

CONSUMER FIREWORKS FORUM
CAESARS PALACE HOTEL, LAS VEGAS
February 20, 2014





INTRODUCTION

➤ **John Rogers, Executive Director, AFSL**

UPDATE OF AFSL ACTIVITIES

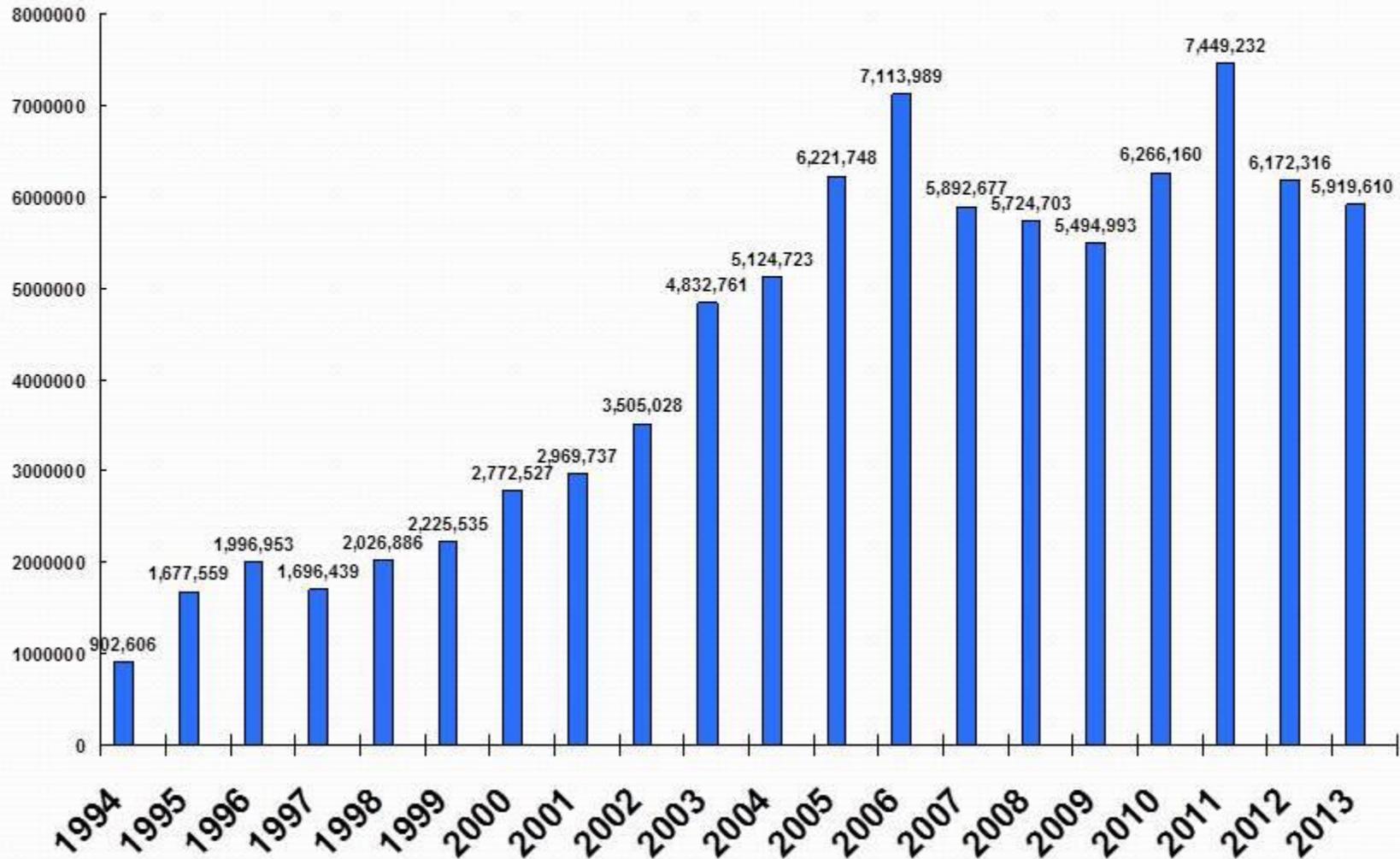
- **Testing Program – 2013 Results**
- **Report from the China Operations Manager**
- **Domestic Audits of Importers**
- **Changes to AFSL Standards**
- **Other Activities**



Testing Program - 2013 Results

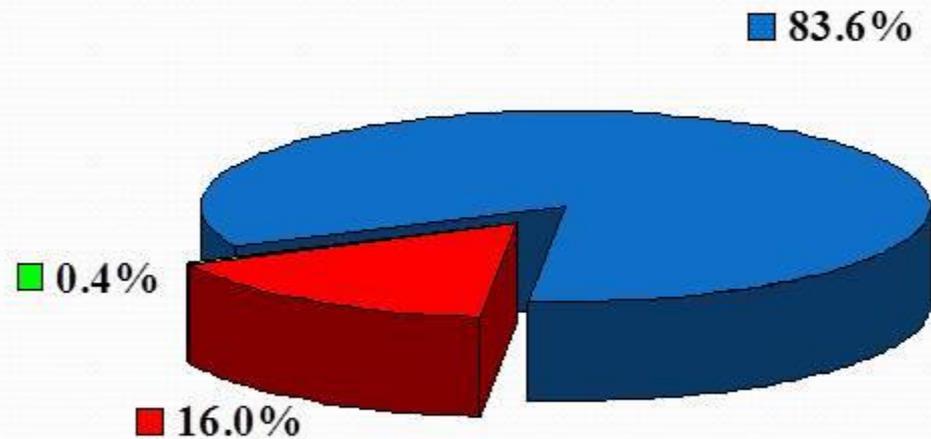
CASES TESTED BY YEAR 1994-2013

Quality Improvement Program



REGULAR, ASSORTMENT, AND COMPONENT YEAR 2013

■ Regular ■ Assortment
■ Component



Cases tested for Regular Program: 4949514(including 81179 cases in Thailand)

