Plastic Film; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 42311 (July 21, 2010)</p> | <p>12. "Third Party Testing for Certain Children's Products: Carpets and Rugs; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 42315 (July 21, 2010)</p> <p>13. "Third Party Testing for Certain Children's Products; Infant Walkers; Requirements for Accreditation of Third Party Conformity Assessment Bodies," 75 FR 35282 (June 21, 2010)</p> <p>14. "Third Party Testing for Certain Children's Products; Infant Bath Seats: Requirements for Accreditation of Third Party Conformity," 75 FR 31688 (June 4, 2010)</p> <p>15. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies To Assess Conformity With Part 1505 and/or § 1500.86(a)(5) of Title 16, Code of Federal Regulations," 75 FR 22746 (April 30, 2010)</p> <p>16. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies to Assess Conformity with the Limits on Total Lead in Children's Products," 74 FR 55820 (October 29, 2009)</p> <p>17. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies to Assess Conformity with Parts 1203, 1510, 1512, and/or 1513 and Section 1500.86(a)(7) and/or (a)(8) of Title 16, Code of Federal Regulations," 74 FR 45428 (September 2, 2009)</p> <p>18. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies To Test To the Requirements for Lead Content in Children's Metal Jewelry as Established by the Consumer Product Safety Improvement Act of 2008," 73 FR 78331 (December 22, 2008)</p> <p>19. "Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third</p> |
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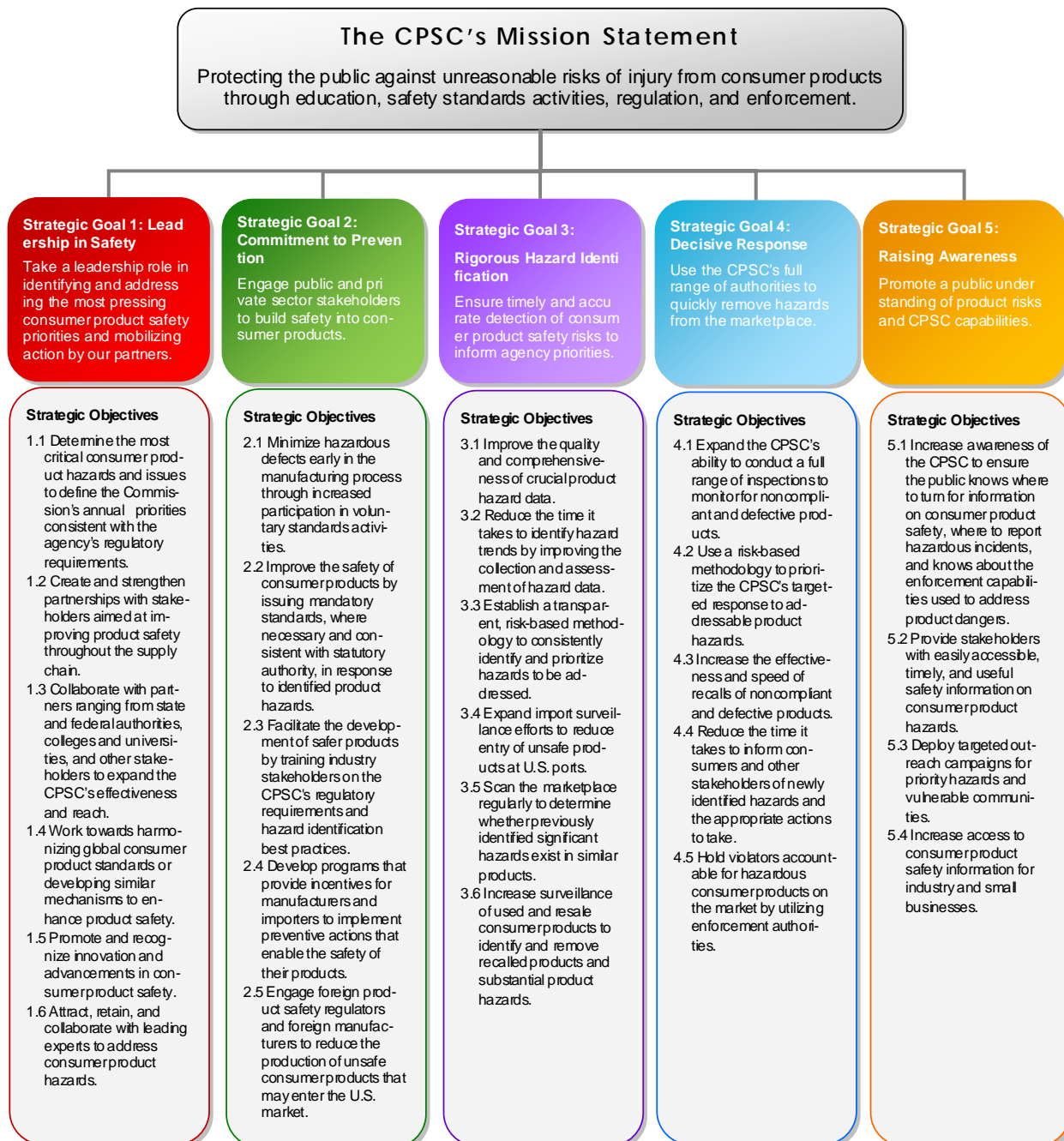
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| <p>Party Conformity Assessment Bodies to Assess Conformity With Part 1501 of Title 16, Code of Federal Regulations,” 73 FR 67838 (November 17, 2008)</p> <p>20. “Third Party Testing for Certain Children’s Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies To Assess Conformity With Part 1508, Part 1509, and/or Part 1511 of Title 16, Code of Federal Regulations,” 73 FR 62965 (October 22, 2008)</p> | <p>21. “Third Party Testing for Certain Children's Products; Notice of Requirements for Accreditation of Third Party Conformity Assessment Bodies To Assess Conformity With Part 1303 of Title 16, Code of Federal Regulations,” 73 FR 54564 (September 22, 2008)</p> |
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ANNUAL PERFORMANCE PLAN

