AFSL General Membership Meeting

San Diego, CA October 4, 2017



AGENDA FOR MEETING

- I. Report from the Board of Directors
 - Michael Ingram, President
- II. Election of Directors John Rogers
- III. Financial Report Tad Trout, Treasurer
- IV. Update on CPSC Proposed Rulemaking Quin D. Dodd

BREAK

- V. Report on Consumer Fireworks Testing Program
- VI. Modifications to AFSL Standards
- VII. Election Results
- VIII. Questions/Answers

I. Report from the Board of Directors

- Michael Ingram, President

II. Election of Directors

- John D. Rogers, Executive Director

Election Candidates

a. Consumer Importer/Distributor/Retailer Category:Glenn Davis – Ches-Lee Enterprises

Tad Trout – American Promotional Events, Inc. – West

Alan Zoldan – Phantom Importing & Distributing, LLC

b. Consumer Shipper Category:

Lee Wan Shogun Dynatochnica

Joe Wan – Shogun Pyrotechnics

c. Display Company Category:

Michael Cartolano – Melrose Pyrotechnics, Inc.

III. Financial Report

- Tad Trout, Treasurer

IV. Update on CPSC Proposed Rulemaking

- Quin D. DoddJohn D. RogersChuck Rogers

Status of CPSC

- Acting Chairman Ann Marie Buerkle reported out (narrowly approved—14 to 13) by the US Senate Commerce Committee today (October 4); If confirmed by full Senate, her term as Chairman will expire in October 2025...confirmation likely
- Term of Commissioner Marietta Robinson (D) up this month; President just nominated Dana Baiocco (R) to replace her...unclear when an R majority will occur
- Either way, prospects are good for final rule approval on Notice of Proposed Rulemaking (NPR)

Background to Notice of CPSC Proposed Rulemaking (NPR)

- AFSL/APA advocating for more even regulatory playing field for many years
- AFSL Standards and APA/DOT 87-1 limits break charges in aerial devices to "black powder or equivalent"
- 2016 Commissioner Mohorovic promotes Statement of Policy to interpret "intended to produce audible effect" as meaning powder in break charges submitted for public comment but deferred in favor of broader regulatory approach
- February 2017 NPR issued for public comment
- Final Rule could come in Q1 of 2018 -- Effective date unknown (AFSL/APA have advocated for six-months)

1. Metal Composition in Break Charges.

• CPSC proposal (new 16 CFR § 1500.17(a)(3)(i), declares as a "banned hazardous substance":

"Fireworks devices that contain a burst charge containing metallic powder less than 100 mesh in particle size . . . If the burst charge is produced by a charge of more than 2 grains (~130 mg) of pyrotechnic composition."

1. NPR: Metal Composition in Break Charges.

- -Drops all reference to "intended to produce audible effect"
- -1 percent proposed "contamination" allowance of fine mesh metals (less than 100 mesh/149 microns) IF break charge exceeds 2 grains (130 mg) CPSC WILL exercise "enforcement discretion" to not fail aerials
- (AFSL/APA advocating for two percent REGULATORY allowance).
- Other "prohibited chemicals" will still apply
- CPSC will use x-ray fluorescence (XRF) to screen and may use ICP (wet chemistry) for final product evaluation (where XRF results are close)

- This language is consistent with the APA/DOT 87-1 and AFSL burst/break charge provisions (including pending new 87-1a
- This composition standard would replace CPSC's current test for determining if a device is intended to produce an audible effect ("Ear Test").

- 2. New CPSC standards would also adopt other, current APA/AFSL limitations for aerial devices (§3.1.2.5 and 3.1.2.6):
 - No fine mesh metals in lift charges

- •Mine and shell: 60 g total per tube composition limit; 20 g lift charge limit; 200 g total limit for multiple tube devices.
- •Reloadable tube: 60 g limit per shell; 20 g lift charge limit; break charge may not exceed 25% of total composition; 400 g total composition limit per kit.