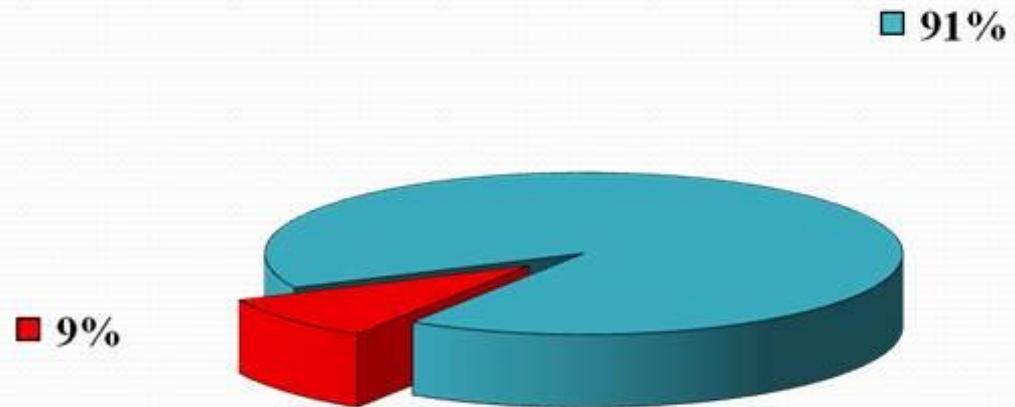
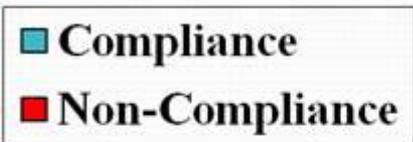
Cases tested for Assortment Program: 947,949

Cases tested for Component Program: 22,147

Total Cases: 5,919,610

COMPLIANCE RATE YEAR 2013

QUALITY IMPROVEMENT PROGRAM

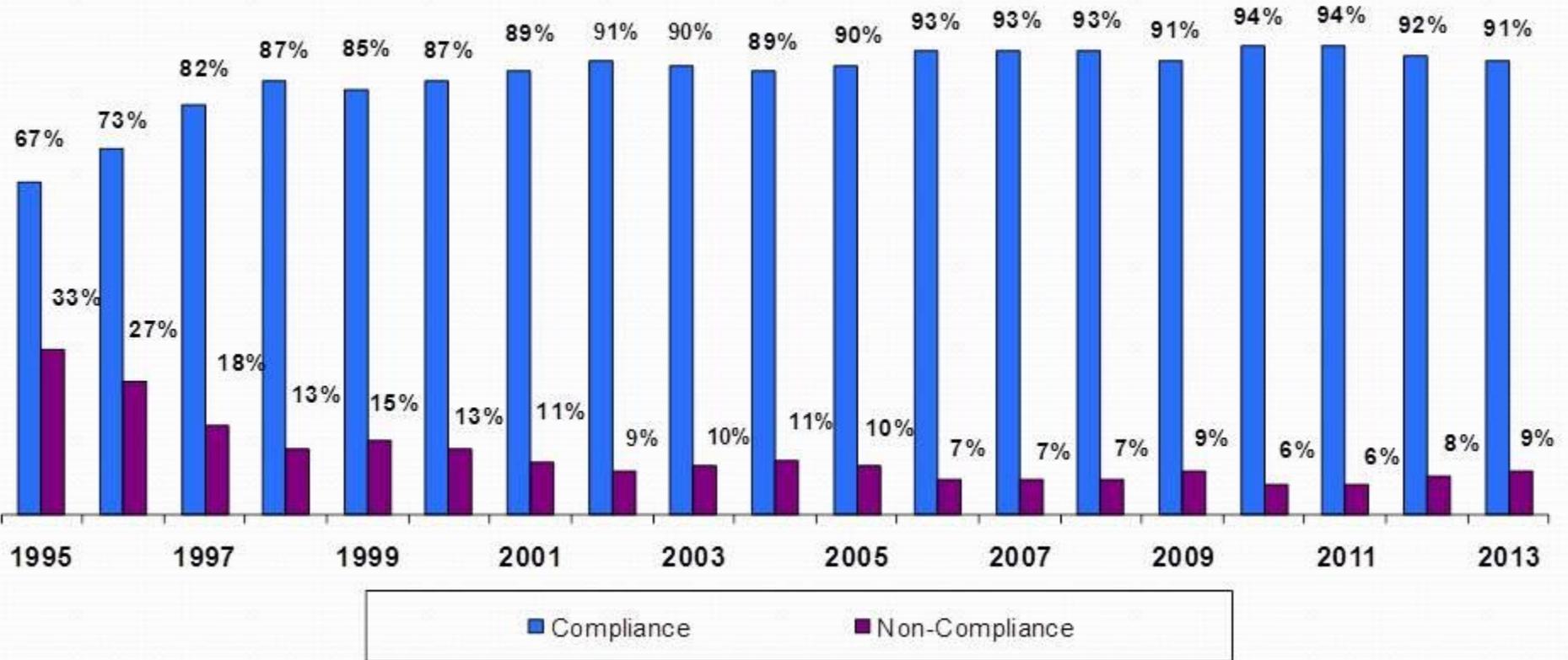


Complying Cases: 5,383,711 (include component 20,204 cases, and regular 81,099 cases in Thailand)

Non-Complying Cases: 535,899 (include component 1,943 cases, and regular 80 cases in Thailand)

