

Over 7.8 Million

CASES TESTED



To Our New Partner in Testing, BV



AFSL GENERAL MEMBERSHIP MEETING

Thursday, October 8, 2015; 2:00 PM – 4:00 PM Aspen Ballroom, Grand Hyatt Hotel Denver, CO

AGENDA

I.	Report from the Board of Directors Michael Collar, President		
II.	Election of Directors		
III.	Financial Report		
IV.	Introduction of New Contract Testing Laboratory Bureau Veritas		
V.	Report on Consumer Fireworks Testing Program John Rogers A. Summary of Test Results. B. New Standards Approved by the Board Break		
	C. Summary of Audits Conducted at Importer Warehouses		
VI.	Report on Display Fireworks Testing Program John Rogers		
VII.	Election Results		
VIII.	Closing Remarks		

AFSL – AN OVERVIEW

The American Fireworks Standards Laboratory (AFSL) is an independent, not-for-profit membership association organized in 1989 to improve the safety and compliance with mandatory and voluntary requirements for fireworks distributed in the U.S. marketplace. Participation in the AFSL program is voluntary, and is available to all U.S. importers and Hong Kong/China shippers that sign a participation agreement with AFSL. China factories, though technically not AFSL members, participate in the program by making available shipments of fireworks for evaluation and certification. AFSL currently has listed more than 800 factories in China that provide products that are tested and certified on behalf of U.S. importer participants. AFSL is funded through the payment of a quality improvement fee by U.S. importers for each case of fireworks imported under the program. Services provided include:

- Developing voluntary standards for both consumer and display fireworks that incorporate existing mandatory regulations of the Consumer Product Safety Commission (CPSC), U.S. Department of Transportation (DOT), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and other appropriate voluntary standards;
- ❖ Conducting industry-wide training seminars for manufacturers, related industries, and industry associations in China and working directly with individual manufacturers to assure that the industry is fully aware of requirements that fireworks exported to the U.S. must meet;
- ❖ Performing on-site quality improvement and product evaluation reviews to determine if fireworks shipments comply with the appropriate mandatory regulations and voluntary standards. All product evaluations are conducted by an independent, world-renowned testing laboratory, Bureau Veritas, under a contract with AFSL. Shipments that meet all criteria are identified by the application of a high-security certification sticker and a Lot identification stamp on each shipping carton.



Consumer Fireworks Certification Sticker



Display Fireworks Certification Sticker

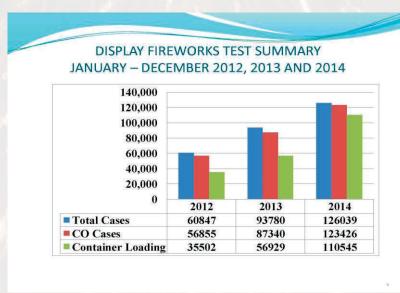
RECORD TESTING VOLUME SET IN 2014; EXPECTED TO CONTINUTE INTO 2015.

AFSL tested a record 7.87 million cases of fireworks under the consumer fireworks testing program in 2014, exceeding the previous record of 7.4 million cases in 2011. This represents approximately 33,500 lots of fireworks tested at more than 400 factories in China. The chart below shows the year-by-year testing volume expressed in shipping cases. In addition, the compliance rate reached 93%, which matches the previous high.

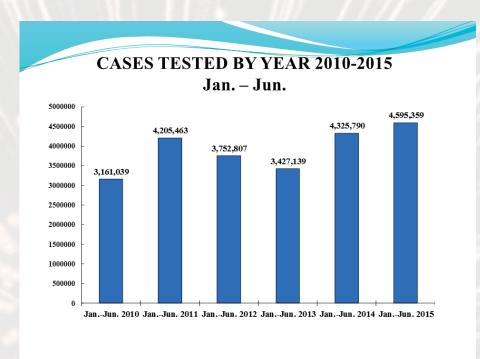
While some of the unexpected increase results from the addition of new members to the program, the main reason for the increase is a robust selling season in 2014. The 4th of July holiday fell on a Friday last year, creating a three-day holiday weekend, which always boosts sales. Further, there were no unexpected bad weather patterns, which can dramatically reduce the number of sales.



The number of cases tested under the display program also increased in 2014. While shipments submitted for testing continue to lag behind expected levels, AFSL is hopeful that more importers will have shipments certified in 2015 in order to maintain the program.

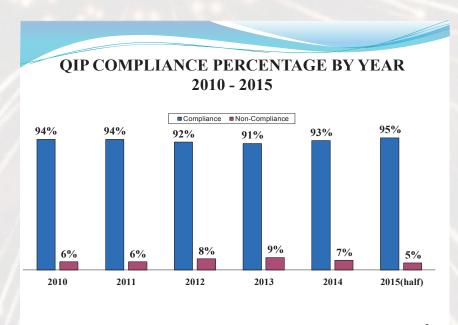


The surge in testing volume is expected to continue through 2015. Record sales appear to have continued through the 2015 Fourth of July holiday. Many importers report inventories are depleted and they are struggling to re-stock inventories for the 2016 selling season. The table below shows the half-year comparisons for the past 5 years.



IMPROVEMENTS IN COMPLIANCE

The AFSL Program has had a dramatic impact on the compliance of fireworks shipped to the U.S. market. In 1994, the first year of testing, only 64% of shipments tested complied with the AFSL Standards. The chart below shows the level of compliance has remained above 90% for the past five years.





