

AFSL GENERAL MEMBERSHIP MEETING

Denver, CO
October 8, 2015



AGENDA

- I. Board of Directors' Report – Michael Collar, President
- II. Election of Directors – John Rogers, Exec. Director
- III. Financial Report – Tad Trout, Treasurer
- IV. General Counsel's Report – Quin Dodd
- V. Introduction of New Test Lab – Chuck Rogers, BV
- VI. Report on Consumer Fireworks Testing Program
 - A. Summary of Test Results
 - B. New Standards Approved by the Board
 - C. Summary of Importers' Audits – Jerry Wingard
- VII. Report on Display Fireworks Testing Program
– John Rogers, Exec. Director
- VIII. Election Results
- IX. Closing Remarks – Michael Collar, President



I. Report from the Board of Director

- Michael Collar, President

Thank You for a Record Year

AFSL

Over

7.8 Million

CASES TESTED



II. Election of Directors

- John Rogers, Executive Director



III. Financial Report

- Tad Trout, Treasurer



IV. General Counsel's Report

- Quin Dodd



V. Introduction of New Testing Lab., Bureau Veritas

- Chuck Rogers, Americas Director

AFSL General Membership Meeting October 2015



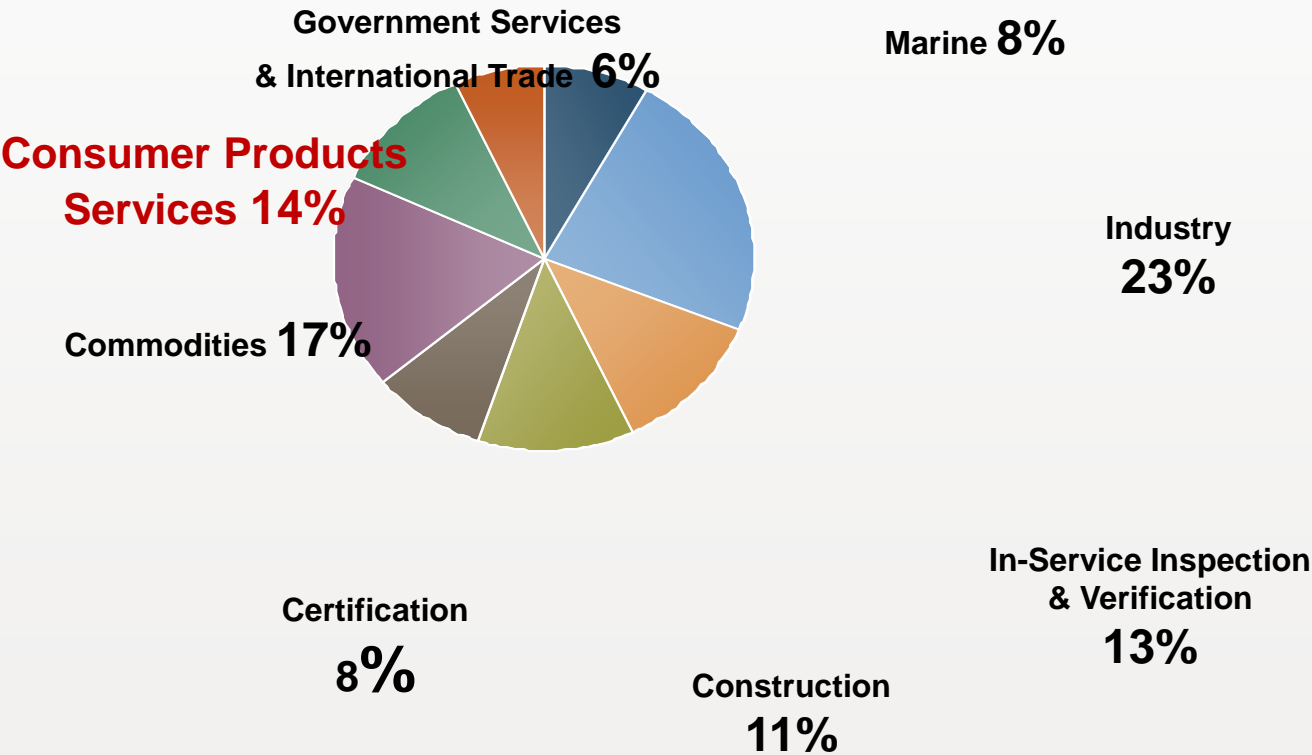
**BUREAU
VERITAS**

Move Forward with Confidence

Bureau Veritas at a Glance



Eight Global Businesses with Global Leadership Positions Revenue breakdown (2014)



Bureau Veritas at a Glance



Founded in 1828

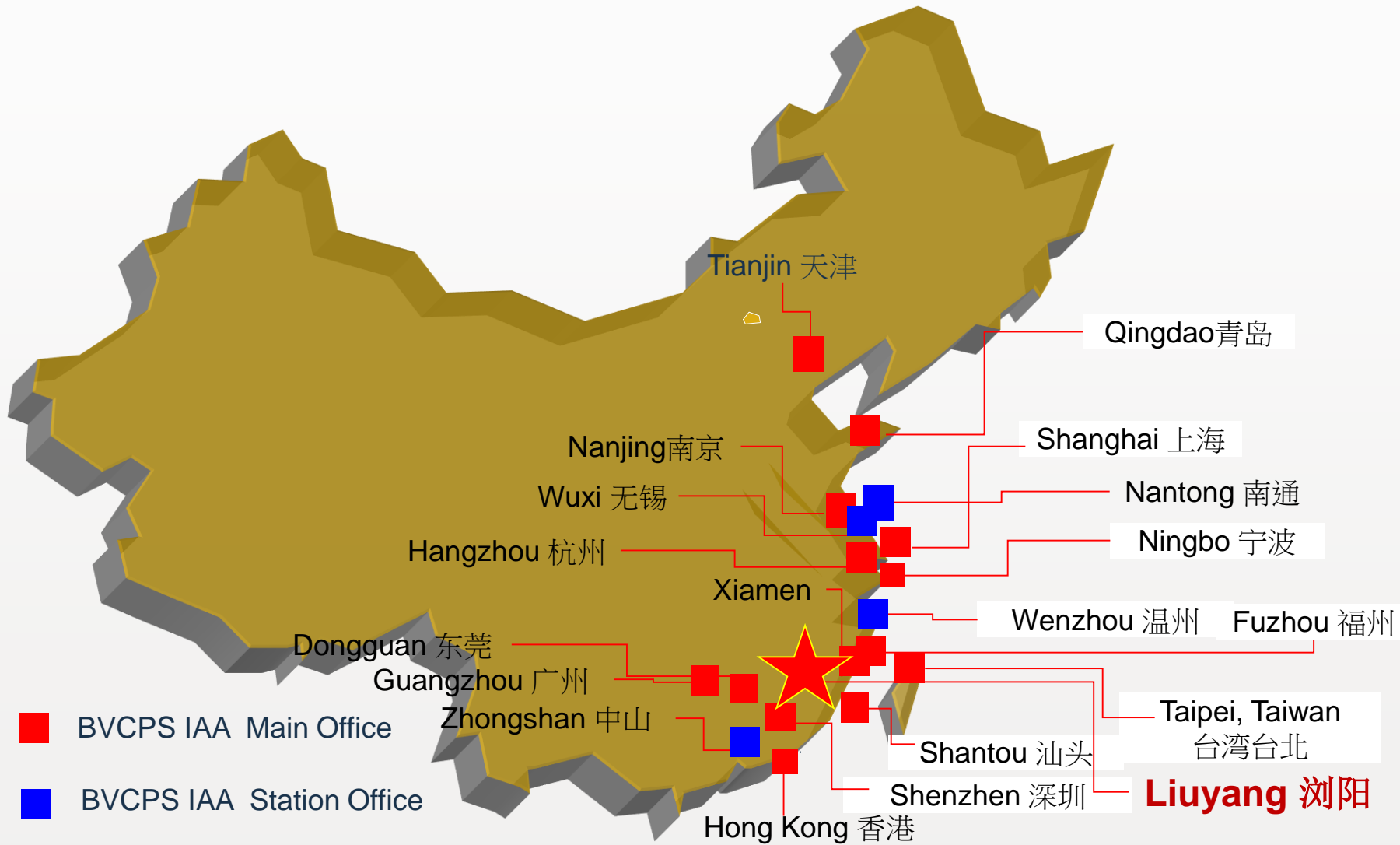
Global leader in conformity assessment and certification services in QHSE