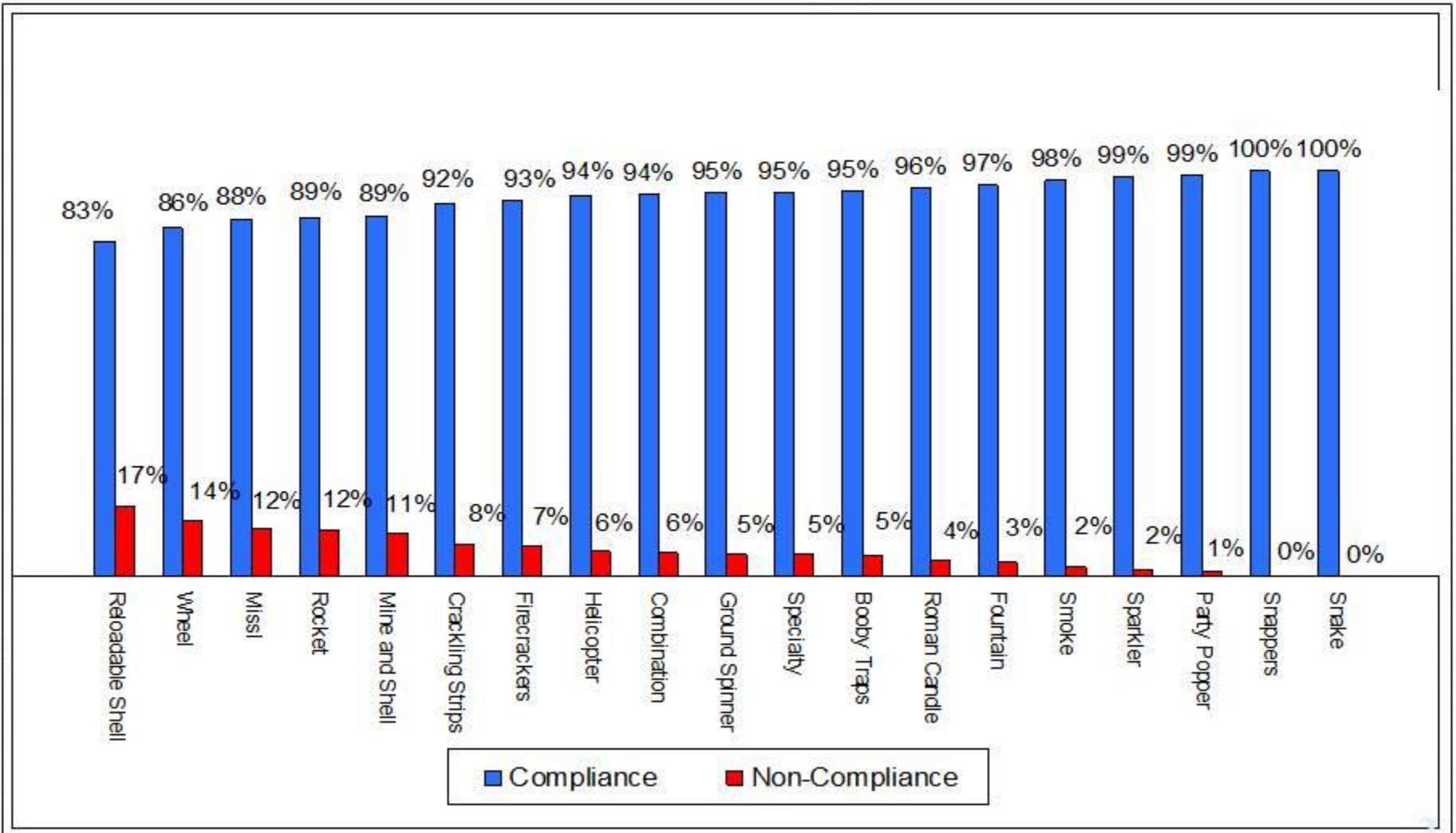
Total Cases: 5,919,610 (include component 22,147 cases and regular 81,179 cases in Thailand)