AFSL BOARD OF DIRECTORS



Joel Anderson Director Emeritus



Michael Cartolano



Thomas Chan



Chi-Kay Cheung



Michael Collar President



John Conkling Technical Adviser



Chester Davis



Phil Grucci



Michael Ingram Vice President



Mick Marietta



Charles Shivery Secretary



Tad Trout Treasurer



Joe Wan



Alan Zoldan Member at Large



AFSL STAFF



John Rogers Executive Director



Quin Dodd General Counsel



Jieli Tan Office Manager



William Zhou China Operations Manager



Tony Gong Auditor



Jerry Wingard Project Manager

AFSL Consumer Standards Committee

AFSL Standards for Consumer Fireworks are developed by a Standards Committee appointed by the Board and comprised of technical experts; representatives that manufacture, import, distribute, or retail fireworks; federal and state agencies that regulate the safety of fireworks, the insurance industry; and consumers. Consumer Fireworks Standards Committee Members:



John Rogers, Michael Marietta, Chi-Kay Cheung, Neal Gasser, Thomas Dewille, Tim Brainerd, Jesse Barrera, John Conkling, Christopher Musto, Dennis Bergquist, Sally Wilson, John Stringer, Jerry Wingard, Gary Martin, and Vallary Maxey. Not shown: Anne Craigmyle, Thomas Hardison, George Hollingsworth, Harpreet K. Singh and Demar Granados.

AFSL Display Standards Committee

The AFSL Display Fireworks Standards Committee is appointed by the Board of Directors, and is comprised of technical experts; representatives that manufacture, import, distribute, or use display fireworks; federal and state agencies that regulate the safety of fireworks; a representative of the insurance industry; a representative of the packaging industry; and warehousing and transportation representatives. Display Fireworks Standards Committee Members:

Robert, Kellner, Display Industry Representative James Burnett, Display Industry Representative Bob Deng, Display Industry Representative Michael O'Lena, BATF Graham Walsh, Technical Expert John Rogers, Committee Chairman Stephen Pelkey, Display Industry Representative Stephen Vitale, Display Industry Representative Robert Foti, Display Industry Representative Yulu Hu, Shipping Lines Eric Treend, Insurance Industry

AFSL MEMBERSHIP LIST

CONSUMER FIREWORKS MEMBERS (U.S. IMPORTERS)

1	Advanced Technique Fireworks, Inc., Goshen, KY	38	Dahlia Group LLC DBA Wild Dragon New Castle, PA
2	Alamo Fireworks, Inc., China Grove, TX	39	Dapkus Fireworks Inc., Portland, CT
3	All Events Inc. DBA Robbies Fireworks,	40	Dynomite Fireworks, Seymour, MO
	Jackson, MS	41	Eagle Fireworks, Inc., Kent, WA
4	All Star Fireworks, Mitchell SD	42	Eagle Fireworks, Inc., Marietta, OH
5	American Fireworks Co., Inc., Durant, OK	43	Elkton Sparkler Co., Inc., North East, MD
6	American Fireworks Co., Inc., Walls, MS	44	Enigma Fireworks Inc., Springfield, VA
7	American Packaging LLC, Kansas City, MO	45	Extreme Pyro Fireworks, LLC, Gulfport, MS
8	American Promotional Events, IncEast,	46	Fat City, Inc., Meridiam, ID
	Florence, AL	47	Fireball Fireworks, Clearwater, FL
9	American Promotional Events, Inc	48	Fireworks & More, dba Fireworks
	Northwest, Tacoma, WA	10	Outlet, Baldwin, WI
10	American Promotional Events, Inc	49	Fireworks Empire, Afton, TN
	Texas, L.P., Lubbock, TX	50	Fireworks Importing, Inc., St. Joseph, MO
11	American Promotional Events, Inc	51	Fireworks of Alabama, Inc., Adamsville, AL
	West, Fullerton, CA	52	Fireworks Over America, Springfield, MO
12	America's Thunder Fireworks, LLC,	53	Flash Fireworks, Derby, KS
10	Shepherdsville, KY		
13	American Thunder Fireworks Inc.,	54	Flashing Thunder Fireworks, Mitchell, IA
11	North Reading, MA	<i>55</i>	Flying Phoenix Corp., Riverton, WY
14	Ammo Hut Productions, Inc., Claremore, OK	56	Four Seasons Fireworks/Darrow
15	Arrow Fireworks LLC, Yelm, WA	~7	Ventures Inc., Winter Springs, FL
16	Atlas Importers, Inc., Marion, SC	57	Freedom First Fireworks, Chuckey, TN
17	Atlas Pyro Vision Entertainment Group, Inc.,	58	Galaxy Fireworks, Inc., Tampa, FL
10	Jaffrey, NH	59	Garrett's Worldwide Enterprises, LLC,
18	Atomic Fireworks Inc. of Arkansas, West Memphis, AR	60	Eudora, KS
19	B.J. Alan Company, Youngstown, OH	60	Generous Jerry's F.W. Inc., Grand Forks, ND
20		61	Hale Fireworks, LLC, Buffalo, MO
	Bellino Fireworks Inc., Papillion, NE	62	Half Price Fireworks Inc., Harrison, OH
21	Bethany Sales Co. Inc., Bethany, IL	63	Hamburg Fireworks Display Inc., Lancaster, OH
22	Big's Fireworks LLC, Edgewood, TX	64	Heartland Associates, Columbia, PA
23	Boom Town Fireworks, Inc., Dyer, IN	65	Herbie Famous Fireworks, Inc. T/A South
24	Brick House Imports LLC, Marysville, WA	0.0	Carolina Distributors, Cherokee Falls, SC
25	Burda Brothers, Inc., Monroe, MI	66	Hisle Enterprises, LLC, Evensville, IN
26	Burt's Fireworks, Inc., Eagleville, MO	67	International Fireworks Mfg. Co.,
27	Capital Pyro LLC, Taylorville, IL	co	Douglassville, PA
28	Cassorla Bros, Inc., Battle Mountain, NV	68	Island Fireworks Company,
29	C-H Wholesale Fireworks, Inc., Muskogee, OK	co	Hager City, WI
30	Ches-Lee Enterprises, Bastrop, TX	<i>69</i>	J. K. Marketing, LLC, Rexburg, ID
31	Coach's Fireworks LLC, Magnolia, TX	70	Jake's Fireworks, Inc., Pittsburg, KS
32	Consigned Sales, Inc., Grandview, MO	71	Johnny Lemas Fireworks, Angola, IN
34	Cornellier Fireworks Co., Ltd., Beloit, WI	72	Johnny Rockets Display Company, Highland, IN
35 26	Crazy Cracker Fireworks LLC, Lincoln, NE	73	Jolly Jacs, LLC, Cheyenne, WY
36	Crazy Debbies Fireworks, LLC, Joplin, MO	74	K & L Marketing Inc. dba Big Top Fireworks,
37	D&T Imports, Inc., Henderson, NV		Cummings, ND