2014 Revenue: €4.17bn revenue

1,440 Laboratories and Offices in 140 Countries

66,500 skilled employees servicing 400,000 customers across wide range of end markets

BVCPS – Greater China Network



BV CPS Liuyang Office



**12F Baijian Building
Liuyang Avenue
Liuyang City
Hunan Province, China**

BV CPS Liuyang Office



BV CPS Liuyang Office



BV CPS Liuyang Office



Shipper\Factory Outreach



- ▶ Shippers and factories are encouraged to meet with the BVCPS team to discuss issues and concerns on a regular basis by having open meeting times at the Liuyang Office
- ▶ AFSL will be updated on feedback including any action items
- ▶ Initial meeting times are 3:00 PM – 5:00 PM every Tuesday and Thursday

Personnel



BUREAU
VERITAS



Management and Support Staff



- ▶ Operations Manager – Mike Sui
- ▶ Technical Supervisors – Cass Ruan, Timmy Hu
- ▶ Technical Trainer – Leo Liu
- ▶ Coordinators (Clerks) – 7

- ▶ 20 Testing Teams
 - Senior Certified Technicians – 5
 - Certified Technicians – 14
 - Technicians – 3
 - Assistant Technicians – 18
 - Former SGS – 3
 - BV Transfers – 8
 - Local Hires - 7

Central Test Sites



Central Site Milestones



- ▶ Ongoing discussions with CIQ and government officials to confirm sites
- ▶ Presentation of final plan to the board at the February Meeting
- ▶ Transition June 1, 2015

Chuck Rogers

*Americas Director, Technical Consulting & Supply
Chain Solutions*

AFSL Program Manager

Inspections, Audits and Assessments

Bureau Veritas Consumer Product Services

908 South Walton Blvd, Suite 40

Bentonville, AR

72712

Office: 479-845-7453

[Email:Chuck.Rogers@us.bureauveritas.com](mailto:Chuck.Rogers@us.bureauveritas.com)