Other Provisions of CPSC NPR:

- Adoption of 87-1 (same as or similar to AFSL) composition limits on various fountain devices, torches, wheels, and chasers.
- Clarifies that firecrackers are subject to 50 mg limit, regardless of "whether intended to produce audible effects.
- Revises and expands CPSC "prohibited chemicals" list to specifically limit to no more than 0.25% (to allow for contamination).
- Adds HCB (0.01%) and lead (tetroxide and other lead compounds greater than 0.25%) to CPSC prohibited chemicals list.

Other Provisions of CPSC NPR, cont.:

- Formally adopts the CPSC side ignition test (similar to APA/AFSL) as a mandatory standard.
- Adds to CPSC base dimension requirements by requiring that bases remain attached during handling, storage and operation (similar to APA/AFSL).
- Adopts APA/AFSL general prohibition on "burnout" and "blowout" of fireworks.
- Adopts APA/AFSL prohibition of projection of "metal, glass or brittle plastic fragments".

Other Provisions of CPSC NPR, cont.

- •Clarifies that "aerial bombs" are banned ("a tube device that fires an explosive charge into the air without added visual effect".
- •Adopts other APA definitions of: explosive; pyrotechnic composition; firecracker; burnout; blowout; and base.

All Other CPSC Requirements.

• All other provisions of the CPSC regulations will remain in effect and unchanged, including: Fuse Burn Time; Pyrotechnic Leakage; Tilt Block Requirements; Base/Height Ratio, etc.

Myths and Facts

Myth: Large percentage of aerials currently on market will fail one or two percent metal powder limit

Fact: AFSL (BV) tested over 1,700 current AFSL products and found pass rate of 80 – 90 percent at 2% limit; slightly lower at 1%

Myth: Contamination from effects (stars) causes high metal levels in break charge

Fact: This is contrary to experience of both AFSL and CPSC lab staff

Myths and Facts

Myth: XRF yields incorrect results, including false positives

Fact: Both AFSL (BV) and CPSC lab have coorelated XRF to

ICP (wet chem) and found consistent results at low (1/2%)

measurement level

Myth: There is no correlation between break charge energy and consumer risk

Fact: High levels of metal powder greatly increases explosive strength (3% increase for every 1% increase in metal powder) and puts consumers at significant risk in event of a malfunction or misuse and NO fireworks standard has been or can be proven to reduce risk by x

AFSL/APA Comments

- AFSL/APA strongly support the provision prohibiting fine mesh metal powders in aerial break charges.
 - It will enhance the safety of aerial devices by reducing the risk of catastrophic injuries from malfunctions and misuse;
 - The proposal would eliminate the "ear test" and minimize the risk of products failing in the US that have been certified by AFSL;
 - The proposal will make the CPSC requirements consistent with existing DOT requirements.

AFSL/APA Comments, cont.

- AFSL/APA strongly support adoption by the CPSC of existing composition limits and ratios contained in the 87-1/DOT requirements.
 - Such limits are necessary and reasonable to help enhance the safety and enjoyment of these consumer fireworks;
 - They would impose a minimal compliance burden since they are already mandated by the Department of Transportation and are currently tested and certified to by the large majority of U.S. fireworks importers.

AFSL/APA Comments, cont.

• A copy of the complete AFSL/APA Comments is available on the AFSL website: www.afsl.org.

• The Comments are also available at the following: http://afsl.org/newsletters.

Proposed Test for Fine Mesh Metal Powder Using XRF Scanner

• Equipment: Niton XL3t XRF Analyzer

Summary of AFSL Testing

Chuck Rogers

AFSL Program Manager

Bureau Veritas Consumer Product Services









XRF Screening Test for Fine Mesh Metal Power Video

Summary of AFSL XRF Scanner Tests

- 1000 in 2016, 600 in 2017.
- From both Reloadable Tube Aerial Shell Devices and Mine and Shell Devices.
- Samples were selected from normal AFSL testing lots.
- Break charges were removed from products without identifying the product name.
- Samples were numbered, secured and sent to BV office for analysis.