75	Ka-Boomers Enterprises, Inc., Wahoo, NE	116	Racine Fireside Corp., Caledonia, WI
76	Kellner's Fireworks Inc., Harrisville, PA	117	Rainbow Fireworks, Inc., Inman, KS
77	Keystone Fireworks & Specialty Sales Co., Inc.,	118	Rainmaker Enterprises Ltd., Somerset, WI
	Dunbar, PA	119	Red Rose Imports, LLC, Willow Street, PA
78	Keystone Importing and Sales, LLC,	120	Reeves Boomland, Inc., Benton, MO
-0	Lancaster, PA	121	Reichenbach Fireworks, Co., Billings, MT
79	Keystone Novelties Wholesale,	122	Rich Brothers Co., Sioux Falls, SD
90	Lancaster, PA	123	RKM Fireworks/St. Evans Inc.,
80 81	L. W. Loyd Co., Inc., South Pittsburg, TN		Edwardsburg, MI
	Lantis Fireworks, Inc., North Sioux City, SD	124	Safety 4th Fireworks Inc., Stratton, OH
82	Lew's Fireworks Inc., Watertown, SD	125	Salish Fireworks, Anacortes, WA
83	Liberty Fireworks Inc Craig, MO	126	Samrok Inc., Calgary, Alberta, Canada
84	Liberty Fireworks, Inc Great Falls, MT	127	Sanedsam Inc., Old Orchard Beach, ME
85	Lucky Dragon Fireworks, Dearborn, MI	128	Schneitter Fireworks and Importing Co.,
86	Magic in the Sky, LLC, San Antonio, TX		St. Joseph, MO
87	Martin's Fireworks, Manchester, TN	129	Selva's Fireworks, LLC, Everett, WA
88	Mary's Fireworks, Grand Island, NE	130	Shelton Fireworks, Eagleville, MO
89	Michons Wholesale, Moneta, VA	131	Sky Blooms Fireworks, LLC,
90	Micronesia Holding Co., LLC, Saipan, MP		Lake Lotawana, MO
91	Mid-America Distributors, Inc., La Vergne, TN	132	Sky King Unlimited Inc., Port St. Lucie, FL
92	Mid-South Imports, Lenoir City, TN	133	Southeastern Fireworks, Inc., Birmingham,
93	Mike Killian Wholesale Fireworks.,	191	AL
94	S. Pittsburg, TN Miller Fireworks Co., Inc., Holland, OH	134 135	Sparkler Fireworks, Inc., Ripley, MS Spirit of '76, Columbia, MO
95	MPI Entertainment Corporation AKA	136	Spring Field Fireworks, LLC, Mosinee, WI
90	Prosumerfireworks Brand, Marengo, IL	137	Star Spangled Novelties LLC, Rothschild
96	Mr. B Fireworks, Inc., Schulenburg, TX		WI
97	Mr. G's Fireworks, San Benito, TX	138	Starr Fireworks, Horace, ND
98	Mr. W. Fireworks, Somerset, TX	139	State Line Fireworks, Inc., Texarkana, AR
99	Neeley Sales Co., Inc., Greenwood, SC	140	Stateline Fireworks LLC/Tennessee Alabama
100		1.11	Fireworks, South Pittsburg, TN
100	Kaufman, TX	141 142	Stowers Inc., Luttrell, TN Sun Pacific Trading Co., Honolulu, HI
101		143	Sydko Enterprises Inc., St. Joseph, MO
102		144	The Fireworks Superstore LLC, Hannibal,
103			MO
104		145	The Rozzi Company, Inc. Dba Rozzi, Inc.
103			Love Land, OH
106		146	Thunder Fireworks, Tacoma, WA
102		147	Thundercat Fireworks & Pyrotechnic Display
108		148	Co., Inc., Madison, WI T.H.Y. & Associates, Inc., Keaau, HI
109		140 149	Tri-Star Capital Distributors, LLC,
1103		143	Brentwood, TN
		150	Two Bears Trading, LLC, Tacoma, WA
111		151	TYI Trading LLC, Commerce, CA
112		152	U.S.T.L. Import & Export, Inc., Monterey
113			Park, CA
114	11	153	Uncle AL's Seasonal Retail Inc., Ft. Myers, FL
113	5 R. Brown & Company, Missoula, MT		