Move Forward with Confidence



VI. Report on Consumer Fireworks Testing Program

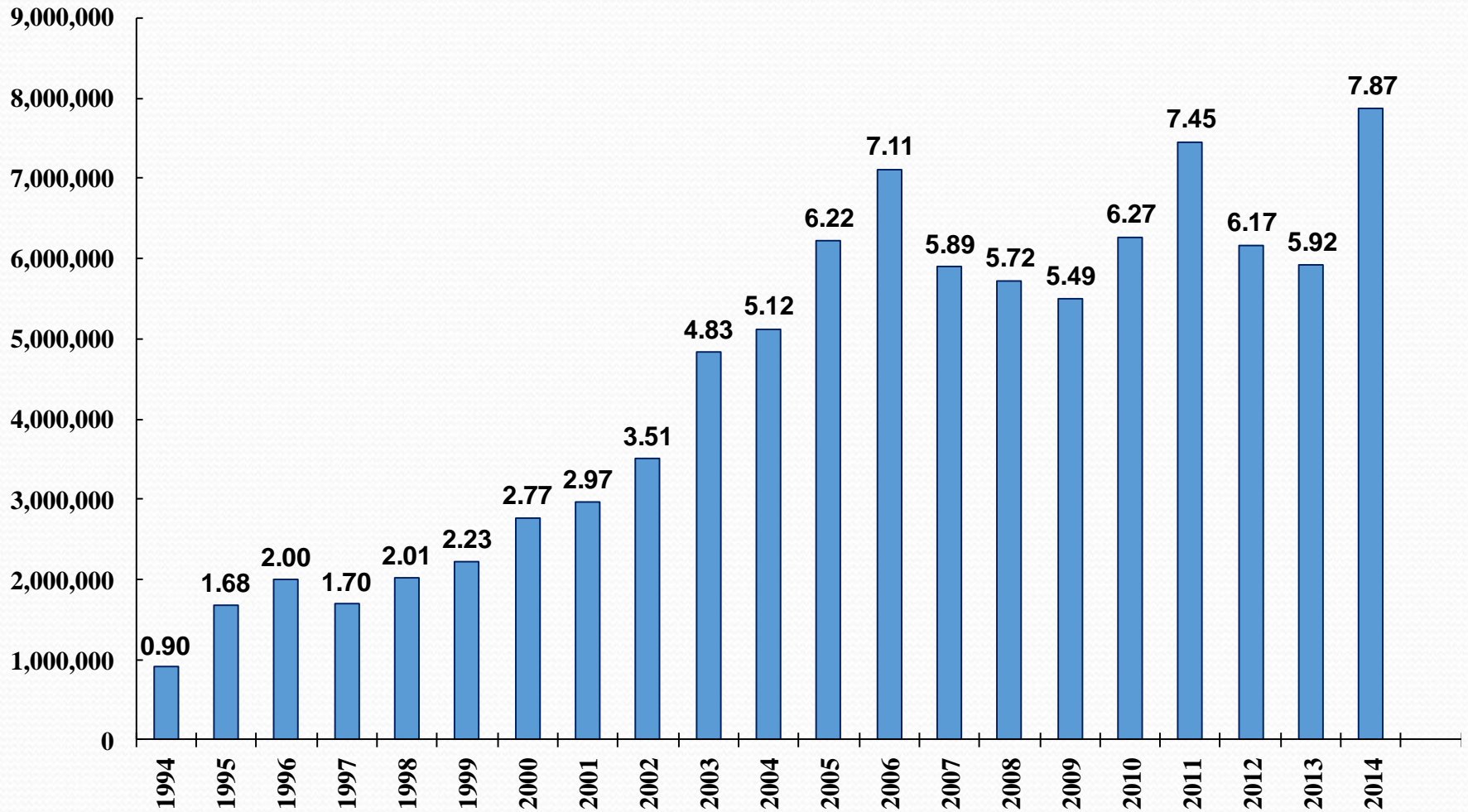
- John Rogers, Executive Director



A. Summary of Test Results.

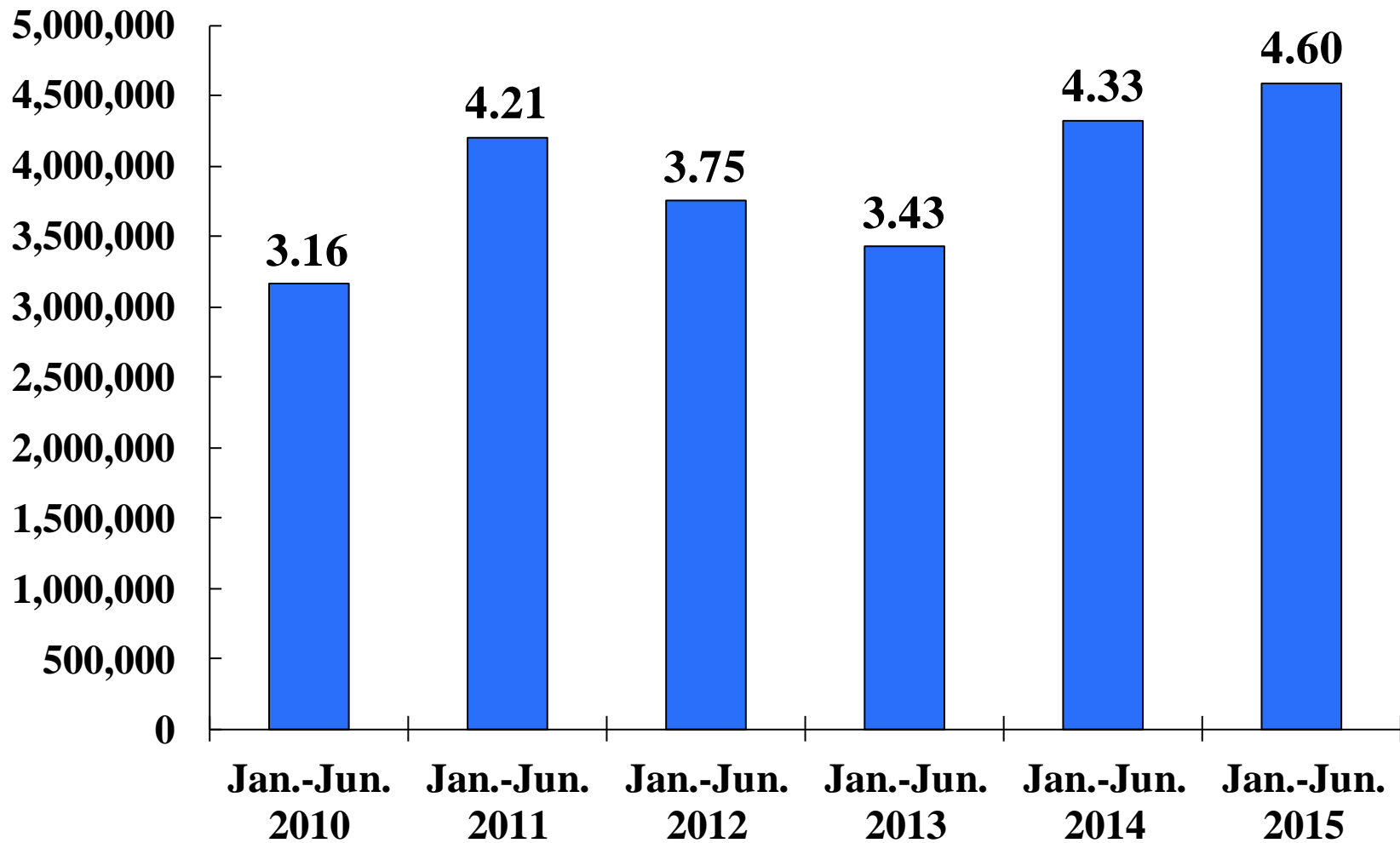
CASES TESTED BY YEAR 1994-2014

Quality Improvement Program



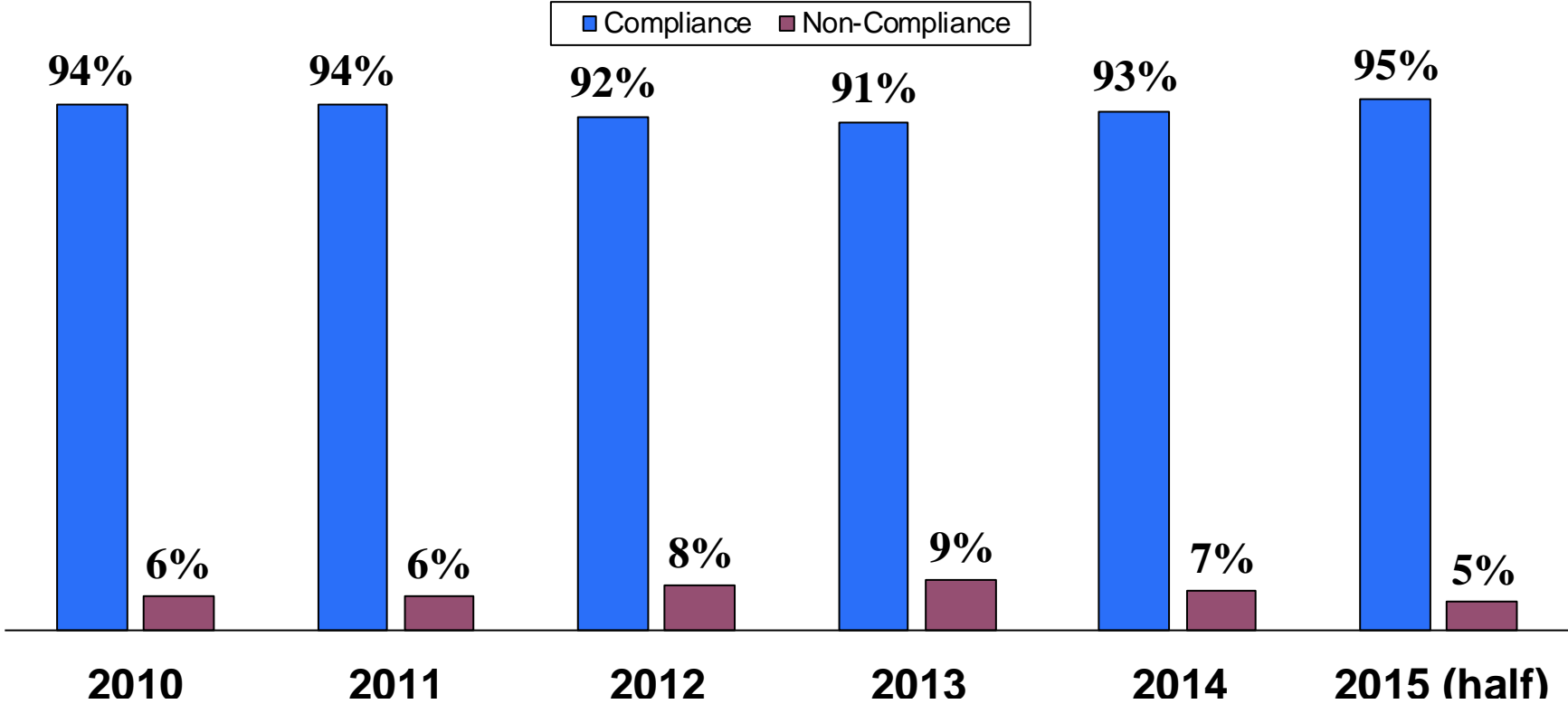
CASES TESTED BY YEAR

JANUARY – JUNE 2010-2015



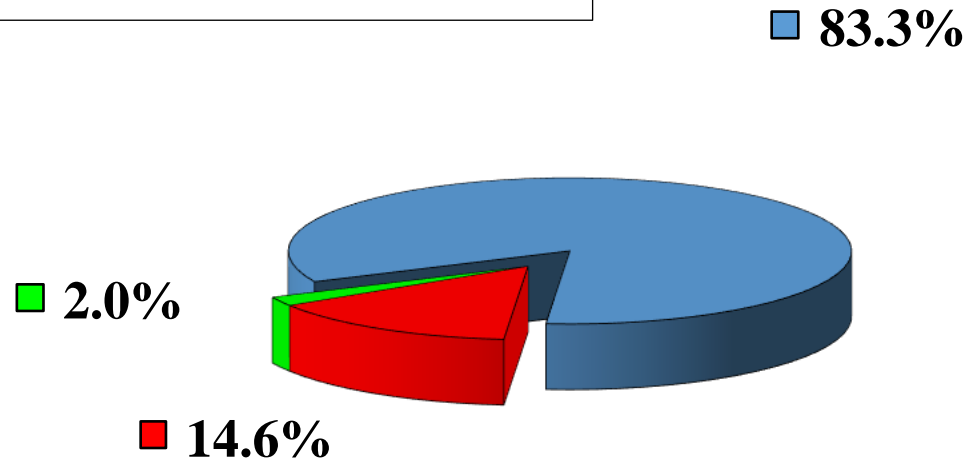
QIP COMPLIANCE PERCENTAGE BY YEAR

2010 - 2015



REGULAR, ASSORTMENT, AND COMPONENT JANUARY TO JUNE 2015

■ Regular ■ Assortment ■ Component



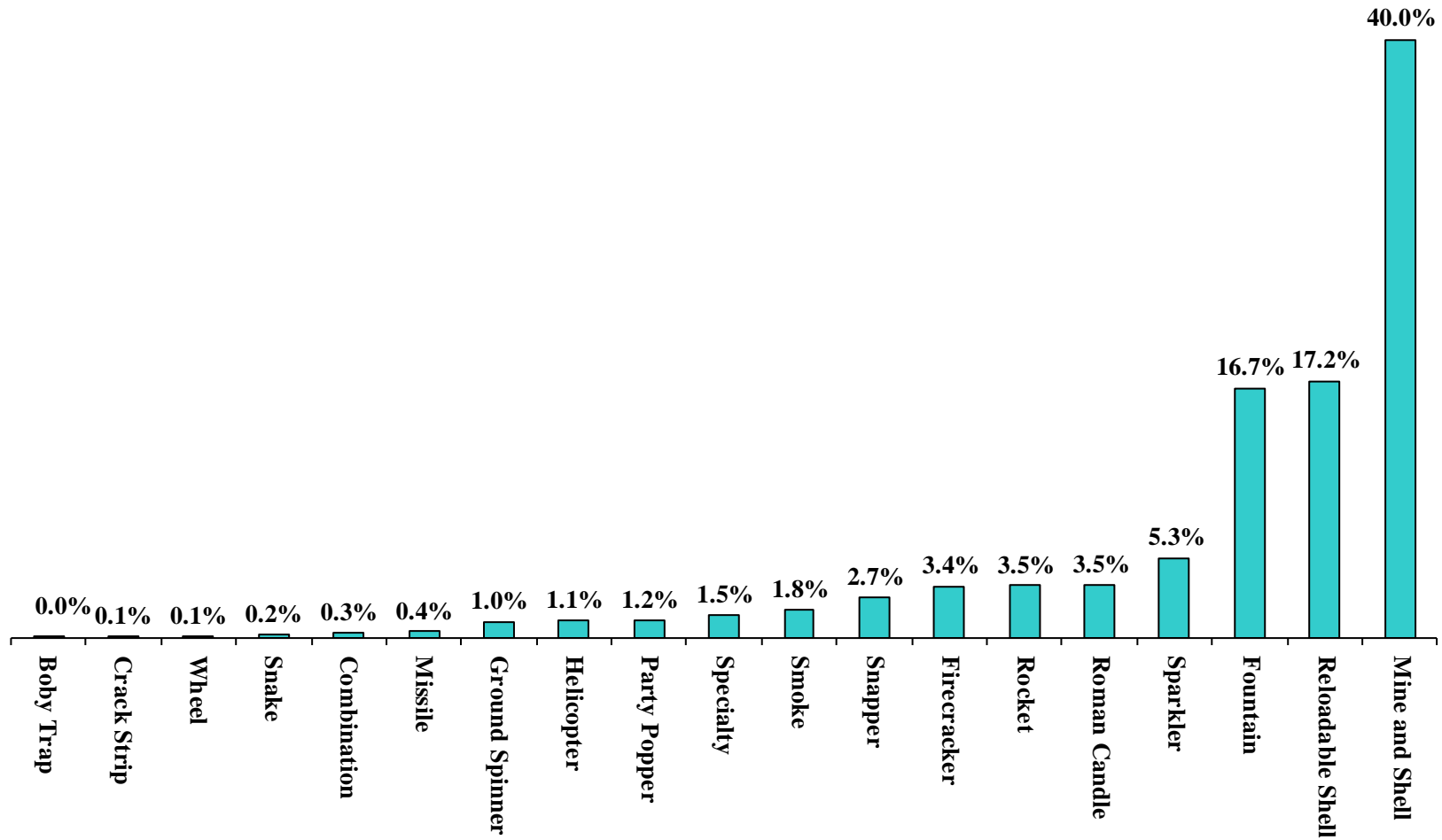
Cases tested for Regular Program: 3.82 million cases.

Cases tested for Assortment Program: 673,000 cases.

Cases tested for Component Program: 94,000

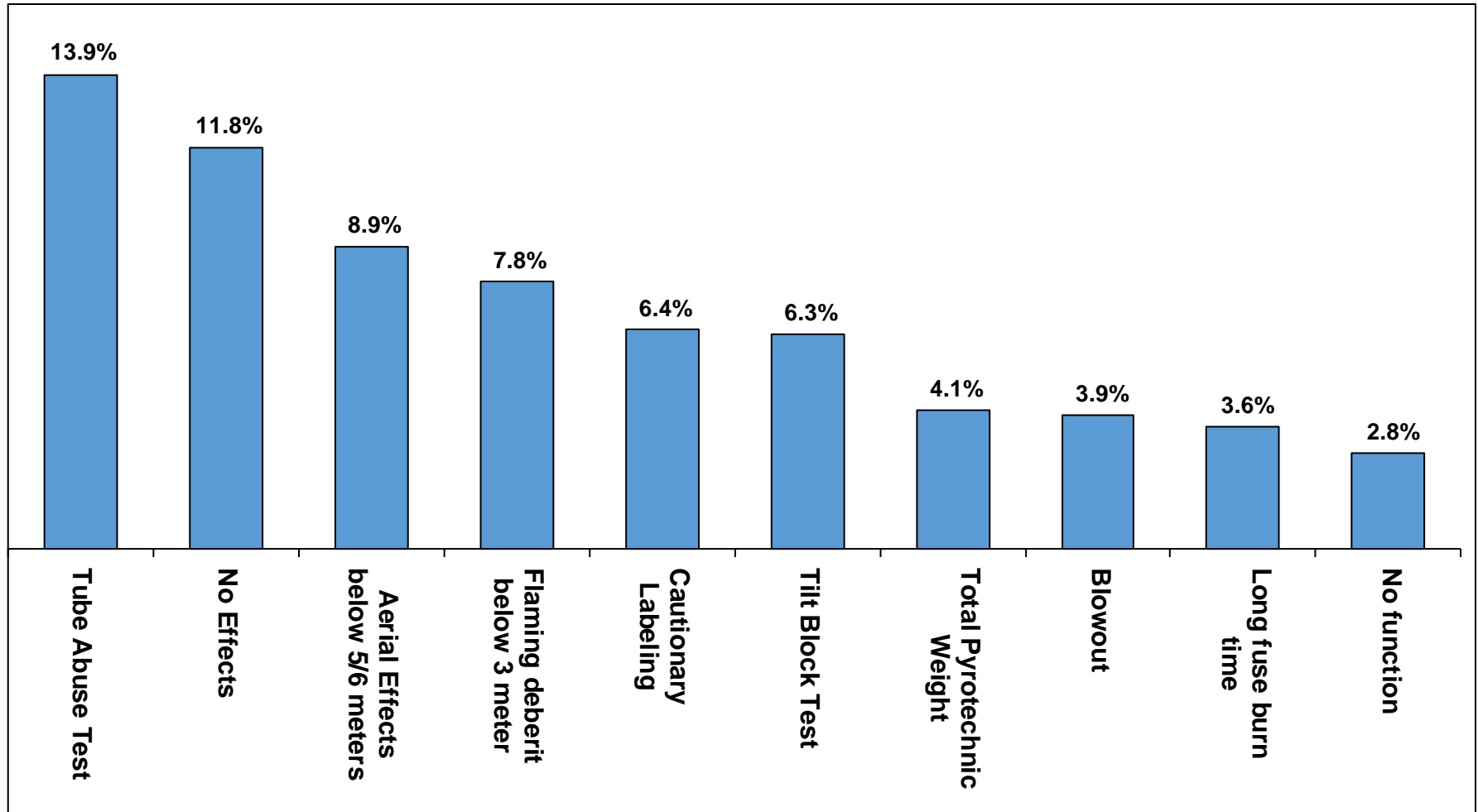
Total Cases: 4,595,359.

PERCENTAGE TESTING BY PRODUCT CATEGORY JANUARY TO JUNE 2015



TOP 10 VIOLATIONS JAN. TO JUN. 2015

Percentage of Total Violations





B. New Standards Approved by the Board.

- John D. Rogers

a. REQUIREMENTS FOR MULTIPLE TUBE MINE AND SHELL DEVICES TO ADDRESS RESIDUAL BURN

2-1.7 The finished item, including tubes and internal construction materials, must not continue to burn or re-ignite after functioning. See Appendix L for Test Procedure.

SPECIAL WARNING LABEL FOR MULTIPLE TUBE MINE/SHELL DEVICES FOR RESIDUAL BURN

4-2.10 Multiple-tube Mine and Shell Devices subject to this Standard must bear a warning label which reads: “May re-ignite. Soak with water after use.”

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

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



RESIDUAL BURN REQUIREMENTS FOR MULTIPLE TUBE MINE AND SHELL DEVICES

Test Procedure Effective Date: August 15, 2015

b. DEFINITION OF SPECIALTY ITEMS

*1-2.10 Specialty Item – A fireworks item that resembles in physical **shape and** form articles commonly recognized as appealing to ~~or intended for use by~~ children. This includes, but is not limited to, devices that resemble cartoon characters, toys, vehicles, boats, and animals and that are designed to produce limited visible audible, or motion effects”.*

Effective Date: Immediately.



















c. FUSE BURN TIME REQUIREMENT

Current Requirement:

2-1.9.2 The fuse burning time from ignition of the tip of the fuse to ignition of the device must be at least 3 seconds but not more than 9 seconds (12 seconds for Roman Candles).