QIP COMPLIANCE PERCENTAGE BY YEAR

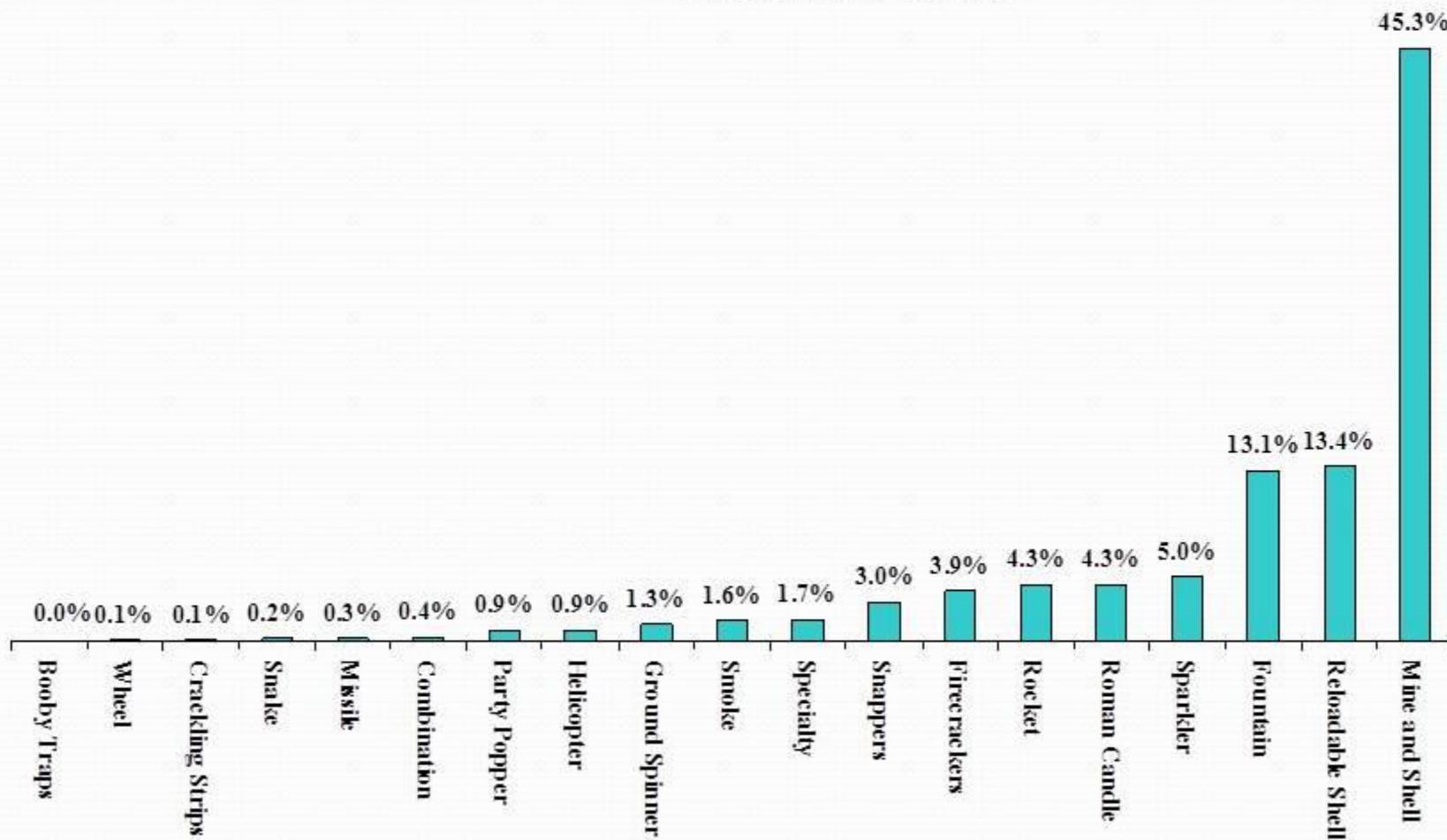


COMPLIANCE RATE BY CATEGORY

YEAR 2013

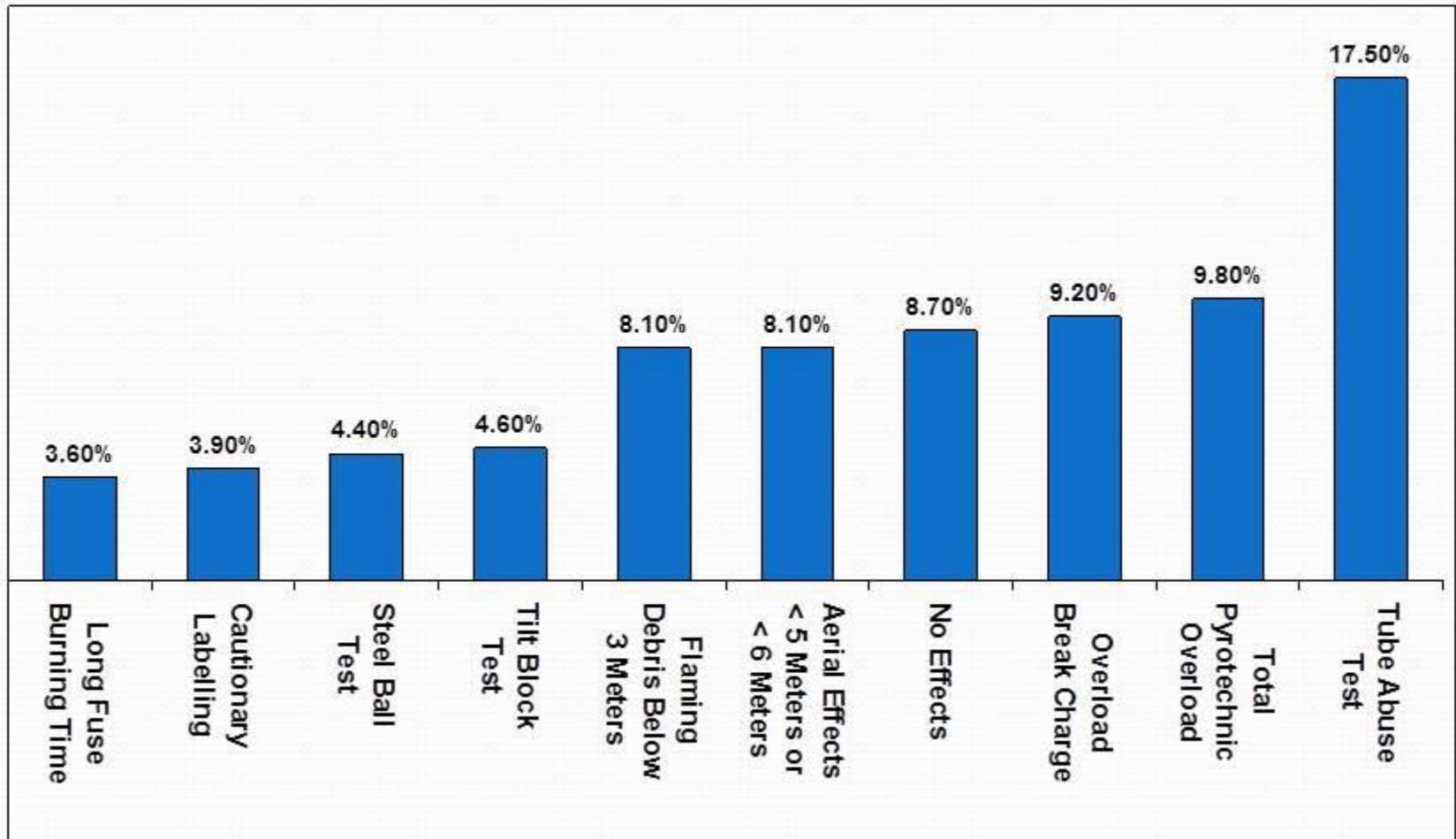


PERCENTAGE TESTING BY PRODUCT CATEGORY YEAR 2013



TOP 10 VIOLATIONS YEAR 2013

Percentage of Total Violations





➤ **President's Report**

- Mike Collar

- Finances

	2011	2012	2013
Cases Tested	7.45 Million	6.17 Million	5.92 Million
Net Revenue	Net Gain	Net Lost	Net Lost

Fee Structure

1994	2003	2014 (Jan.-Jun.)	2014 (Jul.-Dec.)
\$0.50	\$0.45	\$0.45	\$0.50

- The testing fees that AFSL pays the testing lab increased 50% compares to 1994.
- Since 2005, AFSL established China Operations Office including 2 staffs.
- AFSL launched the Domestic Audit Program in 2012.
- AFSL established a Certification Database for U.S. Importers.
- AFSL is developing a new database tracking system in China.