154	Uncle Sam's Fireworks, Inc. of AR,	161	Western Fireworks, Inc., Aurora, OR
	Fayetteville, AR	162	Wild Willy's Fireworks, Papillion, NE
155	Utah Grand Finale Fireworks, Pleasant	163	Winco Fireworks International, Inc.,
	Grove, UT		Lonejack, MO
156	Victory Fireworks, Inc., Ellsworth, WI	164	Winco Utah, Evanston, WY
157	Vito's Fireworks, Inc., Covington, KY	165	Wolverine Fireworks Display, Inc.,
158	Wald and Company, Inc., Greenwood, MO		Kawkawlin, MI
159	Warpath Corp, Plummer, ID	166	Zenith Specialties, L.P., Clinton, MO
160	Wayne's World Fireworks, LLC, Indianapolis, IN	100	Zemai specialies, E.i., emnon, in-

CONSUMER FIREWORKS MEMBERS (HONG KONG/CHINA/THAILAND SHIPPERS)

1	Acme Fireworks Co., Ltd.		Co., Ltd.
2	Ali Fireworks Ltd.	31	Hunan Mega Imports & Exports Trading
3	ANCO Pyrotechnics, Ltd.		Co., Ltd.
4	Asia Pyrotechnics IncGuangzhou Office	32	Hunan Top and Ideal Trading Development
5	Babytiger Fireworks Imp.&Exp. Ltd., Co.	0.0	Co., Ltd.
6	Beihai Fisherman Pyrotechnics, Inc.	33	Hunan Vanguard Business Development
7	Beihai Kylin Fireworks Co., Ltd.	34	Co., Ltd. Hunan Welldone Fireworks Co. Ltd.
8	Brothers Pyrotechnics, Inc.	35	Hunan Winwell Import & Export Trading
9	C & L Int'l Industrial Co., Ltd.	00	Co., Ltd.
10	Changsha Fortune Fireworks Trading Co., Ltd	36	Inter-Oriental Fireworks (HK) Limited
11	Changsha Royal Import & Export Co., Ltd.	37	Jiangxi Changshan Exporting Fireworks
12	Changsha Xinhui Fireworks Import & Export		Manufacture Co., Ltd.
	Co., Ltd.	38	Jiangxi Golden Steed Fireworks &
13	Changsha Year Import & Export Co., Ltd.		Firecrackers Co., Ltd.
14	China DIY Marketing Ltd.	39	Jiangxi Panda Fireworks Co., Ltd.
15	China National Samkwong Fireworks Co. Ltd.	40	Jiangxi Ping Xiang Dancing Red Devil I&E
16	China Skysong Fireworks Co., Ltd.		Co., Ltd.
17	Chinasky Pyrotechnics Limited	41	Jiangxi Province Red Horse Fireworks Co., Ltd.
18	Dancing Fireworks Group	42	Jiangxi Wanzai Golden Peak Corporation
19	Degili Trade (Hepu County) Co., Ltd.	43	Legend Fireworks, IncChangsha
20	Dracon Trading Ltd.	44	Liuyang Candour Fireworks Co., Ltd.
		45	Liuyang Fireworks Limited
21	Forward Fireworks Co., Ltd.	46	Liuyang Flying Dragon Fireworks Co., Ltd.
22	Fox Fireworks Ltd.	47	Liuyang Flying Eagle Fireworks Co., Ltd.
23	Gate Import and Export Trade of Liuyang Co., Ltd.	48	Liuyang Fuxiang Fireworks Group Co., Ltd.
24	Glorious Co.	49	Liuyang Goldenkey Trade Co., Ltd.
25	Guangzhou Holiday Import & Export Co., Ltd.	50	Liuyang Hengtai Fireworks Trading Co., Ltd.
26	Hefung Fireworks Co., Ltd.	51	Liuyang Jiasheng Fireworks Co., Ltd.
27	Hop Kee Pyrotechnics	52	Liuyang Jinkou Rising Import &
28	Hua Hui Fireworks Manufacturing Co. Ltd.		Export Trading Co., Ltd.
29	Hunan Liuyang Global Import & Export	53	Liuyang Jinsheng Fireworks Co., Ltd.
	Trade Co., Ltd.	54	Liuyang Jumbo Trading Co., Ltd.
30	Hunan Liuyang Worldwide Fireworks,		