FY 2011–FY 2016 STRATEGIC PLAN SUMMARY

Vision: The CPSC is the recognized global leader in consumer product safety.



CPSC ANNUAL PERFORMANCE PLAN

AGENCY STRATEGY, PERFORMANCE MEASURES, AND TARGETS

LEADERSHIP IN SAFETY

STRATEGIC GOAL 1: Take a leadership role in identifying and addressing the most pressing consumer product safety priorities and mobilizing action.

Agency Strategy

Expansion of international trade, increasingly global supply chains, and technological advances have increased the spectrum of consumer products available to U.S. consumers. This has made the challenge more complex for the CPSC to oversee and regulate thousands of product types. The value of U.S. imports under the CPSC's jurisdiction has skyrocketed in recent years. Product safety can suffer in countries where domestic regulation is not effective and quality control systems are lacking. Led by the CPSC, regulatory agencies, standards organizations, and consumer and industry groups worldwide are working to address consumer product safety across multiple geographies and priorities.

The CPSC is at the forefront of advancing the agenda for consumer product safety globally and seeks to mitigate the most pressing product

safety hazards by establishing a clearly defined leadership agenda and by working with key global and domestic stakeholders. The CPSC uses a risk assessment tool to determine the most critical consumer product hazards and suggest priorities for agency work on hazard reduction. The CPSC trains and collaborates with domestic and international stakeholders, including manufacturers and regulators, effectively leveraging its resources to improve product safety. The agency provides education and outreach activities to manufacturers, retailers, resellers, small businesses, and foreign governments. The CPSC also works to harmonize global consumer product standards as a way to improve consumer product safety, and recruits and retains leading experts to help accomplish its mission.

Note: The CPSC uses standard procedures to try to ensure that data used in the calculation of each performance measure are accurate and reliable, including providing documentation of the performance measure definition, data collection method, calculation procedure, and data source. Limitations of data used in the calculation and reported results are noted. While the agency does have reasonably reliable processes, procedures, and systems to collect performance data and information on attributes of performance measures, the completeness of that information is, in some instances, uneven and incomplete. This limits the agency's ability to systematically verify and validate all reported results. Additional information on data limitations can be found in *Appendix A* of the CPSC's *FY 2014 Annual Performance Report* (<http://www.cpsc.gov/Global/About-CPSC/Budget-and-Performance/FY2014AnnualPerformanceReport.pdf>).

