



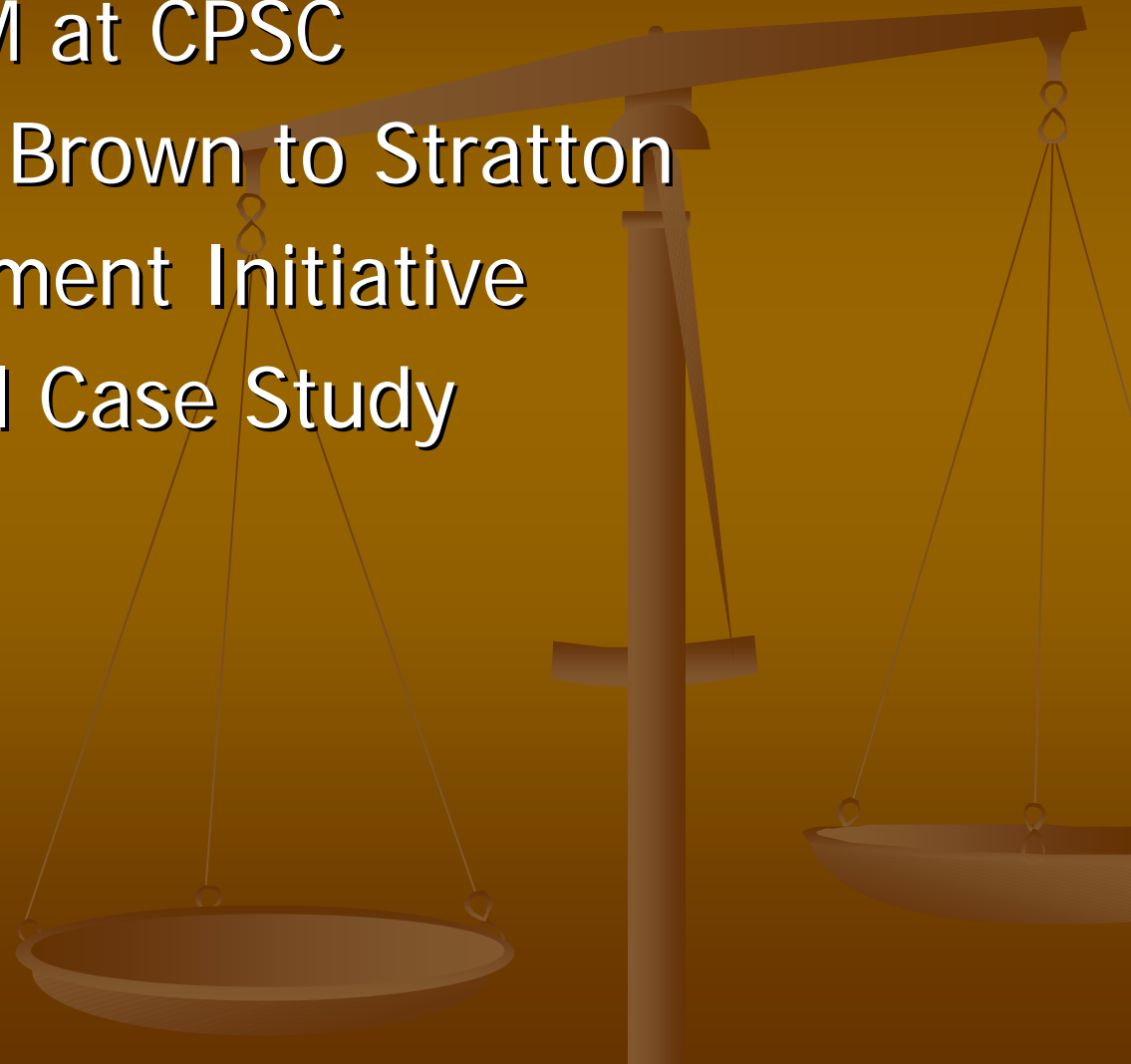
ICPHSO 2004

Risk-Based Decision Making

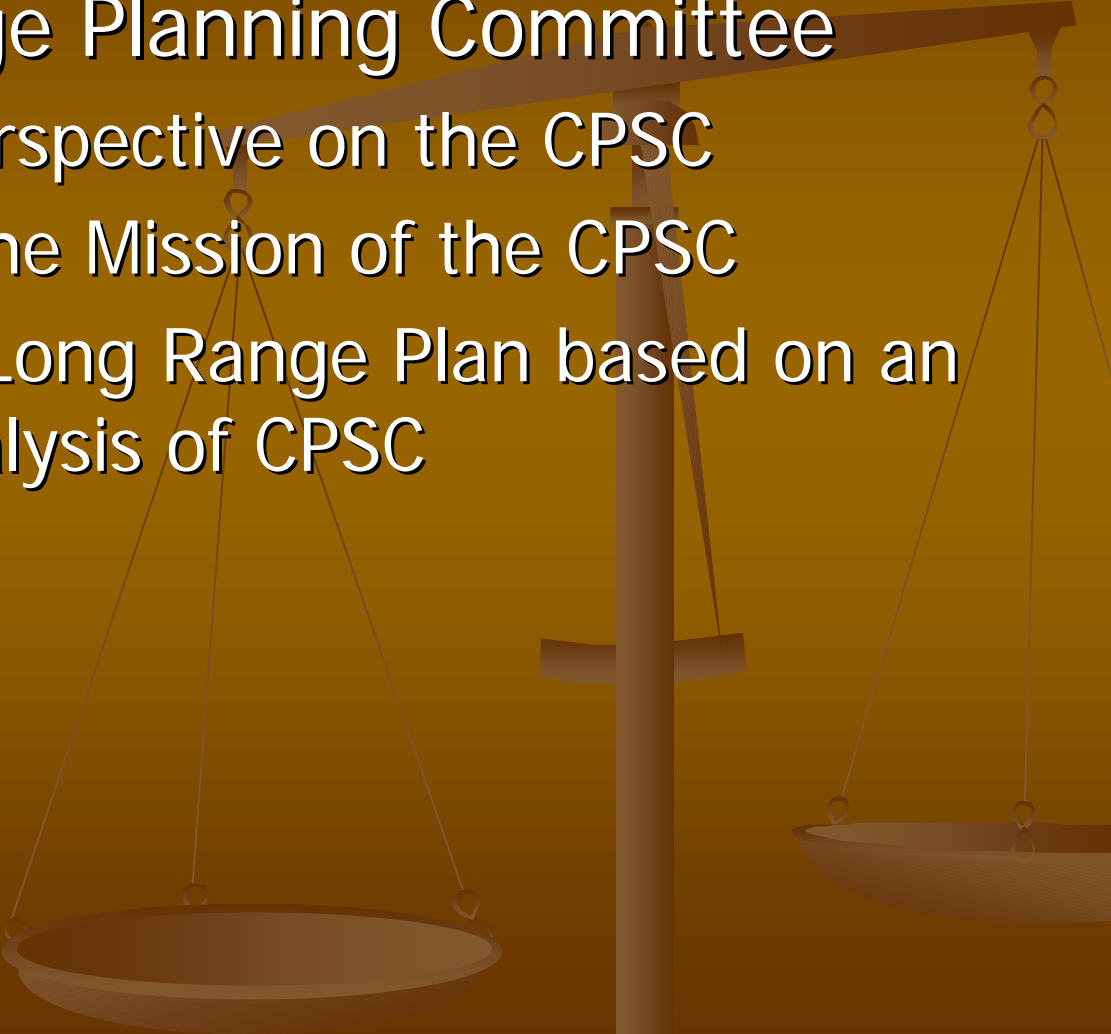
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Introduction