37% of the failures obtained by CPSC when testing AFSL-certified samples are for fuse burn time.

CPSC FINDINGS ON SHORT FUSE BURN TIME

Lot I.D.	Violations failed by CPSC	CATEGORY	AFSL Test Result
13008547	Short FBT	Fountains	CO
13011805	Short FBT	Reloadable Shells	CO
13010902	Short FBT	Mine & Shells	CO
14003988	Short FBT	Rocket	CO
14002057	Short FBT	Reloadable Shells	CO
13L02970	Short FBT	Smoke	CO
13L02986	Short FBT	Smoke	CO

CPSC FINDINGS ON LONG FUSE BURN TIME

Lot I.D.	Violations failed by CPSC	CATEGORY	AFSL Test Result
14X01154	Long FBT	Mine & Shells	CO
14008784	Long FBT	Mine & Shells	CO
C1400131	Long FBT	Reloadable Shells	CO
14X00511	Long FBT	Mine & Shells	CO
14001166	Long FBT	Mine & Shells	CO

CPSC FINDINGS ON FUSE ATTACHMENT

Lot I.D.	Violations failed by CPSC	CATEGORY	AFSL Test Result
13007643	Fuse Attachment	Roman Candles	CO
13011217	Fuse Attachment	Mine & Shells	CO
14X02187	Fuse Attachment	Mine & Shells	CO
14000665	Fuse Attachment, Long FBT, Short FBT	Reloadable shells	CO
14000669	Fuse Attachment, Long FBT, Short FBT	Reloadable shells	CO
13010454	Fuse Attachment, Long FBT	Roman Candles	CO
13010455	Fuse Attachment, Long FBT	Roman Candles	CO
13010456	Fuse Attachment	Roman Candles	CO
14X00916	Fuse Attachment	Mine & Shells	CO
14003115	Fuse Attachment	Mine & Shells	CO

New requirement for fuse burn time in all AFSL Standards: “2-1.9.2 The fuse burning time from ignition of the tip of the fuse to ignition of the device must be at least **4 seconds** but not more than **8 seconds** (**11 seconds** for Roman Candles).”

Effective Date: February 1, 2016.

d. FREQUENCY OF TESTING FOR ARSENIC IN SNAKES

Under the current program:

- Each Snakes Factory is audited by AFSL once every two years. (US\$1,290.00/audit).
- Every Lot of Snakes is tested for chemical analysis. (US\$57.00/Lot).

From 2011 to 2015, AFSL tested 700 Lots of Snakes. No arsenic were detected in any Lot.

New program:

The frequency of testing for Lots of Snakes will be reduced from every Lot to *randomly selected Lots*. The frequency of factory audits be reduced from every two years to *every three years*.

- **Note: Factory audit cost decrease from US\$1,290 to US\$800.**
- **Effective Date: Immediately.**

e. REQUIREMENTS FOR NITROCELLULOSE FOUNTAINS

Current Requirements under the Category of Fountains:

1-2.7 Nitrocellulose Fountain – A fountain containing nitrocellulose (of less than 12.6% nitrogen by weight) as the primary chemical component. Metal sparks or color effects are typically produced. Devices may have a base, spike, or handle.

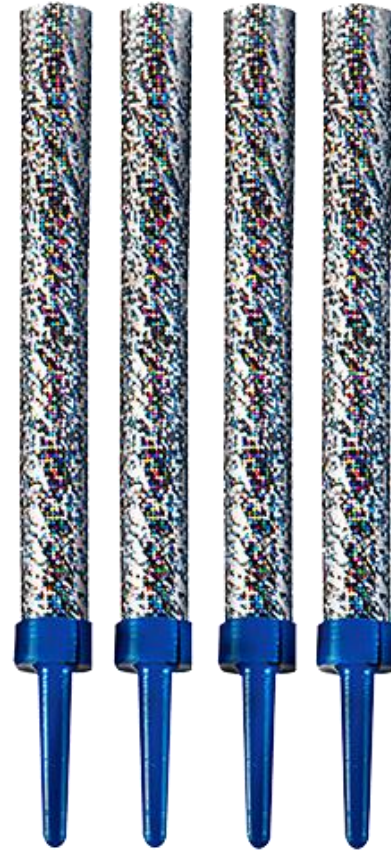
2-1.9.5 Nitrocellulose Fountains must not contain more than 15 grams (0.53 ounces) total pyrotechnic composition.

NOTE: Devices subject to this standard that contain 5 grams or less of total pyrotechnic composition are classified as “Specialty Items”.


2-3.4 Attached handles must have an exposed length of at least 10.2 centimeters (4 inches).

2-3.5 The distance from the bottom of the plug to the external blunt end of the spike must be at least 10.2 centimeters (4 inches) with at least 5.1 centimeters (2 inches) exposed.

NOTE: Nitrocellulose Fountains containing 5 grams or less of pyrotechnic composition are exempt from this requirements of section 2-3.4 and 2-3.5 above.







The Board decided to suspend the testing for Nitrocellulose Fountains pending clarifications of applicable requirements from CPSC and DOT.

Effective Date: Immediately.

f. REQUIREMENT FOR COVERED FUSES

- In 2012, AFSL approved the requirement that all fireworks devices must have covered fuses that resist ignition from open flames, hot surfaces and incendiary sparks when tested in accordance with test procedures found in PYR 1129 – 2013 edition. The effective date was August 1, 2015.
- NFPA removed Chapter 6 and 7 in their Standard 1124, which also eliminated the requirement for covered fuses.
- AFSL Board decided to defer the implementation of the covered fuses requirement pending resolution of the issue.

g. Charging Factories for Failed Lots

Which Factories will be Charged?

- Factories that have a compliance rate lower than 93% from June 2014 to May 2015.

How Much will be Charged?

- US\$0.30 per case for Regular and Assortment cases.
- US\$0.20 per case for Component cases.

What are the Penalties for Failure to Pay the Failed Lot Fees?

- Failed Lot fees are due within 15 days from the date of notice.
- Fees for failed Lots will be considered delinquent if not paid within 30 days from the date of the notice.
- Factories that fail to pay the failed Lot fees will have all future requests for testing delayed until payments are received.

Update on Failed Lot Charge

- Implementation Date: July 1, 2015.
- 142 of 497 factories were subject to the failed Lots charge for the third quarter of 2015.