- 
- Meetings with CPSC Acting Chairman and Commissioners in December 2013.



➤ **Report from China Operations Manager.**

- William Zhou

AFSL Audits

- AFSL auditor hired February 2013.
- Audits conducted August 2013 – January 2014:
 - conducted 93 factory/warehouse audits.
 - 21 audits had problems
 - 72 audits had no problems

Metal Powder Used in Break Charges

- We determined that many factories are using metal powder in break charges.
- The metal powder was colored black so it was not detected by us for a while.
- After demonstrating to technicians that metal is present, and conducting training to all technicians on how to detect the metal powder in break charge, we are finding a higher failure rate on this violation in December and January.

- AFSL failure rate for overloaded aerial reports increased significantly beginning in December 2013.

Year	Cases	Lots
2008	303	2
2009	1007	6
2010	725	6
2011	3146	24
2012	500	2
December 2013	15752	52
January 2014	9960	37

AFSL Requirement on Break Charge

1. Break charge must be Black Powder or equivalent.
2. If there is aluminum, magnalium or other metal powder in the break charge, it must meet the 130 mg weight limit.

Test Procedure for Detecting Metal in Break Charges

We listen to the aerial effect sound level. If it is normal we will pass it. If it is too loud, we will check the break charge to determine if metal powder is present in it. At the same time, we watch the burst of the shell in the air. If the break charge contains metal powder it will present a dazzling white flash light in the aerial effects.

Perform Metal Powder Screening Test

Perform Steel Ball Test

Metal Powder Detection

1. Finger test.

Rub some break charge powder between the thumb and index finger for 10 seconds. If there is silver color oily coating the finger, there is metal powder present.

2. Water test.

Put 1-2 grams of break charge in a cup of water; stir it with a glass or plastic stick for 1 minute. If there is silver powder floating on top of the water, there is metal powder present. (Note: very fine charcoal powder will float on the water too, but it is dark grey color.)

Update from China

1. Even though the central and local government have announced plans to reduce the number of fireworks factories that are licensed to manufacture, so far we have lost 0 major factories (more than 100 lots per year) in Hunan and Jiangxi, and several big factories try to join the program.

Year	Beihai	Hunan & Jiangxi
2011	45	466
2012	37	464
2013	27	358

2. The China domestic market shrunk significantly in 2013 – 2014 season, both consumer and display fireworks.

Domestic Audit Program for U.S. Importers



Internal Audit Program

PURPOSE:

A. Monitor Integrity of Certification Process in China.

- Application of AFSL Stickers.
- Authenticity of AFSL Stickers.
- AFSL Lot Identification Stamps.
- Integrity of Shipping Cartons.



B. Assist Importers in Correcting Deficiencies in Program.

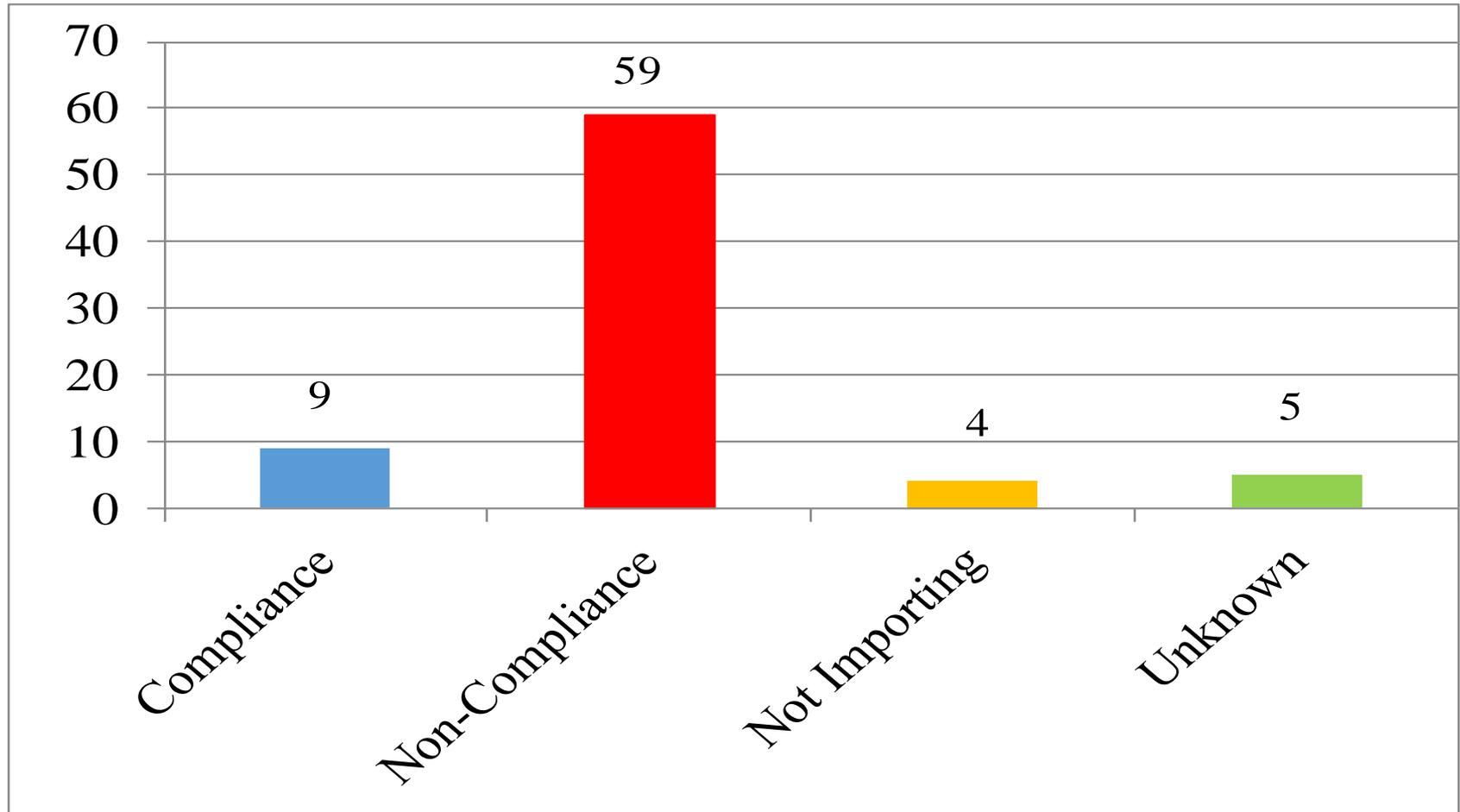
- Familiarity with Requirements of Program.
- How to Address untested Lots.
- Assuring Compliance with CPSC Certification Requirements.