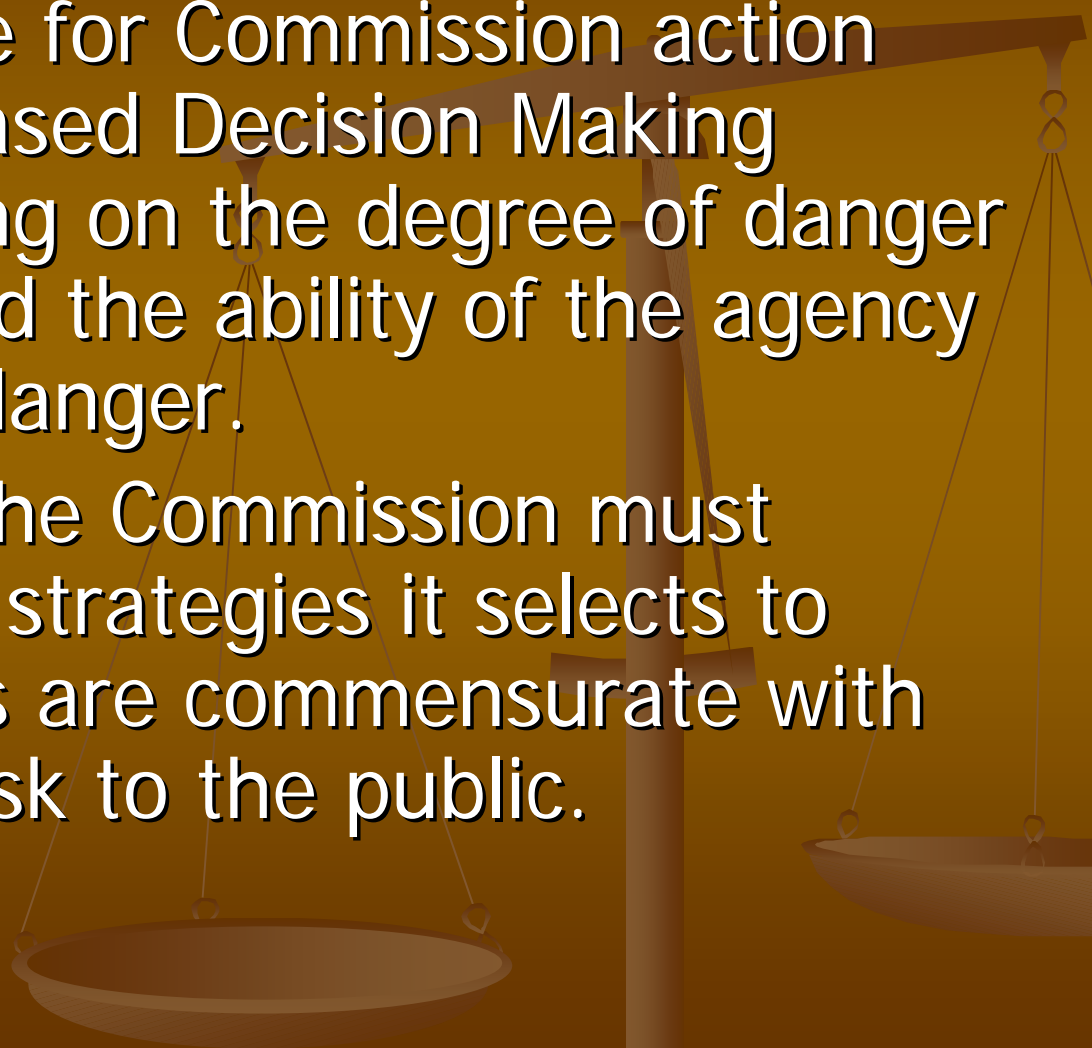
- History of RBDM at CPSC
- Transition from Brown to Stratton
- Critical Management Initiative
- Yo-Yo Waterball Case Study