Performance Measures and Targets

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Goal: Increase training aimed at improving consumer product safety						
1.2.2	Number of staff exchanges with foreign counterparts undertaken as part of the International Training Exchange Program	2	2	2	3	3
1.2.5	Number of training or outreach seminars for foreign manufacturers and overseas U.S. importer representatives conducted by CPSC staff [†]	12	34	10	13	13
Goal: Create and strengthen collaborations aimed at improving consumer product safety						
1.2.4	Number of collaborations undertaken with domestic nongovernment organizations such as trade associations, universities, or federations	--	--	2	3	2
Goal: Recruit, retain, and develop a high-performing workforce						
1.6.1	Employee retention rate*	84.7%	81%	87%	85%	85%
1.6.2	Average hiring time (recruitment time using OPM's End-to-End hiring process) (days)	73	78	74	80	80
1.6.3	Training participation rate	83%	93%	90%	90%	90%

-- Data not available.

[†] Prior to FY 2016, the performance measure statement states: Number of training or outreach seminars for foreign manufacturers conducted by CPSC staff

* Beginning in FY 2015, this calculation will no longer include those employees for whom the CPSC initiated employee departure.

COMMITMENT TO PREVENTION

STRATEGIC GOAL 2: Engage public and private sector stakeholders to build safety into consumer products.

Agency Strategy

The value of consumer product imports under the CPSC's jurisdiction grew from \$411 billion in 2002, to \$754 billion in 2015, an increase of 80 percent over the period. Many consumer product hazards and safety defects arise in the very early stages of the supply chain, including product design and the selection and use of raw materials. Given the large volume and diversity of products under the jurisdiction of domestic and foreign regulatory agencies, enforcement activities alone are unlikely to succeed in completely preventing product hazards from occurring.

Preventing hazards from entering the marketplace is one of the most effective ways the CPSC can protect consumers. The CPSC participates in the development of new safety

standards, creates regulations, and educates manufacturers about safety requirements to build safety into consumer products. The CPSC has made significant progress toward creating stronger mandatory standards under the CPSIA. CPSC staff provides guidance and educational materials to explain federal safety regulations and conducts training and outreach events. The CPSC develops incentive programs to encourage industry to build safer consumer products and engages with foreign product safety regulators and foreign manufacturers to reduce the production of unsafe consumer products that may enter the U.S. market. By encouraging industry leaders and foreign safety agencies to focus on safety early in the global supply chain, the CPSC helps prevent hazardous products from entering consumer markets.

Performance Measures and Targets

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Goal: Increase collaboration on nanotechnology issues affecting consumer products						
2.1.2	Number of collaborations established or maintained with other organizations to work on nanotechnology research or issues affecting consumer products	4	6	7	5	5
2.1.3	Number of reports produced on the results of collaboration on nanotechnology issues affecting consumer products	11	11	10	5	5
2.1.5	Establish an agreement to participate in the NIEHS-led nanotechnology center to develop robust methods in identifying and characterizing nanomaterials in consumer products to understand their effects on human exposure; and to develop scientists to advance nanomaterials in consumer product safety research	--	--	--	---	Establish Agreement
Goal: Increase technical support or monitoring for voluntary standards activities						
2.1.4	Number of voluntary standards activities that are actively participated in by CPSC staff	--	--	81	77	74
Goal: Prepare rulemaking candidates for Commission consideration, as required						
2.2.1	Number of candidates for rulemaking prepared for Commission consideration*	14	10	20	19	14
Goal: Improve availability of training and guidance for industry stakeholders (domestic and foreign)						
2.3.1	Number of domestic training activities made available to industry stakeholders	14	23	7	7	11

-- Data not available.

* Starting in FY 2014, the agency's procedures for handling notices of requirements (NORs) in rulemaking briefing packages changed, which affected the way the agency counted the candidates for rulemaking tracked by this performance measure. In FY 2013, and in earlier years, the proposed and draft final NORs for a product were submitted to the Commission in a separate package from the rulemaking briefing package for that product, which resulted in a count of two rulemaking packages for each applicable product. Beginning in FY 2014, the NORs for a product were submitted in a single rulemaking briefing package. Accordingly, each product was counted only once for this performance measure. As a result, data for FY 2013, and earlier years, are not directly comparable to data for FY 2014, and later years.