Summary of AFSL XRF Scanner Tests

• Test was conducted under the supervision of BV chemical expert and representative from the scanner manufacturer.

• The scanner model is identical to the one which CPSC is using.

• Test procedure followed were identical to those recommended by CPSC.

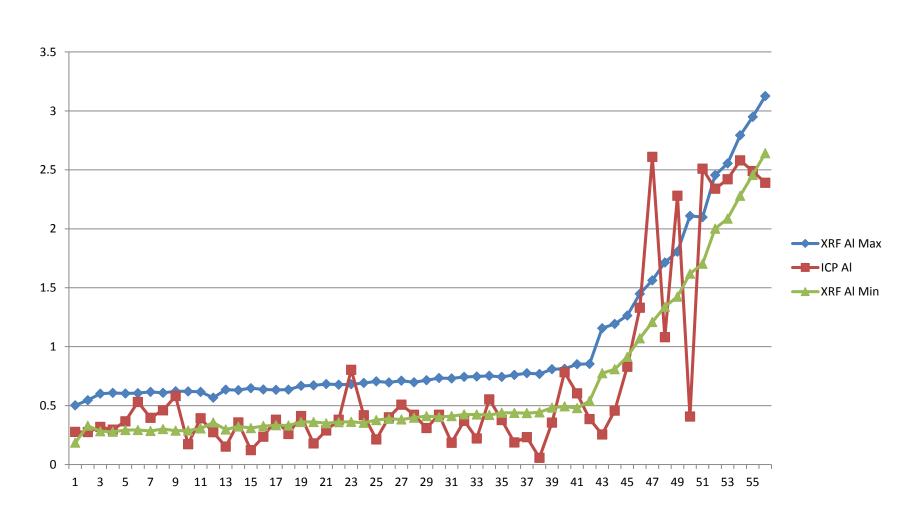
MSDV				
	Number of	% of Samples	Number of	% of Samples
% of Specified	Samples (Al)		Samples (Mg)	
Metal				
<lod< td=""><td>203</td><td>34.00%</td><td>560</td><td>93.80%</td></lod<>	203	34.00%	560	93.80%
0-1%	186	31.16%	0	0.00%
1-2%	58	9.72%	13	2.18%
2-3%	74	12.40%	21	3.52%
3-4%	47	7.87%	3	0.50%
4-5%	17	2.85%	0	0.00%
5-10%	12	2.01%	0	0.00%
Total	597	100.00%	597	100.00%

RTAS				
	Number of	% of Samples	Number of	% of Samples
% of Specified Metal	Samples (AI)		Samples (Mg)	
<lod< td=""><td>250</td><td>49.02%</td><td>470</td><td>92.16%</td></lod<>	250	49.02%	470	92.16%
0-1%	166	32.55%	0	0.00%
1-2%	26	5.10%	7	1.37%
2-3%	28	5.49%	26	5.10%
3-4%	15	2.94%	6	1.18%
4-5%	10	1.96%	1	0.20%
5-10%	15	2.94%	0	0.00%
Total	510	100.00%	510	100.00%

MSDV				
	Number of	% of Samples	Number of	% of Samples
	Samples (AI)		Samples (Mg)	
% of Metal				
<lod< td=""><td>227</td><td>72.07%</td><td>313</td><td>99.37%</td></lod<>	227	72.07%	313	99.37%
0-0.5%	55	17.46%	0	0.00%
0.5-1%	9	2.86%	0	0.00%
1-1.5%	3	0.95%	2	0.63%
1.5-2%	2	0.63%	0	0.00%
2-3%	0	0.00%	0	0.00%
3-10%	10	3.17%	0	0.00%
>10%	9	2.86%		