History of RBDM at CPSC

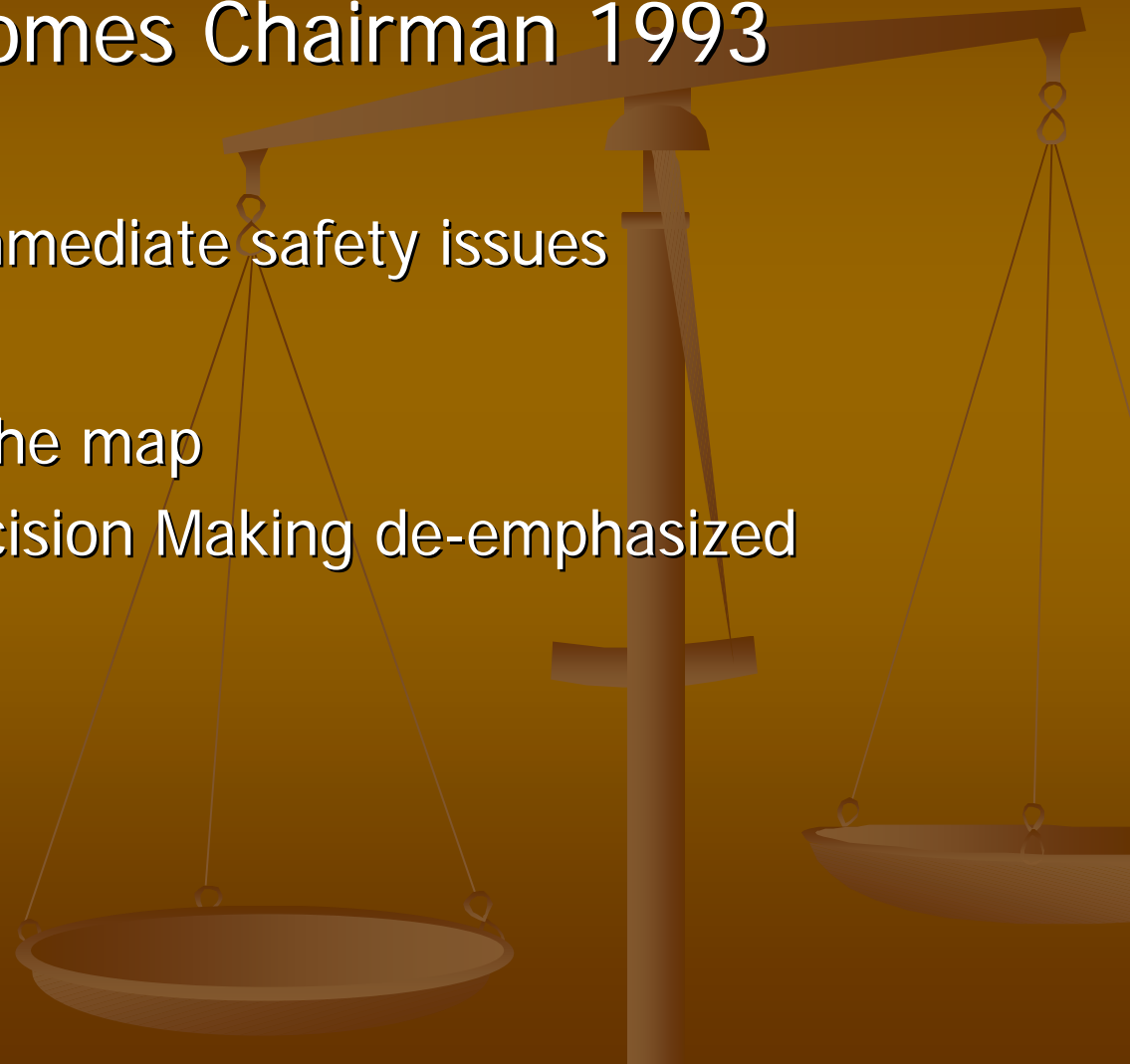
- 1992 Long Range Planning Committee
 - An Historical Perspective on the CPSC
 - Implementing the Mission of the CPSC
 - Concepts for a Long Range Plan based on an Operational Analysis of CPSC
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Committee's Conclusion