RIGOROUS HAZARD IDENTIFICATION

STRATEGIC GOAL 3: Ensure timely and accurate detection of consumer product safety risks to inform agency priorities.

Agency Strategy

The value of consumer product imports under the CPSC's jurisdiction grew from \$411 billion in 2002, to \$754 billion in 2015, an increase of 80 percent over the period. The CPSC must determine quickly and accurately which product hazards represent the greatest risks to consumer safety. Information on injuries, deaths, and other consumer product safety incidents comes from a wide range of sources, including consumers and consumer groups, hospitals and clinics, industry, and the press. Used and resale consumer products must also be monitored to prevent previously identified hazardous products from re-entering the marketplace. A large volume of data must be analyzed to identify patterns and trends that reflect potential emerging hazards. Moreover, the CPSC has to determine which addressable hazards present the greatest risk to the consumer to focus the agency's limited resources.

The CPSC uses a systematic approach to enhance the quality of crucial product hazard data and reduce the time needed to identify

trends. The agency's approach includes systematic collection and assessment of hazard data, scanning the marketplace regularly, expanding import surveillance efforts, and increasing surveillance of used consumer products offered for resale.

The CPSC has made significant investments in information technology to enhance and streamline hazard detection processes and improve analytic capabilities. This includes development and operation of the CPSIA-mandated public database (www.SaferProducts.gov), which enables consumers and others to submit reports of harm and view publicly reported incident information in a Web-based, searchable format. The CPSC collaborates with CBP to improve import surveillance at ports, and the CPSC developed a pilot RAM system that enables the CPSC to analyze systematically import line entries to identify the highest risk shipments. The CPSC also monitors the marketplace, including brick and mortar and Web-based businesses, for potentially hazardous consumer products.

Performance Measures and Targets

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Goal: Ensure range and quality of consumer product-related incident data						
3.1.1	Percentage of National Electronic Injury Surveillance System (NEISS) member hospitals evaluated at least once a year	99%	100%	98%	100%	98%
3.1.2	Percentage of consumer product-related injury cases correctly captured at NEISS hospitals	92%	91%	90%	91.6%	90%
Goal: Reduce time to identify consumer product hazard trends, by improving the collection and assessment of hazard data						
3.2.1	Time from incident received to integrated team adjudication of incident report (business days)	6.5	3.4	10	6.4	10
Goal: Improve sample processing throughout the CPSC						
3.2.2	Percentage of priority import regulated samples (excluding fireworks) tested within 30 days of collection	92%	98.8%	85%	98.6%	85%

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
3.2.3	Percentage of priority import fireworks samples tested within 60 days of collection	100%	90%	90%	98.6%	90%
3.2.4	Percentage of all regulated non-import product samples that are tested within 90 days of receipt at NPTEC	--	--	93.6%	TBD	TBD
3.2.5	Percentage of section 15 Product Safety Assessment requests that are completed within the Hazard Level Completion time assigned	--	--	92%	TBD	TBD
Goal: Improved surveillance at ports						
3.4.1	Number of import examinations	26,523	28,007	35,122	30,000	40,000
Goal: Facilitate legitimate trade						
3.4.3	Percentage of import shipments processed through the Risk Assessment Methodology (RAM) pilot system that are cleared within one business day	99.5%	99.7%	99.6%	99%	99%
Goal: Improve working effectiveness with the U.S. Customs and Border Protection (CBP) to harness existing federal port resources in the interdiction of noncompliant consumer product imports						
3.4.4	Percentage of CPSC import entry hold requests acted on by CBP	86%	87.2%	91.3%	86%	86%
3.4.8	Percentage of first-time violators who are engaged with a timely informed compliance inspection after violation determination [†]	--	--	79%	TBD	80%
Goal: Improve import surveillance targeting effectiveness						
3.4.7	Percentage of entries sampled as identified through the Risk Assessment Methodology (RAM) pilot system	--	--	12.1%	TBD	TBD
Goal: Complete annual statistical reports characterizing injuries and fatalities associated with specific consumer product categories or hazards						
3.5.3	Number of hazard characterization annual reports completed on consumer product-related fatalities, injuries, and/or losses for specific hazards	11	10	10	10	10
Goal: Increase market surveillance throughout the consumer product supply chain						
3.5.4	Total number of products screened by CPSC field staff (excluding imports)	--	--	211,364	200,000	180,000

-- Data not available.