C. Enhance the Integrity of the AFSL Program

- Validate Certification Process in China.
- Demonstrate that Program is Adequately Monitored.
- Improve the Credibility of the Program for Regulatory Authorities (DOT and CPSC).

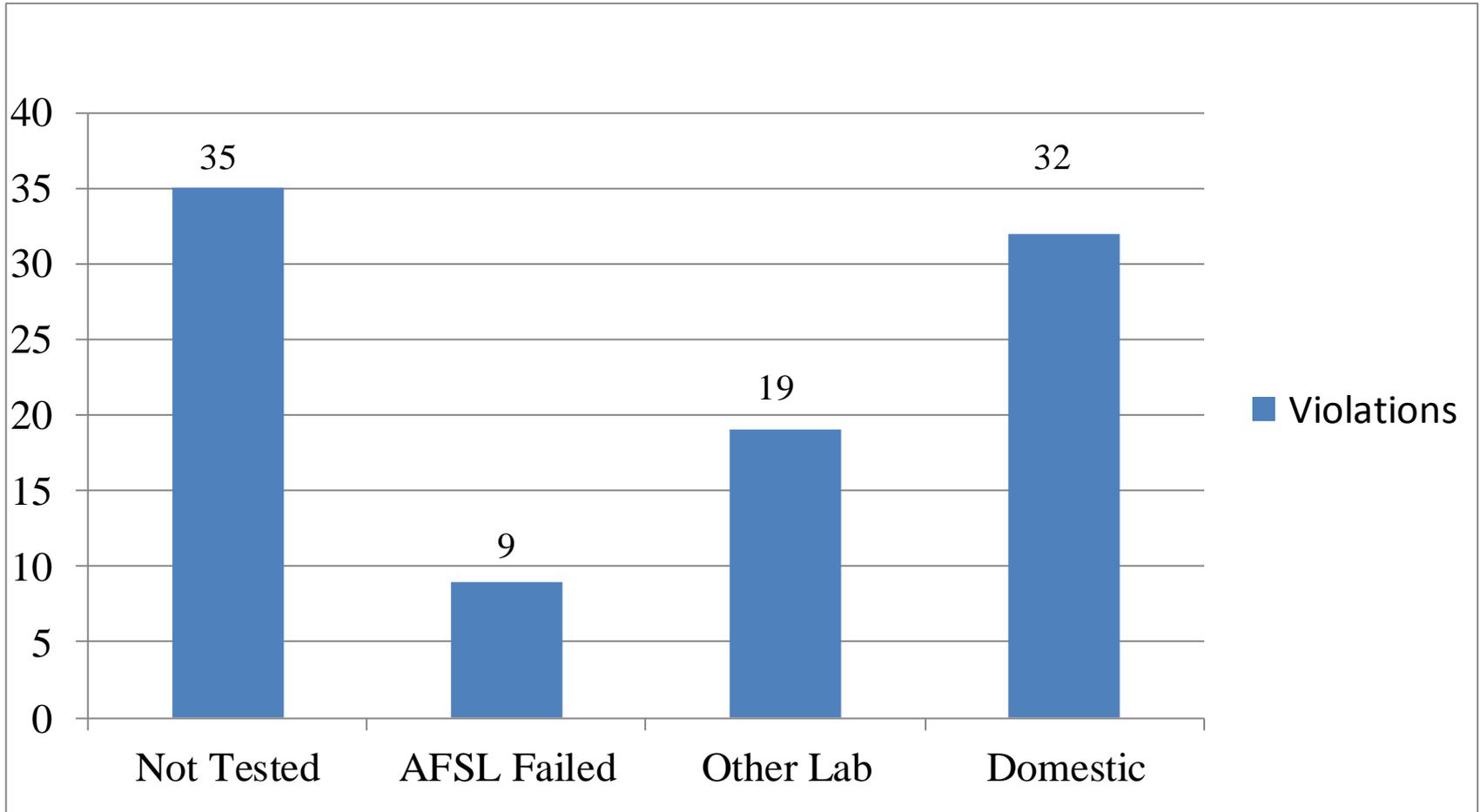
SUMMARY OF AUDITS

- 77 companies have been audited. The chart below shows the results:

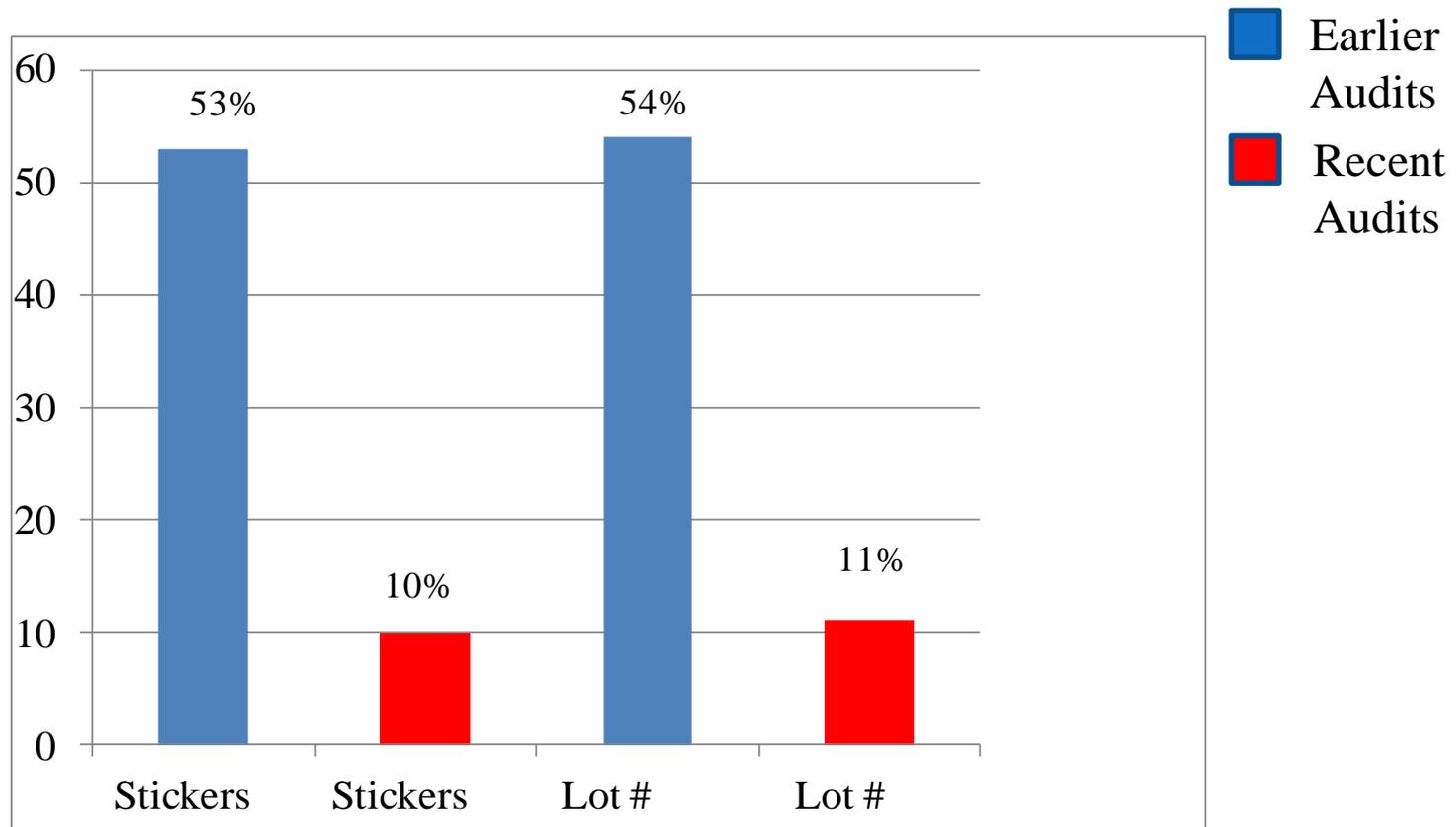


VIOLATIONS FOUND

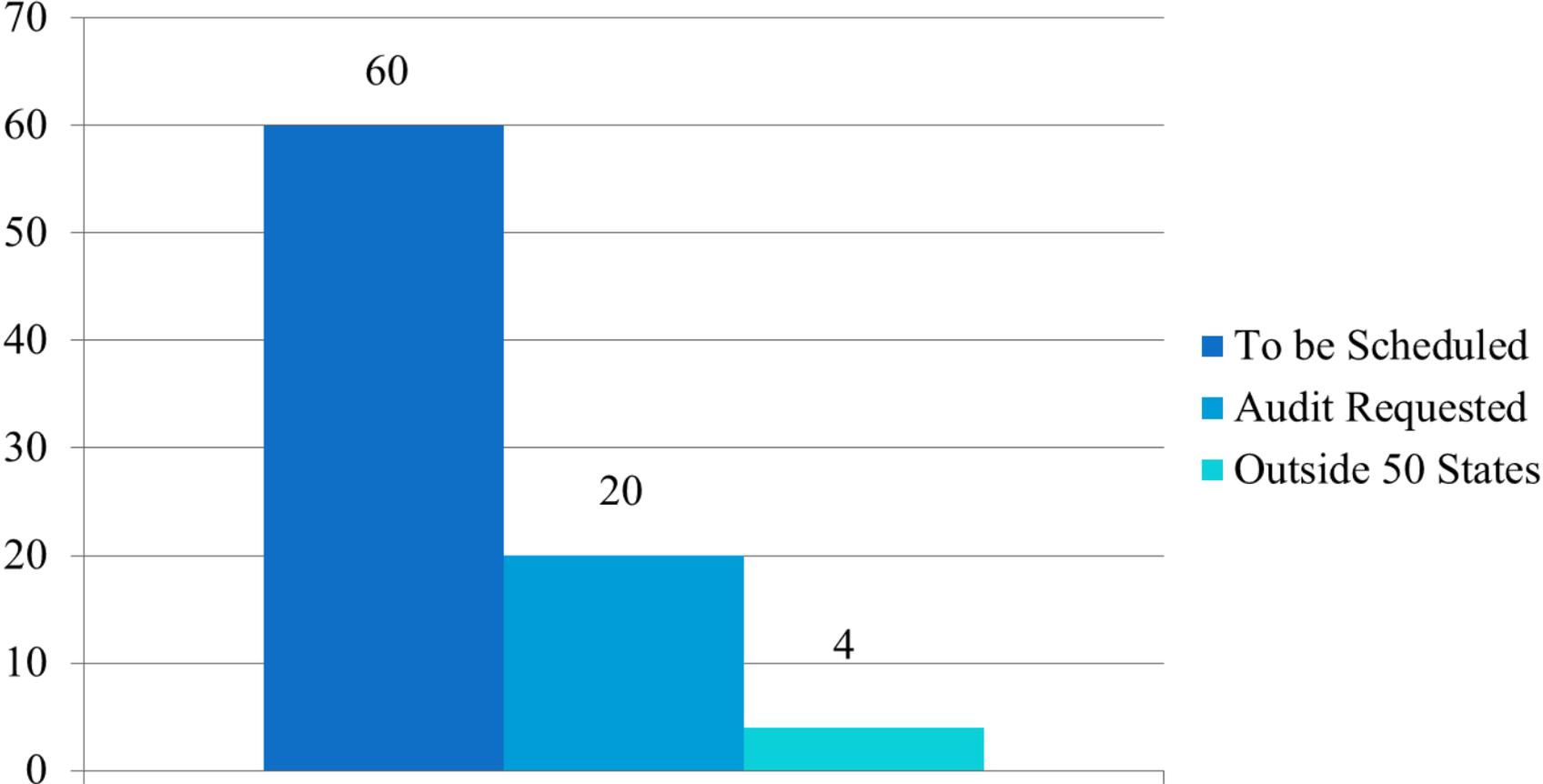
77 companies were found in violation The chart below shows the types of violations found:



CERTIFICATION PROCESS SUMMARY – Earlier Audits and Recent Audits



REMAINING COMPANIES TO BE AUDITED



Changes to AFSL Standards



Tube Abuse Test for Reloadable Tube Aerial Shell Devices

The Standards Committee considered whether the Tube Abuse Test for low – energy Reloadable Tube Aerial Shell Devices could be modified or eliminated without compromising the safety of the devices.





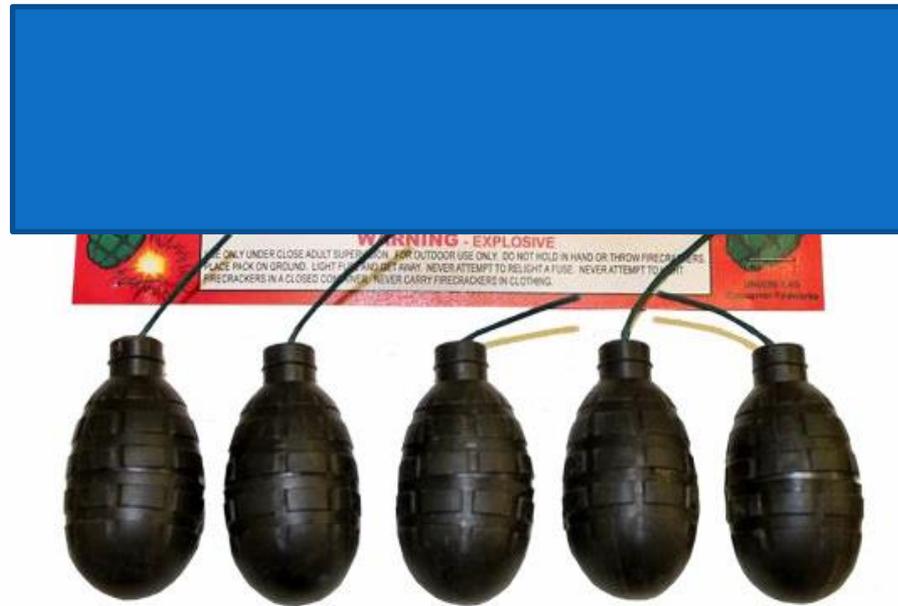
- Tube Abuse Test.mpg

- Tube Abuse Test.mvi



Decision: The tube abuse provision in section 2-1.5.6 of the Reloadable Shell Standards was NOT amended and remain in effect for all categories of reloadable tube aerial shell devices.

Grenade Shaped Firecrackers



*Decision: Section 2-1.12 “Items subject to this standard must not bear a name, bear graphics **or be of a product design or physical form that suggests a use of the product that is inconsistent with the caution labeling instructions**”.*

Effective Date: February 17, 2014

Definition of “Firecracker”

Decision: Add an new Section 1-2.3 to the Standard for Firecrackers, which states: *“Firecracker -- A small, paper-wrapped or cardboard tube containing Explosive Composition.”*

TEST PROCEDURE FOR RESIDUAL BURNING (MULTIPLE TUBE FOUNTAINS)

Test Procedure:

- Following functioning of the devices in the performance test, allow the items to sit for 1 hour.
- If ignition of the tubes or other internal components occurs during the one-hour observation period, record that device as a Failure.

TEST PROCEDURE FOR RESIDUAL BURNING (MULTIPLE TUBE FOUNTAINS)

Test Procedure (continued):

- After the one-hour period, use the Thermal Detector (positioned 11 inches from the top of the device), scan the entire inside area of the device, and record the maximum internal temperature that can be detected in each of the devices.
- If the maximum internal temperature remains above 250° F (121° C), record that device as a Failure.



ADDITIONAL WARNING LABEL FOR MULTIPLE TUBE FOUNTAINS TO ADDRESS RESIDUAL BURN

- Added additional warning label for Multiple-tube Fountains:

4-2.13 Multiple-tube Fountains subject to this Standard must bear a warning label which reads: “May re-ignite. Soak with water after use.”

**CAUTION
MAY RE-IGNITE. SOAK WITH
WATER AFTER USE.**

ADDITIONAL WARNING LABEL FOR MULTIPLE TUBE FOUNTAINS TO ADDRESS RESIDUAL BURN

NOTE: The label must be placed on the top surface of the device next to the fuse, where feasible. Where not feasible, the label must be placed on the flat surface closest to the fuse. The label must be consistent with AFSL labeling requirements in Appendix B.

Effective Date: July 1, 2014



Other Activities:

AFSL will submit application to become an FCA.

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THANK YOU!