55	Liuyang Kesheng Trading Co., Ltd.	73	Shangli Jiali Import & Export Trade Co., Ltd.
56	Liuyang Kongsun Fireworks Exp. Trading	74	Shiu Fung Fireworks Co., Ltd.
	Co., Ltd.	75	Shogun Pyrotechnics Ltd.
57	Liuyang Leping Import & Export Co., Ltd.	76	Standard Fireworks China Ltd.
58	Liuyang Mei-Mei Fireworks Trading Co., Ltd.	77	Sunlight China Products Ltd.
59	Liuyang Qingtai Export Trade Co., Ltd.	78	Sunshine Promotion Product Company
60	Liuyang Raging Bull Imp. & Exp. Co., Ltd.	79	Thunder Trading Co., Limited
61	Liuyang Xiangguang Fireworks Trading Co., Ltd.	80	T-Sky International Group Co., Limited
62	Liuyang Xiaohe Fireworks Mfg. Co., Ltd.	81	United Pyrotechnics USA Inc.
63	Liuyang Yihelong Trade Co., Ltd.	82	Wanzai Century Import & Export Co., Ltd.
64	Liuyang Yongfa Industry Co., Ltd.	83	Wanzai Color Trading Co., Ltd.
65	Oasia International Ltd.	84	Wanzai Hongrui Trade Co., Ltd.
66	Omni Trading Co.	85	Win Da Hong (HK) Co., Ltd.
67	Ping Xiang Qi Sheng Imp & Exp Co., Ltd.	86	Worldwide Exporting Limited
68	Po Sing Pro Pyrotechnics Ltd.	87	Wukong Fireworks Ltd.
69	Pyro Formex, Inc./Golden Bear Fireworks, Inc.	88	Yichun Fenghua Import & Export Co., Ltd.
70	Pyromooi Fireworks Ltd.	89	Yuen Loong Hong Firecrackers Ltd.
71	Pyro Pro Co., Ltd.	90	Pacific Pyro Company Limited (Thailand)
72	Red Eagle Industrial & Trade Co., Ltd. Hebei		

GENERAL MEMBERS

- 1 American Pyrotechnics Association, Bethesda, MD
- 2 Drayton Insurance Brokers, Inc., Birmingham, AL
- 3 Hong Kong Pyrotechnics Association, Hong Kong
- 4 Hua Yang Transportation Co., Ltd., Shanghai, China
- 5 The Creadore Law Firm, P. C., New York, NY

DISPLAY FIREWORKS MEMBERS (U.S. IMPORTERS)

- 1 Alonzo Fireworks Display, Inc. Mechanicville, NY
- 2 Ammo Hut Productions, Inc., Claremore, OK
- 3 Arthur Rozzi Pyrotechnics, Inc., Maineville, OH
- 4 Atlas Pyro Vision Entertainment Group, Inc., Jaffrey, NH
- 5 Central States Fireworks, Inc., Athens, IL
- 6 Fireworks by Grucci, Brookhaven, NY
- 7 Hamburg Fireworks Display Inc., Lancaster, OH
- 8 J&M Displays, Inc., Yarmouth, IA
- 9 Kellner's Fireworks Inc., Harrisville, PA
- 10 Lew's Fireworks, Inc., Watertown, SD

- 11 Magic in the Sky, LLC, San Antonio, TX
- 12 Melrose Pyrotechnics, Inc., Kingsbury, IN
- 13 Pyro Shows, Inc., La Follette, TN
- 14 Pyro Spectaculars, Inc., Rialto, CA
- 15 Pyrotecnico, New Castle, PA
- 16 RES Specialty Pyrotechnics, Belie Plaine, MN
- 17 Starfire Corporation, Carrolltown, PA
- 18 Western Enterprises, Inc., Carrier, OK
- 19 Wolverine Fireworks Display, Inc., Kawkawlin, MI
- 20 Zambelli Fireworks, New Castle, PA

DISPLAY FIREWORKS MEMBERS (HONG KONG/CHINA SHIPPERS)

- 1 An Ping County Fireworks General Factory
- 2 Babytiger Fireworks Import & Export Ltd., Co. Export Ltd., Co.
- 3 Cenxi Wahyee Advanced Fireworks Factory
- 4 Dancing Fireworks Group
- 5 Far East San Luen Fat Trading Ltd.
- 6 Glorious Professional Products Trading Limited
- 7 Hua Hui Fireworks Manufacturing Co., Ltd.
- 8 Hunan Cereals, Oils and Foodstuffs Import & Export Group Co., Ltd.
- 9 ICON Pyrotechnics International Co., Ltd.
- 10 Inter-Oriental Fireworks (HK) Ltd.
- 11 Jiangxi Changshan Exporting Fireworks Manufacture Co., Ltd.
- 12 Jiangxi Panda Fireworks Co., Ltd.

- 13 Jiangxi Province Lidu Fireworks Corporation Ltd.
- 14 Jiangxi Province Light Industrial Products I/E Co., Ltd.
- 15 Jiangxi Wanzai Golden Peak Fireworks Corp.
- 16 Liuyang Goldenkey Trade Co., Ltd.
- 17 Liuyang Jingli Fireworks Trade Co., Ltd.
- 18 Liuyang Jinsheng Fireworks Co., Ltd.
- 19 Liuyang Leping Import & Export Co., Ltd.
- 20 Liuyang Qingtai Export Trade Co., Ltd.
- 21 Liuyang Sunny Fireworks Trade Co., Ltd.
- 22 Liuyang Xiangguang Fireworks Trading Co., Ltd.
- 23 Nan Chang Xiangtian Imp. & Exp. Co., Ltd.
- 24 United Pyrotechnics (USA) Inc.
- 25 Yung-Feng Firecrackers & Fireworks Co., Ltd.

THE YEAR IN REVIEW

AFSL HIRES NEW CONTRACT TESTING LABORATORY, BUREAU VERITAS.