- The cornerstone for Commission action must be Risk-Based Decision Making (RBDM), focusing on the degree of danger to the public and the ability of the agency to reduce that danger.
 - As a corollary, the Commission must ensure that the strategies it selects to address hazards are commensurate with the degree of risk to the public.
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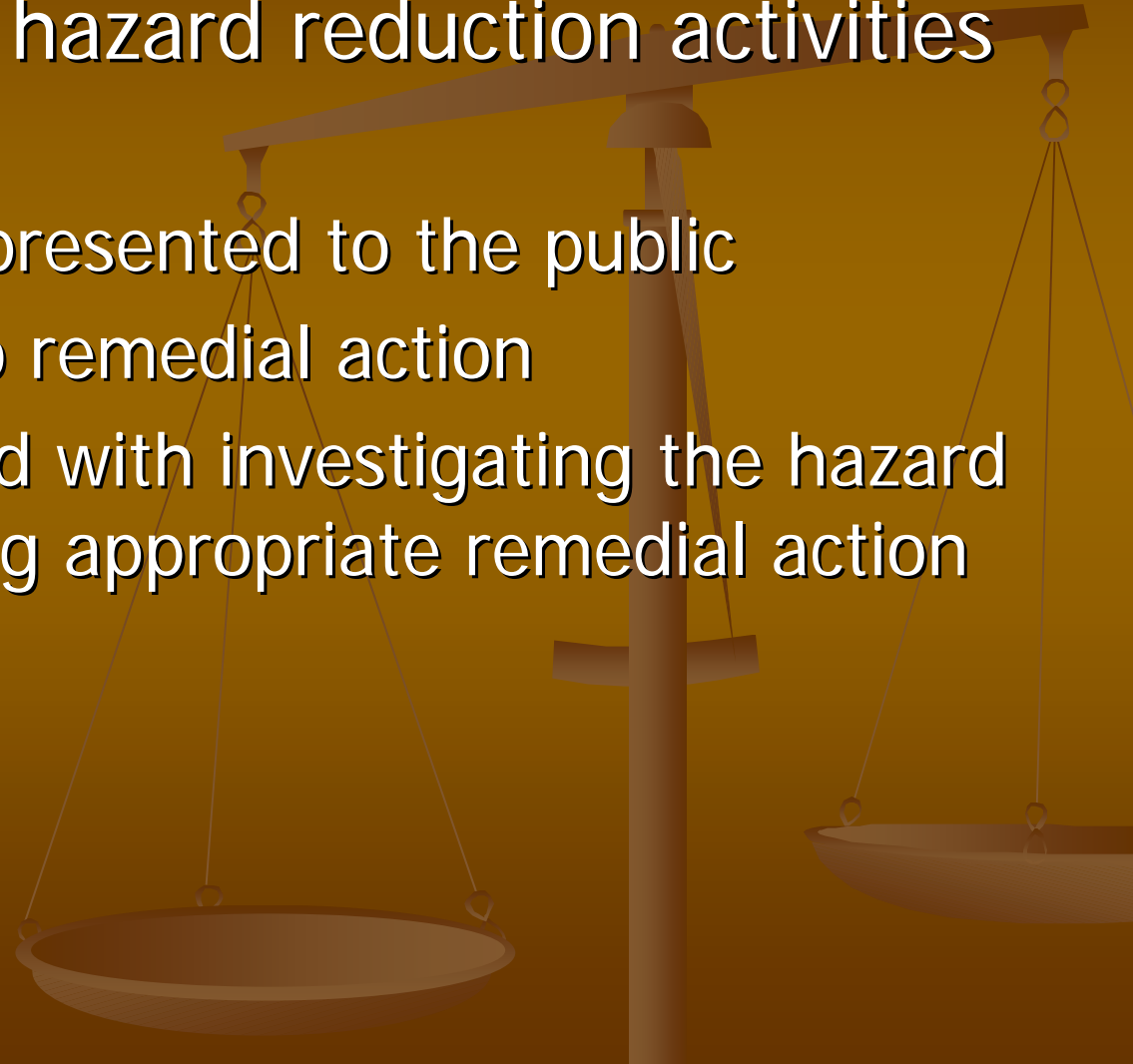
Policy: Media Emphasis

- Ann Brown becomes Chairman 1993
 - Media Priority
 - Compliance, immediate safety issues
 - Effects
 - CPSC gets on the map
 - Risk-Based Decision Making de-emphasized



Back to RBDB

- RBDM prioritize hazard reduction activities by:
 - Degree of risk presented to the public
 - Susceptibility to remedial action
 - Costs associated with investigating the hazard and/or achieving appropriate remedial action



RBDM

- Hazard Information
 - Frequency and severity of injuries
 - Exposure to the risk
 - Causality of injuries
 - Foreseeability of the risk
 - Vulnerability of the population



RBDM

■ Risk Reduction

- History
- Is the hazard amenable to Commission action?
- Are the remedies or activities commensurate with the risk?
- Costs and Benefits
 - Regulated Industry
 - Agency