RTAS				
	Number of	% of Samples	Number of	% of Samples
	Samples (Al)		Samples (Mg)	
% of Metal				
<lod< td=""><td>138</td><td>45.85%</td><td>299</td><td>99.34%</td></lod<>	138	45.85%	299	99.34%
0-0.5%	82	27.24%	0	0.00%
0.5-1%	16	5.32%	0	0.00%
1-1.5%	1	0.33%	0	0.00%
1.5-2%	2	0.66%	1	0.33%
2-3%	6	1.99%	0	0.00%
3-10%	51	16.94%	1	0.33%
>10%	5	1.67%	0	0.00%

Summary of AFSL ICP Test Results



Test Results for Four Companies

- FOA, TNT, Phantom, and Winco contracted with BV to conduct XRF Scanning on selected aerial devices.
- Purpose: To determine level of compliance with the proposed Metal Powder Limit.
- Costs were paid by individual companies, not AFSL.
- Results are as follows:

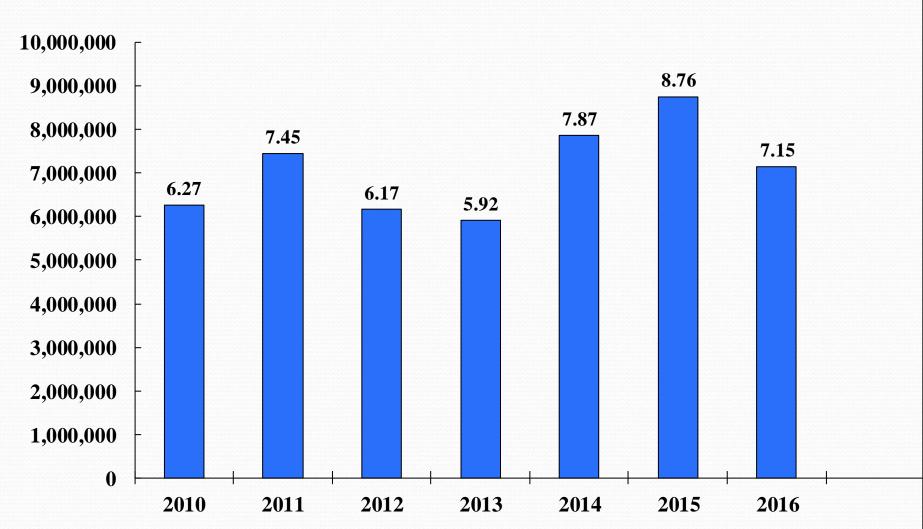
Results for Individual Companies

	Number of	% of Samples	Number of	% of Samples
	Samples (AI)		Samples (Mg)	
% of Metal				
<lod< td=""><td>27</td><td>34.2%</td><td>76</td><td>96.2%</td></lod<>	27	34.2%	76	96.2%
0-1%	44	55.7%	0	0.00%
1-2%	3	3.8%	0	0.00%
>2%	5	6.3%	3	3.8%