In a move designed to improve the overall operations of the AFSL Quality Improvement Program (QIP), AFSL has entered into an agreement with a new contract testing laboratory to provide testing services

in China and in all other locations, including the U.S. market. All program operations were transitioned from the former service provider, SGS, to Bureau Veritas on August 1, 2015. Bureau Veritas, or BV, as the company is commonly known, is widely recognized throughout the consumer product testing industry as one of, if not the largest provider of product testing services for all types of consumer products. The company's new contract with AFSL represents its first venture into the fireworks testing market.

EXECUTIVE DIRECTOR JOHN ROGERS AND BV MANAGEMENT TEAM PARTICIPATE IN

EXECUTIVE DIRECTOR JOHN ROGERS AND BV MANAGEMENT TEAM PARTICIPATE IN RIBBON CUTTING CEREMONY AT NEW BV OFFICE IN LIUYANG.

BV opened an Operations Office in Liuyang, China, and began accepting

applications for testing from AFSL shippers on August 1, 2015. BV also has taken over operation of the AFSL database which tracks and stores all test data. In addition to hiring 25 of the 40 team members employed by the former contractor, BV also has hired 15 additional new technicians to fulfill its manpower



NEW TECHNICIANS BEING TRAINED ON AFSL STEEL BALL TEST DURING 2015 CERTIFICATION TRAINING.

needs. All technicians, whether new hires or transfers, have undergone rigorous scrutiny to assure they meet BV's technical performance and ethical standards. Additional supervisors, field auditors, and senior management staff also have been added to the program.

AFSL's Executive Director, John Rogers, was onsite in China to manage the transition of the program, assist in the screening of all personnel brought into the program, either as transfers or new hires, and provide needed training for newly hired technicians. While the initial operation by BV will continue the current practice of sending

teams of technicians out to the factories to conduct testing, both AFSL and BV are committed to establishing centralized testing wherein samples of products are collected at the factories and transported to several strategically placed sites for actual testing. This operating model is expected to be in place in early 2016.

"SHEKOU SIX" HONORED FOR ROLE IN ESTABLISHING AFSL.

Joel Anderson, Founder and Director Emeritus of AFSL, paid special tribute to a group known as the "Shekou Six" who are credited with laying the foundation for AFSL 25 years ago in Shekou, Shenzhen, China. The group, organized by Mr. Anderson, traveled to China in July 1988 to help the factories evaluate their products for compliance with the CPSC regulations. More than 1000 products from factories

throughout China were tested during the ten-day exercise.

It was also during that trip that the concept of setting up a permanent organization to educate the China industry on U.S. fireworks requirements and to develop new standards to assure the highest level of safety of fireworks, was established. Mr. Anderson then set up a corporation in March 1989, and persuaded other companies to join the program. He used the occasion of the



SHEKOU SIX: CHI-KAY CHEUNG, DR. JOHN CONKLING, JERRY BOSTOCKY, JOEL ANDERSON, ALAN ZOLDAN AND JOHN ROGERS.

25th Anniversary of AFSL to present special achievement awards to the Shekou Six members during the October 9, 2014 AFSL General Membership Meeting in Miami, FL. AFSL also hosted a reception for members that evening to celebrate the occasion.

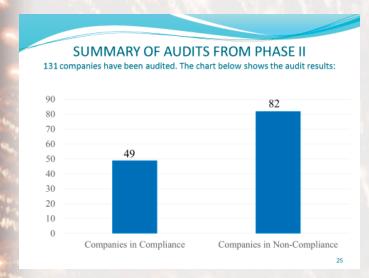
AUDITS OF IMPORTER MEMBERS' WAREHOUSES CONTINUE IN 2014 AND 2015.

During the past year AFSL continued to conduct audits at warehouses of participating importers to assist them in complying with all AFSL requirements as well as provide guidance on both CPSC and DOT mandatory regulations. The program, initiated in 2012 with a pilot program that audited AFSL Board member companies, also is designed to monitor the performance of AFSL's contract testing laboratory in testing and certifying all fireworks shipped to U.S. importer members.

During the first round of audits, AFSL determined that a significant number of companies were not fully in compliance with all requirements of the program. The tables below indicate the number of companies that were in compliance/noncompliance (Table I), as well as the types of discrepancies that were noted during the audits (Table II). Table III indicates the audit findings with respect to the certification process by the testing laboratory. It shows dramatic improvement in the number of instances where problems were noted

with the application of stickers and Lot Identification stamps to the shipping cartons during the later audits (Phase II) compared to earlier audits (Phase I).

Table I Table II



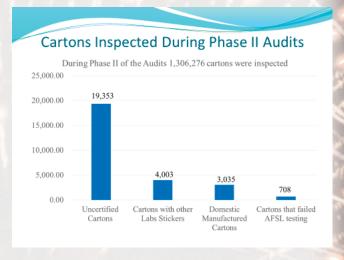
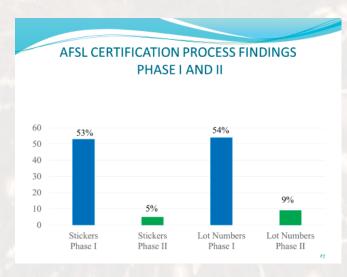


Table III



When the audit program was initiated, member companies were advised that disciplinary actions would not be taken against companies for any violations of the AFSL agreements noted during Phase I and Phase II of the audits. While no companies have been disciplined for such violations, the Board did suspend 8 member companies for failure to permit the audits after numerous efforts by AFSL to schedule the audits.