[†] Before FY 2016, the performance measure statement states: Percentage of first-time violators who are engaged with an informed compliance inspection within 30 days of violation determination.

TBD: To be determined

DECISIVE RESPONSE

STRATEGIC GOAL 4: Use the CPSC's full range of authorities to quickly remove hazards from the marketplace.

Agency Strategy

The longer a hazardous consumer product remains on store shelves or in homes, the greater the potential for that hazard to cause injuries and deaths. Once hazardous products have been identified, the CPSC takes action to protect consumers, remove the products from the marketplace, and hold violators accountable. Industry and consumer groups demand that our response and enforcement efforts be predictable and carried out in a consistent manner.

The CPSC takes a multifaceted approach to addressing incidents and injuries. Field staff investigates reports of incidents and injuries; conducts inspections of manufacturers, importers, and retailers; and identifies potential regulatory violations and product defects that could harm the public. CPSC field staff conducts hundreds of establishment inspections every year and screens many consumer products. The CPSC also responds to industry-generated reports. The agency tests products and component parts for compliance with specific

standards and regulations at the National Product Testing and Evaluation Center (NPTEC); and technical staff determines which possible violations and defects warrant corrective action. When a recall is necessary, Compliance staff negotiates with the responsible firm to seek a voluntary recall, whenever possible. CPSC staff strives to reduce the time needed to conduct investigations and negotiate corrective actions, as well as to notify firms about violative or potentially hazardous products. Industry can participate in a streamlined recall process through the CPSC's Fast-Track Recall Program. This expedited recall process aims to remove potentially dangerous products from the marketplace more quickly, saving the company and the CPSC time and resources. The CPSC holds violators accountable for hazardous consumer products. When companies fail to report potentially hazardous products, as required, the CPSC uses its enforcement authority to seek civil, and in some cases, criminal penalties, as appropriate.

Performance Measures and Targets

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
4.1.1						
Goal: Improve timeliness of investigating potential unregulated hazards and negotiating corrective actions						
			60.6%	65.8%	70%	70%
4.3.2	Percentage of cases for which the corrective action is accepted within 60 business days of the preliminary determination	88%	80.9%	85.8%	80%	80%
Goal: Improve timeliness of notifying firms of violative products						
4.3.3	Percentage of cases in which the firm is	94%	97.1%	96.9%	90%	90%
Goal: Reduce time to initiate Fast-Track recalls						
4.3.4	Percentage of Fast-Track cases with corrective actions initiated within 20 business days	98%	100%	97.3%	90%	90%
Goal: Timely release of press releases announcing product recalls						
4.4.2	Average number of business days between establishment of first draft and issuance of recall press release for the most timely 90% of all recall press releases	--	--	16	19	18.5
Goal: Improve timeliness of referral to the CPSC's OGC for review of firm's timely reporting pursuant to section 15 (b)						
4.5.2	Percentage of compliance defect investigation cases referred within 20 business days to OGC for review of firms' timely reporting pursuant to §15(b)	--	--	90%	75%	75%

-- Data not available.

RAISING AWARENESS

STRATEGIC GOAL 5: Promote a public understanding of product risks and CPSC capabilities.

Agency Strategy

Raising awareness of product risks is crucial to empowering consumers to make informed safety choices. Useful, timely information helps make consumers aware of hazardous products in the marketplace and can instruct them to act quickly if they own recalled products. Minority, vulnerable, and underserved groups who might not otherwise receive safety messages, or who may be affected disproportionately by particular product-related hazards, need to be reached. Industry, safety advocates, and partner government agencies also need high-quality information about consumer product safety issues. However, the diverse audiences have different information needs and respond best to different methods of communicating information.