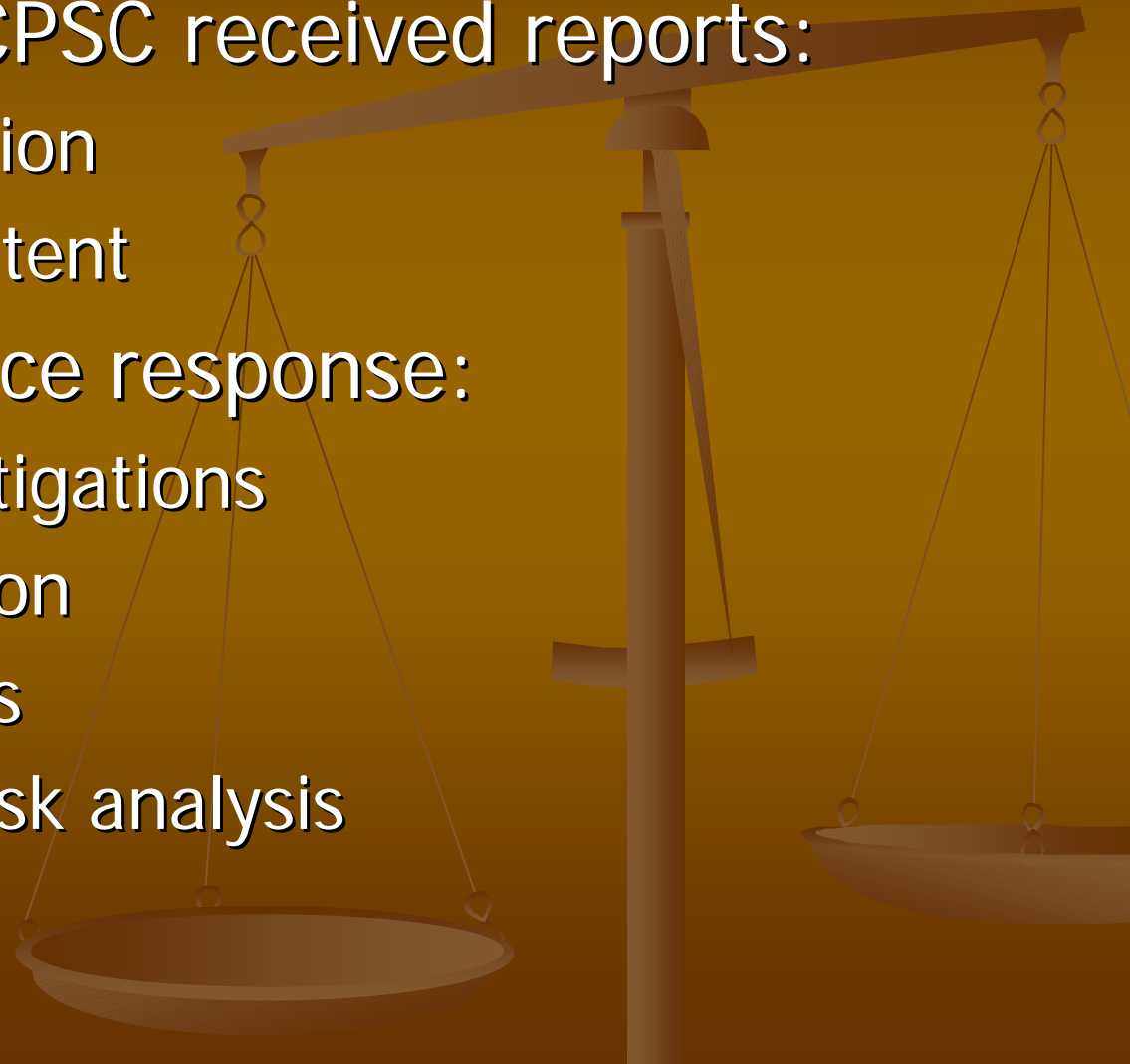


Critical Management Initiative

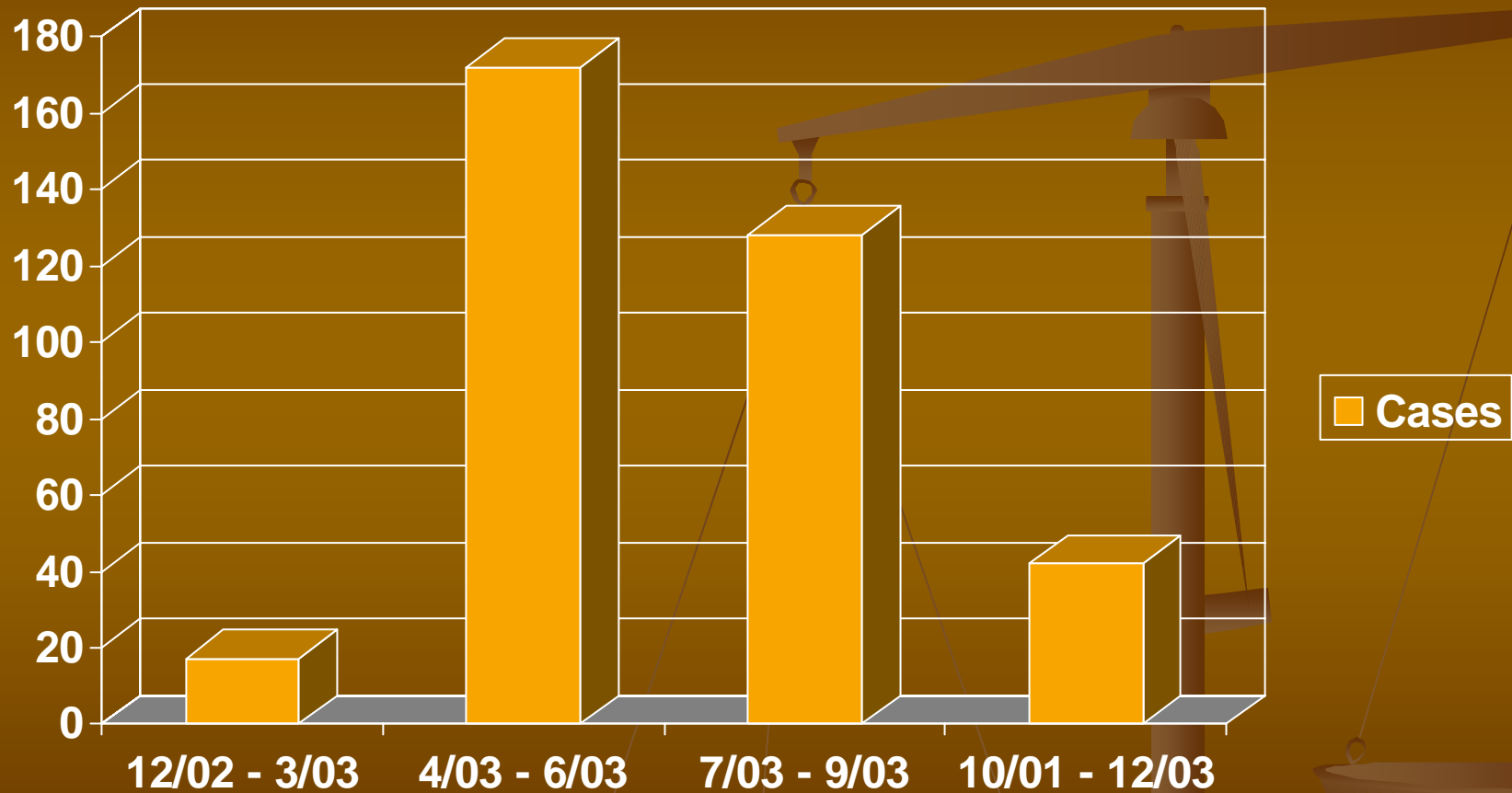
- 15,000 consumer products by category
 - Injury and Harms Data
 - Exposure Measures
 - Trend Analysis
 - Incident Data Mining (IIPi)
 - Existing Standards
 - Previous Action
 - Analysis and Discussion
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Case Study: Yo-Yo Balls

- In early 2003, CPSC received reports:
 - Near strangulation
 - Toxic liquid content
- Compliance Office response:
 - In-Depth Investigations
 - Sample Collection
 - Toxicity analysis
 - Strangulation risk analysis