AFSL now has begun to re-audit companies that had compliance issues during the first round of audits. If violations have not been corrected as requested, those companies could be subject to disciplinary actions for failure to correct noted violations. AFSL also has undertaken re-training of technicians in China to correct reported problems with sticker and Lot Identification stamp applications, which has significantly improved the performance of the technicians in this area.

FACTORIES BEING CHARGED FOR FAILED LOTS.

Effective July 1, 2015, AFSL began charging factories a testing fee for fireworks Lots that fail when tested by the contract testing laboratory under the Quality Improvement Program (QIP). The program, which was approved by the Board at the February 2015 Board Meeting, is intended to pressure factories that have a consistently low compliance rate, to improve their overall compliance with the AFSL Standards. Factories that have an average compliance rate of 93% or higher over the past year are exempt from paying the fee. The charge for a failed test is US\$0.30 per case for Regular and Assortment cases, and US\$0.20 per case for Component cases. This charges apply to 1.4G consumer fireworks only, and **excludes** 1.3G Display fireworks.

PROGRAM OPERATING PROCEDURES.

Following are the operating procedures for the program:

- **A.** Which Factories will be Charged? AFSL will calculate the pass/fail rate for each factory based on all products tested from June 1, 2014 through May 31, 2015.
- **B.** When will Factories be Notified of their Compliance Rate? No later than June 15, 2015, AFSL will provide to each factory a written notice of its compliance rating and whether the factory will be charged the failed Lot fee.
- C. How will Failed Lot Fees be Assessed? No later than August 15, 2015, each factory will receive an invoice from the Bureau Veritas for the failed Lot fees accumulated by the factory for all tests conducted from July 1, 2015 through July 31, 2015. Any Lots tested prior to July 1, 2015, will not be subject to the failed Lot fee. Thereafter, factories will be invoiced on a monthly basis for Lots tested in the previous month.
- **D. How will Failed Lot Fees be Collected?** Invoices will be hand-delivered directly to the factory, and a copy of the testing fee invoice will be provided to the shipper that requested testing for the failed Lots. Factories will be requested to pay the fees to Bureau Veritas. Bureau Veritas will collect the fees on behalf of AFSL and will provide to AFSL a monthly summary of fees received from each factory.
- **E.** What are the Penalties for Failure to Pay the Failed Lot Fees? Fees for failed Lots will be considered delinquent if payment has not been received within 30 days from the date of the notice. Any factory that fails to pay the fees will be have all future requests for testing delayed until such payments have been made. Testing for the factory will resume after outstanding payments have been received.

SEMINAR AT NFA EXPO.

AFSL participated in the National Fireworks Association (NFA) Expo in Kingsport, TN September 8 through 12, 2015 in Kingsford, TN. A seminar and meeting was held on September 8th for AFSL members and other Expo participants. During the meeting, for the first time AFSL members were allowed to vote for candidates for the AFSL Board of Directors. The decision to permit voting at the NFA meeting was made by

the AFSL Board in an effort to allow for greater participation, particularly for companies not attending the AFSL General Membership meeting each year.

During the meeting, AFSL Executive Director, John Rogers, noted that since nearly half of all AFSL importer members also are members of NFA, it makes sense that voting for Directors would be allowed at the NFA meeting as well. He encouraged members to participate in future elections of Board members either by running as a candidate or nominating candidates for the Board during the next term for elections.

AFSL General Counsel, Quin Dodd provided an update on recent activities and events at the Consumer Product Safety Commission, including the fact that the long-awaited resolution of the "ear test" issue for determining complying break charges in aerial devices, is still pending. He also discussed recent increases in the amount of civil penalties CPSC is seeking for violations of its regulations.

John Rogers provided an update on recent AFSL activities, reporting that AFSL tested a record number of cases in 2014 and is expecting to have another record year in 2015. He also reviewed a recent change to the AFSL Standard for Comets, Mines and Shells, which requires the devices to meet a residual burning test, effective August 15, 2015. John also advised the industry that, effective August 1, 2015, AFSL has switched its testing contract to a new testing laboratory, Bureau Veritas (BV).



JERRY WINGARD AND TREASURER TAD TROUT AT THE AFSL TRADESHOW BOOTH.

Chuck Rogers, AFSL's Account Manager at BV, provided an introduction to BV, stating that it is one of the premier product testing laboratories world-wide. He reported that BV opened an Operations Office in Liuyang, China on August 1, 2015, and has hired necessary staff to fully operate the program.

AFSL's auditor, Jerry Wingard, provided an update on audits conducted at U.S. importers' warehouses, which have been underway since 2012. He discussed some of the discrepancies he has encountered during the audits, and stated that companies that had problems during the first round

of audits, and now being scheduled for re-audits. He encouraged companies to cooperate in allowing the audits to be conducted since the AFSL Board already has suspended 7 companies that refused to allow the audits.

During the remainder week, the AFSL staff, including John Rogers, Jerry Wingard, AFSL Office Manager, Jieli Tan, along with BV Account Manager, Chuck Rogers, hosted a booth at the NFA Expo. This provided an opportunity for members and non-members alike to obtain information from and have questions answered by the staff.