BREAK



C. Summary of Audits Conducted at Importer Warehouse

- Jerry Wingard, Project Manager

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

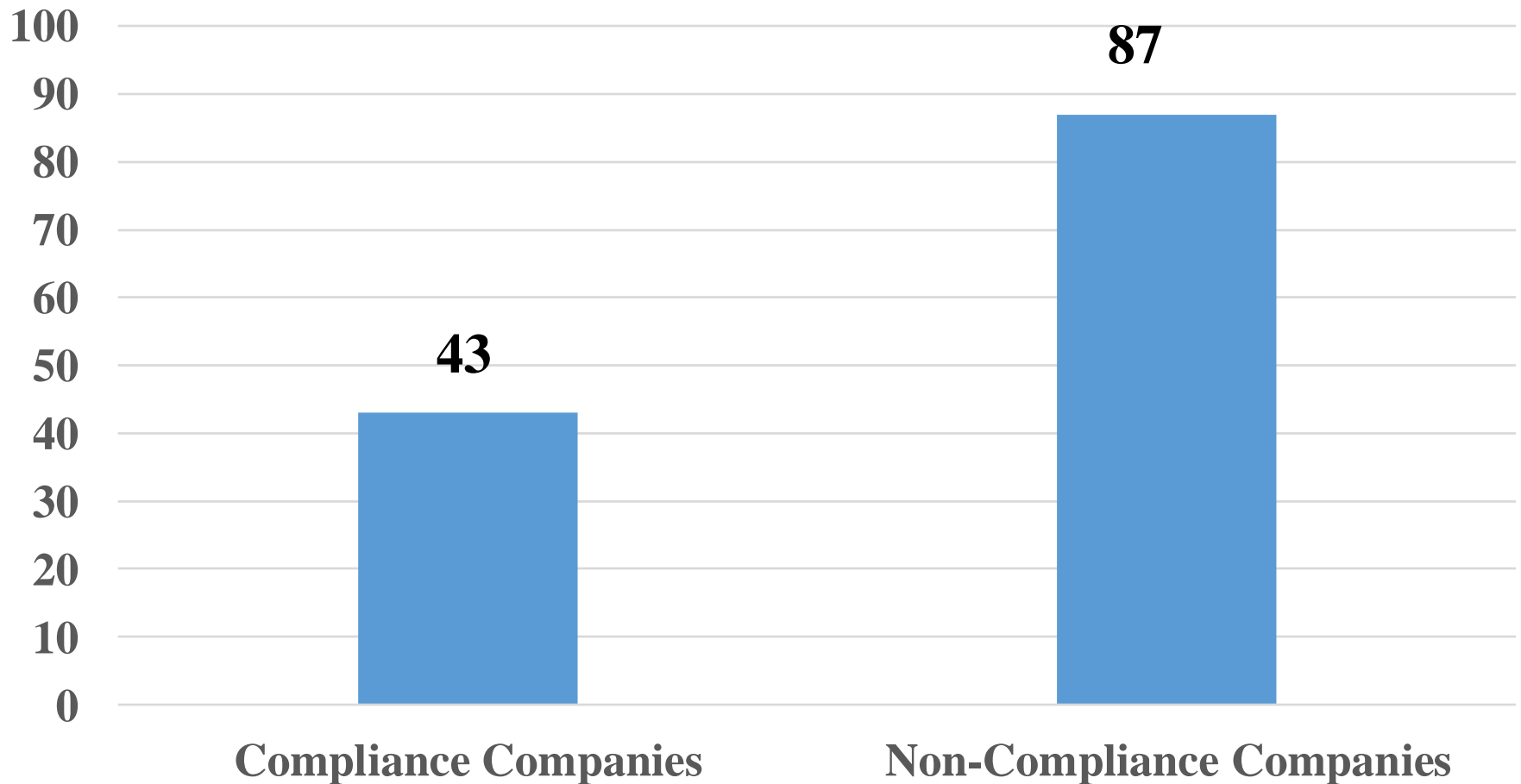
- 
- B. Assist Importers in Correcting Deficiencies in Program
 - Familiarity with Requirements of Program
 - How to Address untested Lots
 - Assuring Compliance with CPSC Certification Requirements.

- 
- C. Enhance the Integrity of the AFSL Program
 - Demonstrate that Program is Adequately Monitored
 - Improve the Credibility of the Program for Regulatory Authorities (DOT and CPSC)

- 
- Phase I - The Domestic Audit Program was initiated in October 2012 with audits of Board of Directors' companies.
 - Phase II – The general members' audits were initiated in February 2013.
 - Phase III – Re-audits were initiated in March 2015.

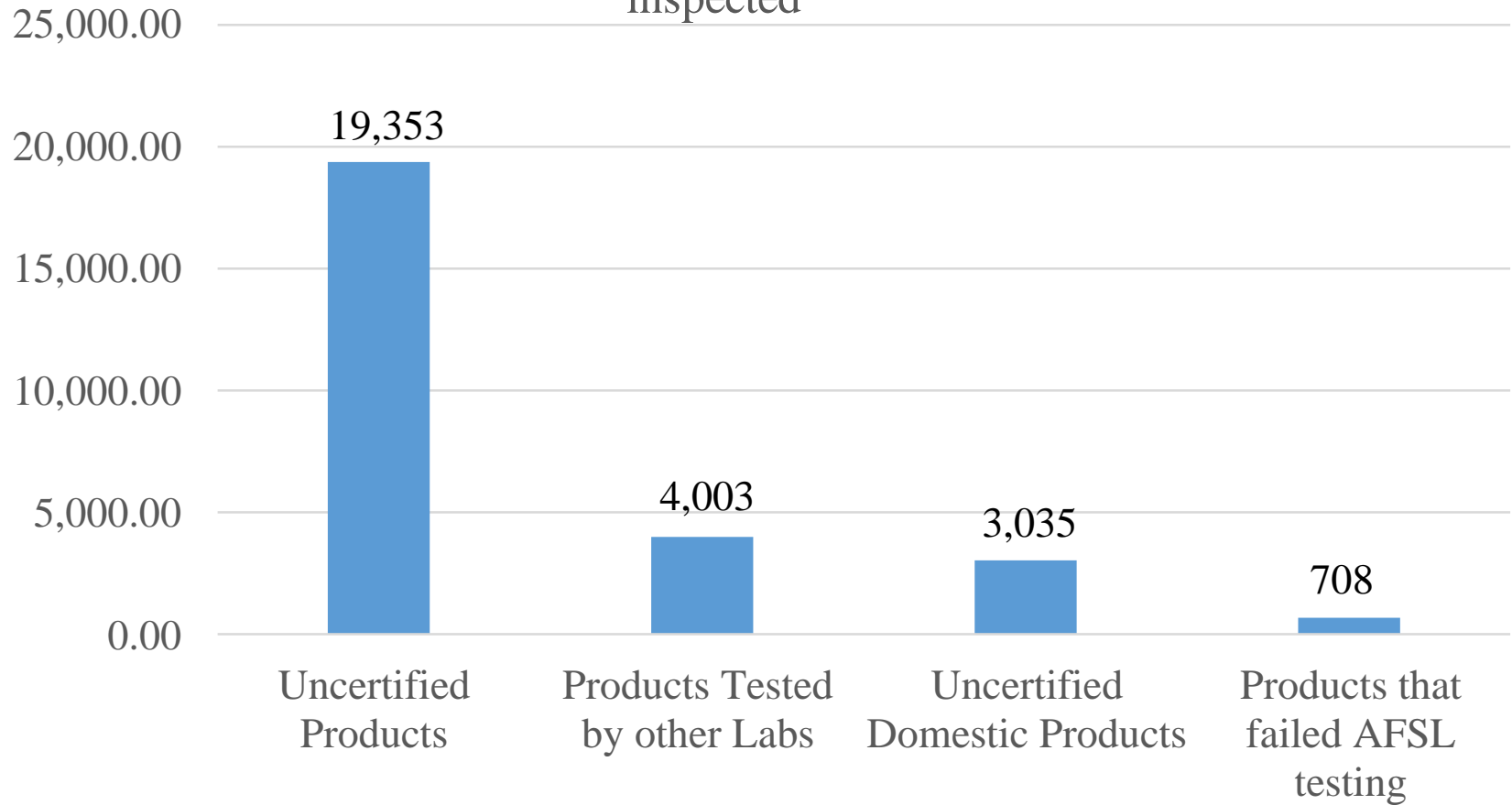
SUMMARY OF AUDITS FROM PHASE I AND PHASE II

130 companies have been audited. The chart below shows the audit results:

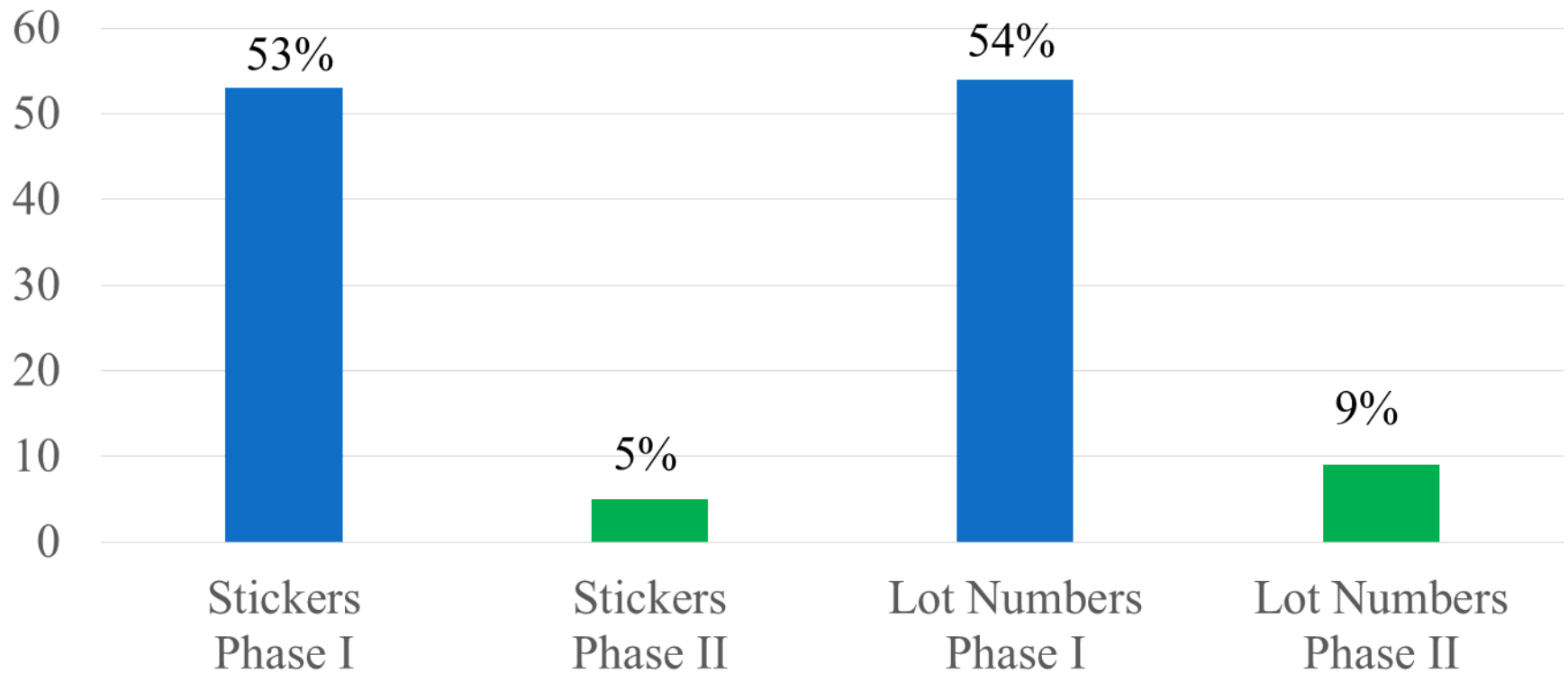


Problems/Issues Found in Phase II Audits

During Phase II of the Audits 1,306,276 cartons were inspected



AFSL CERTIFICATION PROCESS FINDINGS PHASE I AND II



Finishing Phase II

- The Board has suspended 8 companies for not responding or agreeing to permit audits. 2 were re-admitted after agreeing to the audits.
- There are 8 additional companies that have not responded to requests for audits.
- If you have received phone calls and messages from AFSL please contact Jerry Wingard at 803-331-3551 as soon as possible.

Domestic Audit Phase III

- Phase III began in March 2015 with follow-up audits of companies that scored 75% or less on their initial audits in Phase I and II. Companies that scored 100% will not be audited during Phase III.

Domestic Audits Phase III

- As of today 16 companies have been re-audited.
- The results of these audits:
 - 8 Companies had improved their scores.
 - 5 Companies' scores had remained the same and still have violations.
 - 2 Companies' scores dropped below their last audit.
 - 1 Company refused to allow audit.



VII. Report on Display Fireworks Testing Program

- John D. Rogers

PARTICIPATING DISPLAY FIREWORKS IMPORTERS

More than 50% of U.S. Market

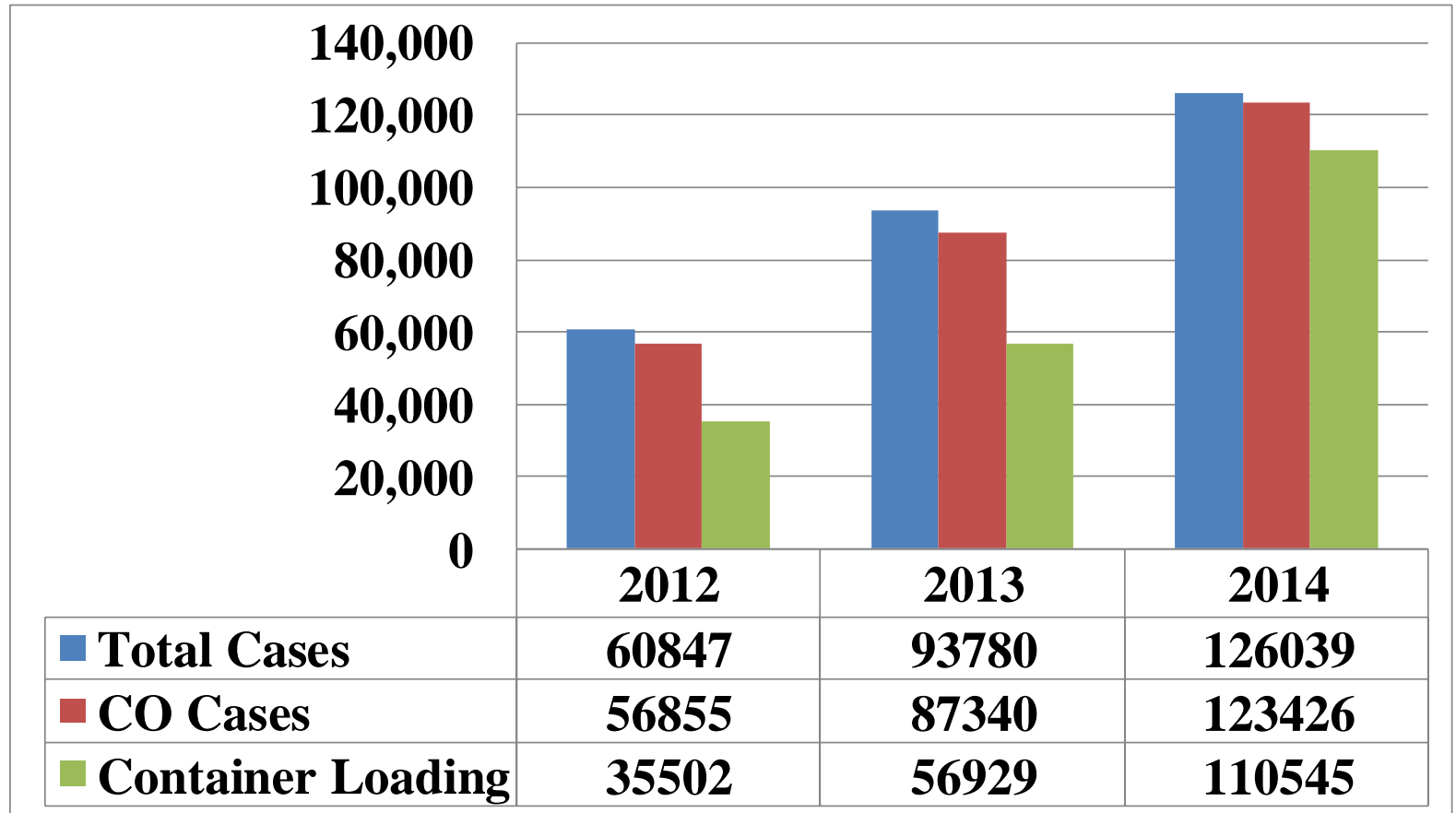
- 1 Alonzo Fireworks Display, Inc. Mechanicville, NY
- 2 Ammo Hut Productions, Inc., Claremore, OK
- 3 Arthur Rozzi Pyrotechnics, Inc., Maineville, OH
- 4 Atlas PyroVision Entertainment Group, Inc., Jaffrey, NH
- 5 Central States Fireworks, Inc., Athens, IL
- 6 Fireworks by Grucci, Brookhaven, NY
- 7 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

PARTICIPATING DISPLAY FIREWORKS SHIPPERS

- 1 An Ping County Fireworks General Factory
- 2 Babytiger Fireworks Import & Export Ltd., Co.
- 3 Cenxi Wahyee Advanced Fireworks Factory
- 4 Dancing Fireworks Group
- 5 Far East San Luen Fat Trading Company
- 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 NanChang Xiangtian Imp. & Exp. Co., Ltd.
- 24 United Pyrotechnics (USA) Inc.
- 25 Yung-Feng Firecrackers & Fireworks Co., Ltd.