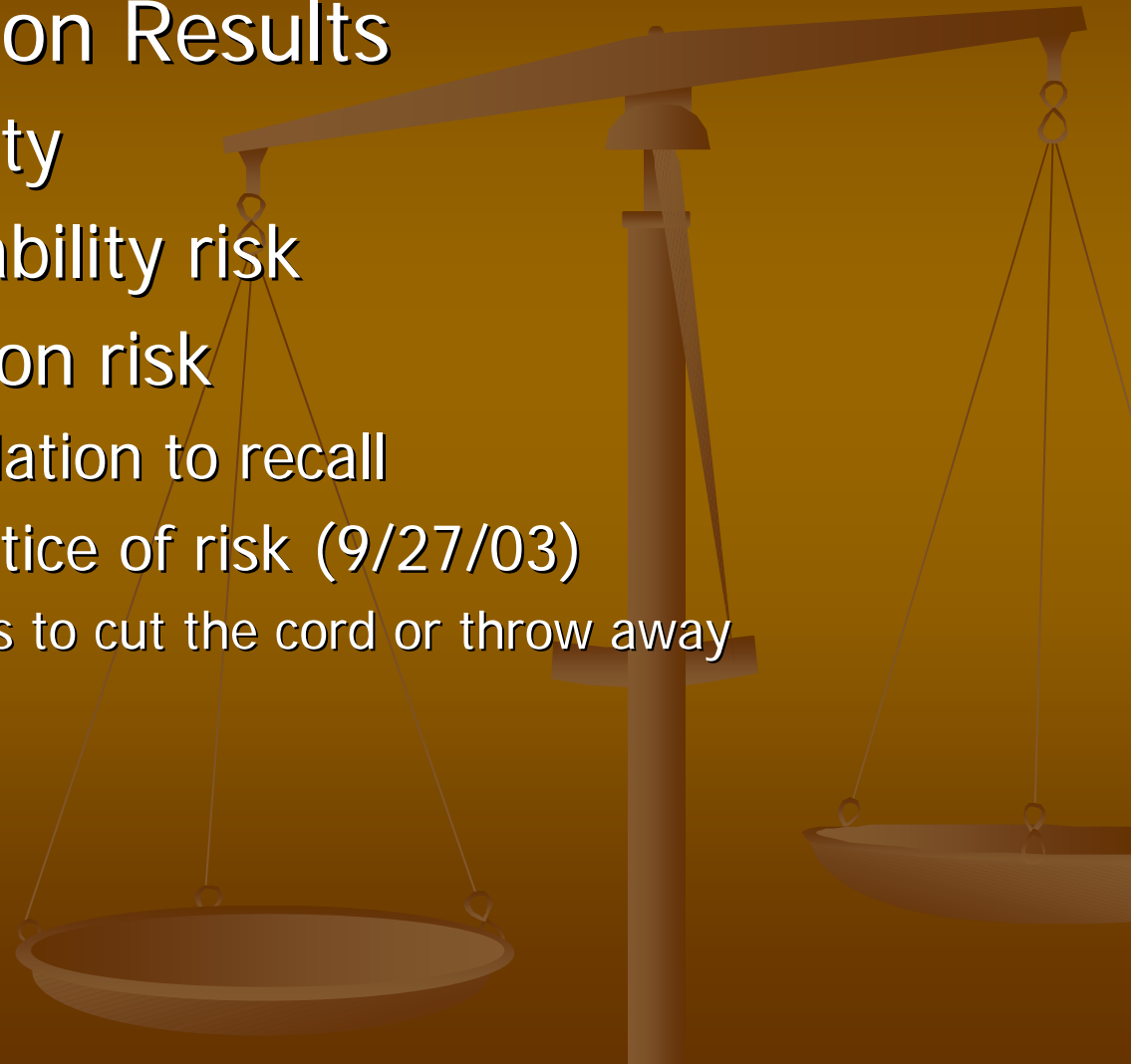


Summary of Incidents Reported



Yo-Yo Waterballs

- Staff Investigation Results
 - No risk of toxicity
 - Minimal flammability risk
 - Low strangulation risk
 - No recommendation to recall
 - Issue public notice of risk (9/27/03)
 - Advise parents to cut the cord or throw away