2015 MODIFICATIONS TO AFSL STANDARDS

I. MODIFICATIONS TO CONSUMER FIREWORKS STANDARDS.

A. RESIDUAL BURNING REQUIRMENT ESTABLISHED FOR MULTIPLE TUBE AERIAL DEVICES.

Effective August 15, 2015, multiple tube mine and shell devices must meet a new requirement that prohibits them from continuing to burn or re-igniting once the function is completed. AFSL will test for compliance with the new requirement by using a Thermal Detector device to measure the internal temperature of the spent casing thirty minutes after the device completes functioning. If the internal temperature of the casing exceeds 250°F degrees when tested, or if the device re-ignites within the 30-minute waiting period, the tested Lot will fail.

In addition, multiple tube aerial devices subject to the requirement must bear a special caution label on the top surface of the device that reads: "WARNING: MAY REIGNITE. SOAK WITH WATER AFTER USE". The requirements were approved by the Standards Committee and the Board in October 2014. All multiple tube devices submitted for testing on or after August 15, 2015 will be tested for the new requirement.



THERMAL DETECTOR USED TO MEASURE INTERNAL TEMPERATURE OF FOUNTAIN.

This requirement mirrors a requirement for multiple tube fountains implemented in August 2014. Both are intended to address the potential risk of fires resulting from re-ignition of devices that are improperly disposed of, such as in trash cans, or that might otherwise re-ignite after use. While specific incidents, including one death, have been reported from re-ignition of fountain casings, both AFSL and CPSC have reported re-ignitions in mine and shell devices during testing as well. For further details on the requirements, please refer to the AFSL Standard for Comets, Mines and Shells, available in the AFSL Standards posted on both the English and Chinese versions of the AFSL Website: www.afsl.org.

NOTE: No modifications to the Display Fireworks Standards have been made this year.

Counsel's Corner Quin D. Dodd, Esq.

Quin Dodd is the General Counsel to AFSL. He is an independent attorney practicing in the area of product safety law, and from 2005 – 2008 served as Chief of Staff at the CPSC.



In recent months there have a number of key Consumer Product Safety Commission (CPSC) developments about which AFSL members should be aware:

- CPSC Initiates "Alpha Pilot" for Electronic Filing of Certificate Information for Imports. After approximately two years of debate and public engagement by the Commission in the wake of the agency's controversial issuance of a proposed rewrite of its "1110 Rule," (governing product certificates required for consumer fireworks and other regulated products), the CPSC announced in August its plan to initiate an "Alpha Pilot" for the electronic filing (e-filing) of certificate information, in order to assist the agency in targeting imports at higher risk of violating mandatory agency safety standards. This pilot, consisting of up to nine volunteer importers, will test a system to electronically input five key information/data elements from CPSC certificates into the Customs and Border Protection (CBP) Automated Commercial Environment (ACE) system, intended to provide U.S. importers with a "single window" for the submission of all information required for entry of their goods by all federal agencies. These five data elements (collectively termed a "Partner Government Agency [PGA] Message Set") required for the CPSC Alpha Pilot will be: specific identification information for the product; identity and location of the manufacturer (factory); CPSC standards applicable to that product; information about the testing of the product; and affirmation that a full certificate for the product exists. The Alpha Pilot, not expected to be fully implemented until next summer, will lay the groundwork for what likely become a mandate for all U.S. importers of fireworks and other regulated products to provide certificate information electronically via ACE, although final implementation of this mandate is likely several years away. (But ACE is being implemented sooner by other federal agencies). If any fireworks importers are interested in applying to participate in the CPSC Alpha Pilot, they should contact: efilingpilot@cpsc.gov by October 5, 2015.
- AFSL Anticipating CPSC "Staff Package" of Recommended Changes to Audible Effects and other Fireworks Safety Standards/Test Methods. As previously reported in this Newsletter, in December 2014 the CPSC directed agency staff to review all mandatory fireworks standards and make recommendations for changes by September 30, 2015. As of this writing, we have not yet received this "staff package" of recommendations, but AFSL remains hopeful that it will positively address several key issues, most notably resolution of the long-standing "ear test" method used by the agency to determine compliance with the "audible effect" standard (16 CFR 1500.17(a)(3) for aerial devices. Since the decision last December, AFSL has continued to engage senior CPSC leadership

on this and other important fireworks safety issues, most recently at an August 18 meeting with staff for Chairman Kaye and the leaders of the staff team assigned to this task. It should also be noted that resolution of the ear test was a key topic of discussion at a June 2015 CPSC oversight hearing of the Senate Commerce Committee, Subcommittee on Consumer Protection. AFSL hopes to be able to provide more information about the staff recommendations at the October APA Annual Meeting and Convention.

• CPSC Civil Penalties Continue to Escalate. During FY 2015, the CPSC entered into eight civil penalty settlements, with an average settlement amount of \$2.3 million, compared with five settlements in 2014, averaging \$1.5 million, a 53% increase. While the number of civil penalty settlements in both years remains relatively low, all indications are that the number of civil penalty investigations now being undertaken by the agency is increasing, as are the penalty demands of the agency's Office of General Counsel, which undertakes investigations and negotiates settlements. The large majority of civil penalty investigations continue to be for failure to report non-compliant or hazardous products to the agency, as required under Section 15(b) of the Consumer Product Safety Act, although civil penalties are occasionally sought for safety standards violations themselves including with regard to consumer fireworks.

I would be happy to discuss these or other issues with you and to address issues of particular interest to you in future "Counsel's Corner" articles. I may be reached via: afslhq@afsl.org.

Celebrating 25 Years



