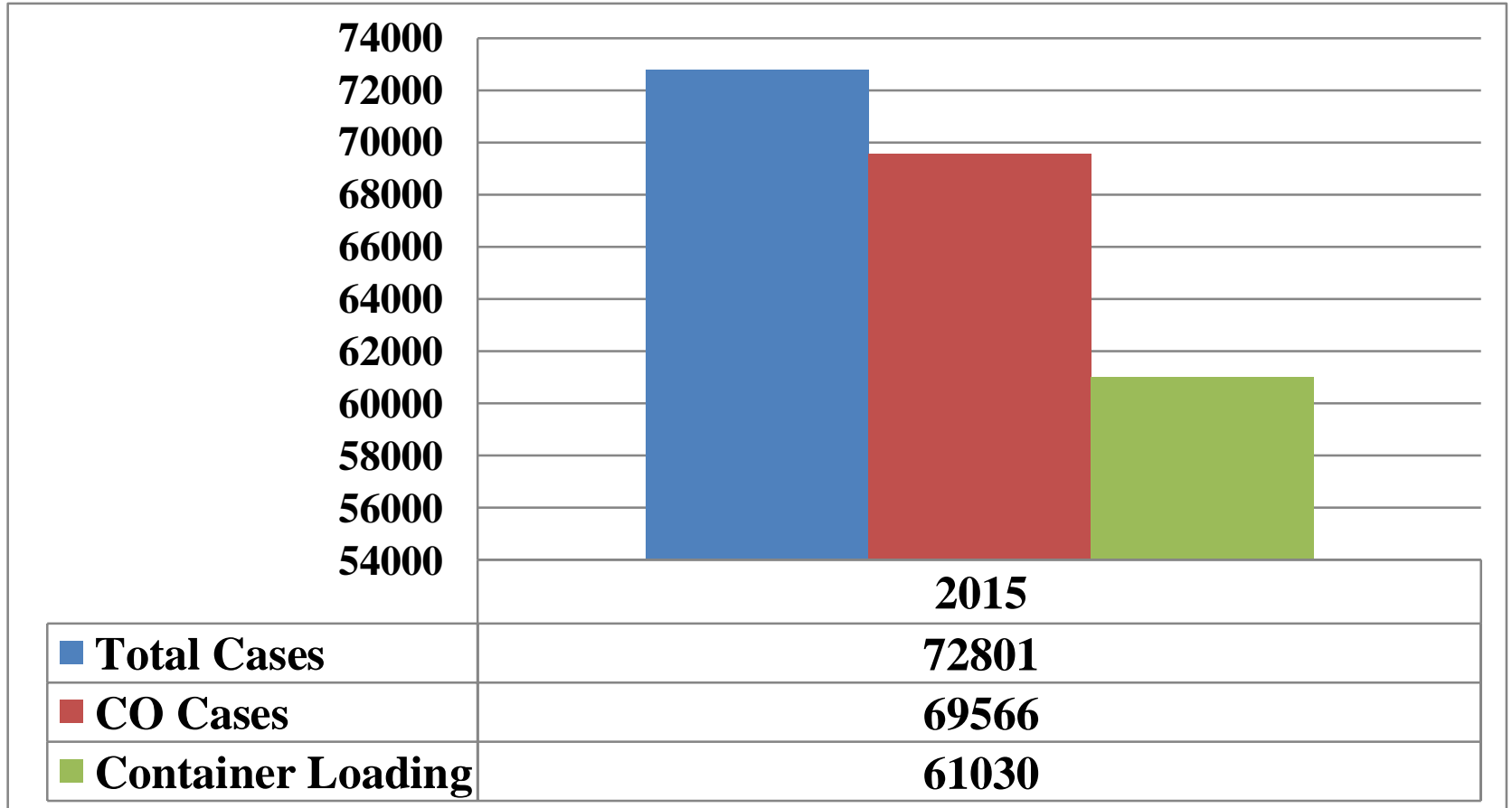
DISPLAY FIREWORKS TEST SUMMARY

2012, 2013 AND 2014

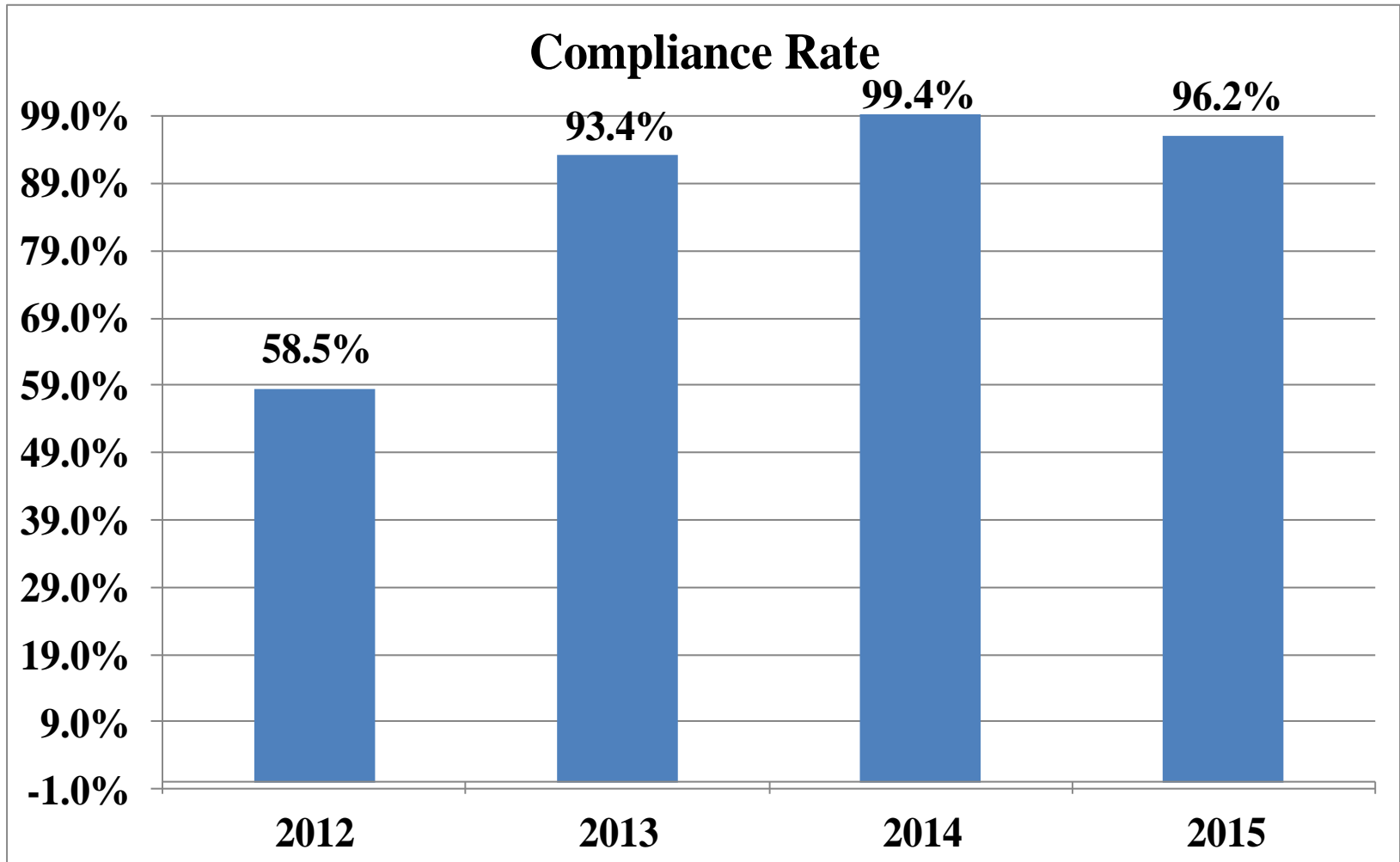


DISPLAY FIREWORKS TEST SUMMARY

JANUARY – AUGUST 2015



DISPLAY FIREWORKS COMPLIANCE RATE JANUARY – JUNE 2012, 2013, 2014 AND 2015





VIII. Election Results



IX. Closing Remarks



X. Questions & Answers

www.afsl.org

THANK YOU!