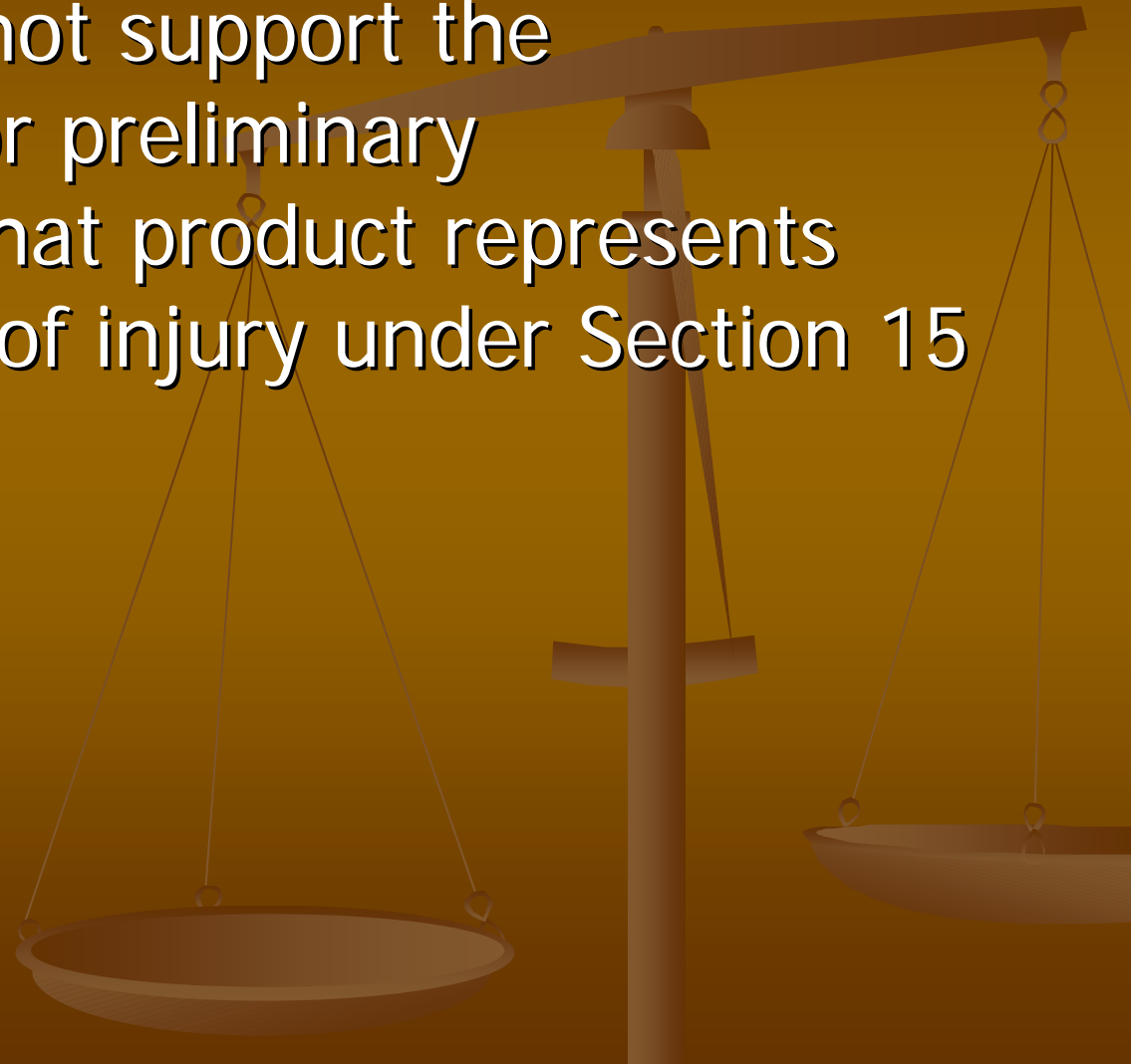
Product Recall Justification

- Preliminary Determination of defect that creates substantial risk of injury
 - Pattern of the defect
 - Number distributed in commerce
 - Severity of the risk
 - Likelihood
 - Number of injuries reported
 - Reasonably foreseeable misuse
 - Population group exposed

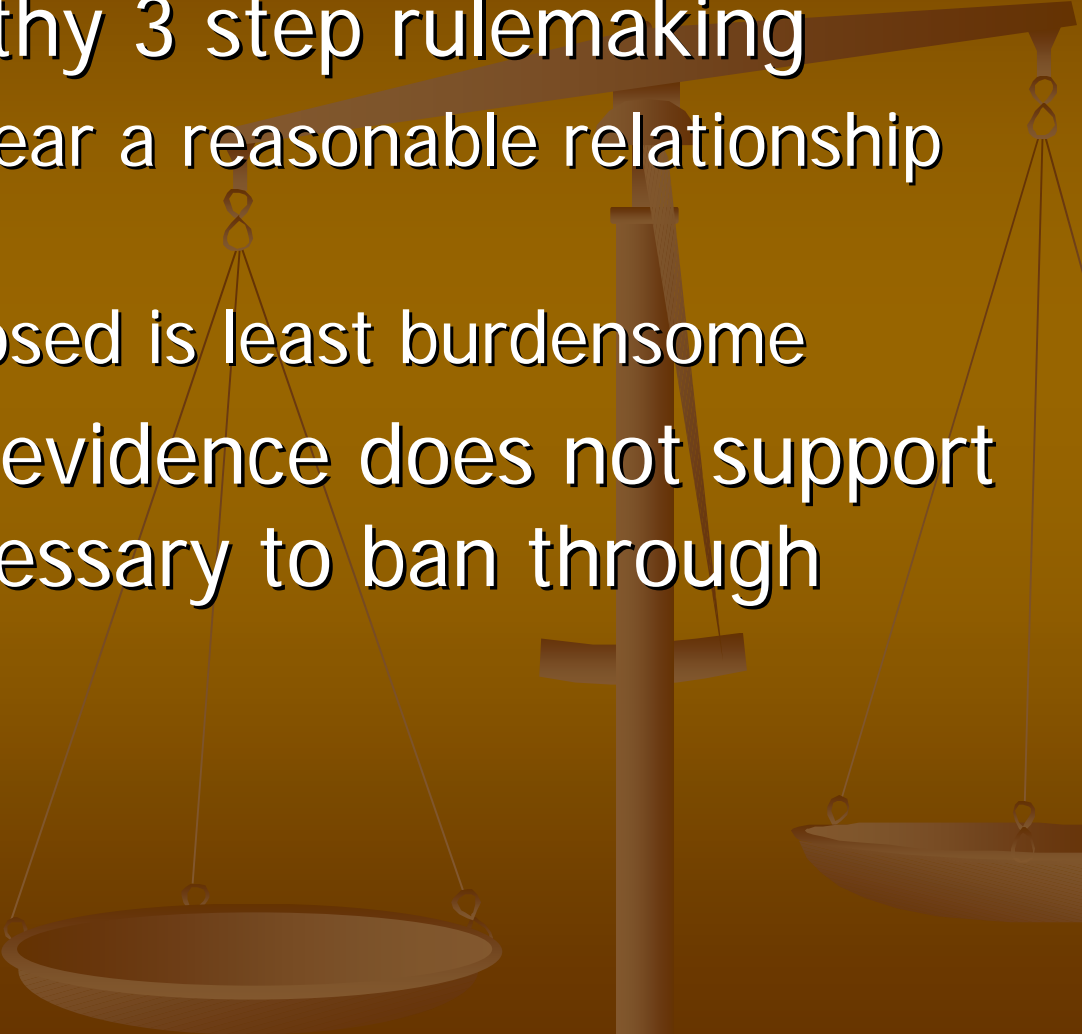


Compliance Staff Conclusion

- Evidence does not support the requirements for preliminary determination that product represents substantial risk of injury under Section 15 of FHSA.



Ban Yo-Yo Waterballs?

- Complex & lengthy 3 step rulemaking
 - Benefits must bear a reasonable relationship to its costs
 - Regulation imposed is least burdensome
 - Staff concluded evidence does not support the findings necessary to ban through rulemaking
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Thank you

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