The CPSC uses a wide array of communication channels and strategies to provide the public

with timely and targeted information about safety issues and CPSC capabilities. The CPSC disseminates safety messages through press releases, social media, satellite and radio media tours, TV appearances, public appearances, and videos. The CPSC has significantly increased its presence on the Internet and uses a variety of social media platforms to disseminate information, including an OnSafety blog, Twitter, Google+, YouTube, Flickr, and Widgets. CPSC staff conducts public information campaigns on a wide variety of consumer product-related hazards, as well as outreach on specific high-profile topics, such as drowning and drain entrapment prevention, and Safe to Sleep® environments for babies. CPSC public information efforts entail working with a variety of partners, including collaborations with other government agencies.

Performance Measures and Targets

Performance Measure Statement		FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Goal: Increase access to timely, useful safety information on consumer product hazards						
5.2.2						
5.2.3		--	--			
Goal: Improve outreach campaigns conducted for priority hazards in vulnerable population groups						
5.3.4		--	--			
	hazard in vulnerable communities					

-- Data not available.

Acronyms

AAEI	American Association of Exporters and Importers
ANPR	Advance Notice of Proposed Rulemaking
ATSM	American Society for Testing and Materials
ATV	All-Terrain Vehicle
BP	Briefing Package
CAP	Cross Agency Priority (Goals)
CBP	U.S. Customs and Border Protection
C.F.R.	Code of Federal Regulations
CHAP	Chronic Hazard Advisory Panel
CO	Carbon Monoxide
CPASION	Consumer Product Applications and Safety Implications of Nanotechnology
CPSA	Consumer Product Safety Act
CPSC	U.S. Consumer Product Safety Commission
CPSIA	Consumer Product Safety Improvement Act of 2008
CPSRMS	Consumer Product Safety Risk Management System
CTAC	Commercial Targeting and Analysis Center
DA/TR	Data analysis/technical review
DFR	Direct Final Rule
DHS	U. S. Department of Homeland Security
DOT	U.S. Department of Transportation
EEO	Equal Employment Opportunity
EHS	Environmental, Health, and Safety
EPA	Environmental Protection Agency
EU	European Union
FHSA	Federal Hazardous Substances Act
FISMA	Federal Information Security Management Act
FOIA	Freedom of Information Act
FPS	Federal Protective Service
FR	Final Rule
FTE	Full-Time Equivalent
FTIR	Fourier-Transform Infrared
FY	Fiscal Year
GAO	U.S. Government Accountability Office
GSA	U.S. General Services Administration
HHS	U.S. Department of Health and Human Services
ICAM	Identity, Credential and Access Management
IG	Inspector General
IPERA	Improper Payments Elimination and Recovery Act
IRB	Investment Review Board
ISCM	Information Security Continuous Monitoring
IT	Information Technology
ITDS	International Trade Data System
LEP	Limited English Proficiency
MPF	Merchandise Processing Fee
MTIPS	Managed Trusted Internet Protocol Service
NEISS	National Electronic Injury Surveillance System
NFPA	National Fire Protection Association
NGO	Nongovernmental Organization
NIEHS	National Institute of Environmental Health Sciences
NNI	National Nanotechnology Initiative
NPR	Notice of Proposed Rulemaking

NPTEC	National Product Testing and Evaluation Center
NSF	National Science Foundation
NSN	Neighborhood Safety Network
OECD	Organization of Economic Cooperation and Development
O&M	Operations and Maintenance
OGC	Office of the General Counsel
OMB	Office of Management and Budget
OPM	U.S. Office of Personnel Management
OSTP	Office of Science and Technology Policy
QEEN	Quantifying Exposure to Engineered Nanomaterials
R&D	Research and Development
RAM	Risk Assessment Methodology
RFI	Request for Information
ROV	Recreational Off-Highway Vehicle
SBO	Small Business Ombudsman
S&E	Salary and Expense
SDO	Standards Development Organization
SES	Senior Executive Service
TIC	Trusted Internet Connection
VGB Act	Virginia Graeme Baker Pool and Spa Safety Act
XRF	X-Ray Fluorescence

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**U.S. CONSUMER PRODUCT SAFETY COMMISSION
BETHESDA, MARYLAND 20814**