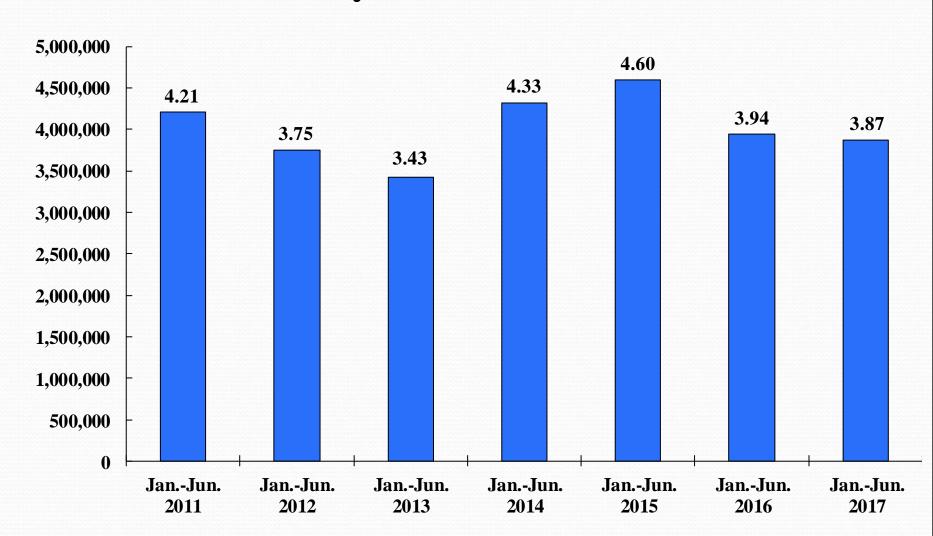
BREAK

V. Report on Consumer Fireworks Testing ProgramA. Summary of AFSL Test Results- John D. Rogers, Executive Director

CASES TESTED BY YEAR 2010 -2016 Quality Improvement Program



CASES TESTED BY YEAR January – June 2011-2017

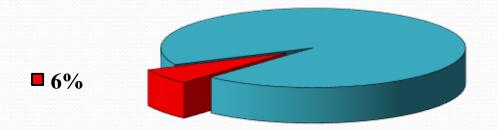


COMPLIANCE RATE HALF YEAR 2017 QUALITY IMPROVEMENT PROGRAM



■ Non-Compliance

94%

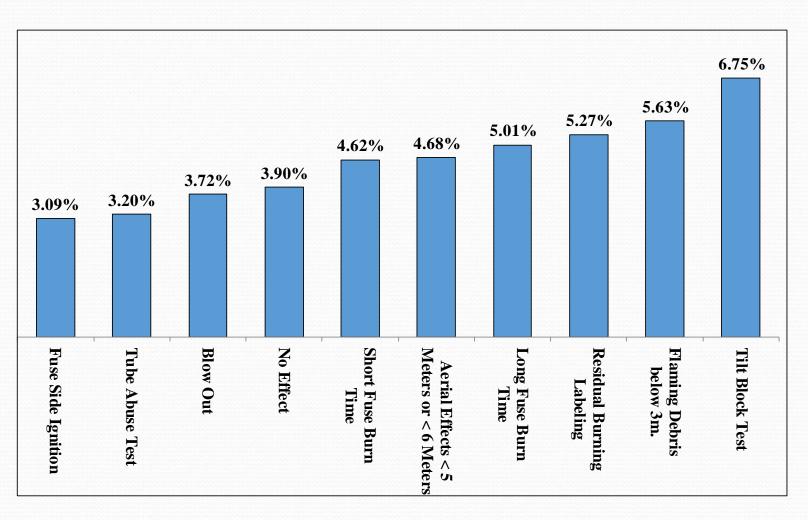


Complying Cases: 3.63 million cases (include 109,737 component cases).

Non-Complying Cases: 247,880.

Total Cases: 3.87 million cases (include 111,487 component cases).

TOP 10 VIOLATIONS HALF YEAR 2017 Percentage of Total Violations



B. Summary of CPSC Test Testing Data- Jason Ng, CPSC

C. Summary of Audits Conducted at Importer Warehouses

- Jerry Wingard, Project Manager

Domestic Audit Phase III

• Phase III started on March 12, 2015 with follow-up audits of companies that were not fully in compliance during Phase I and II. 91 companies are slated for re-audits.

Domestic Audits Phase III

- > 39 companies have been re-audited.
 - 11 Companies had corrected all of their previous violations and had no issues.
 - 14 Companies had issues with imported fireworks.
 - (6 of these also had issues with domestic fireworks).
 - 11 Companies had issues with domestic fireworks.
- > 2 Companies have been suspended.
- ➤ 1 Company did not provide all the information to complete the audit and is pending suspension.
- > 5 Did not respond to audit request and are pending suspension.
- > 2 Companies are no longer in business.

Corrective Actions for Companies with Continuing Violations.

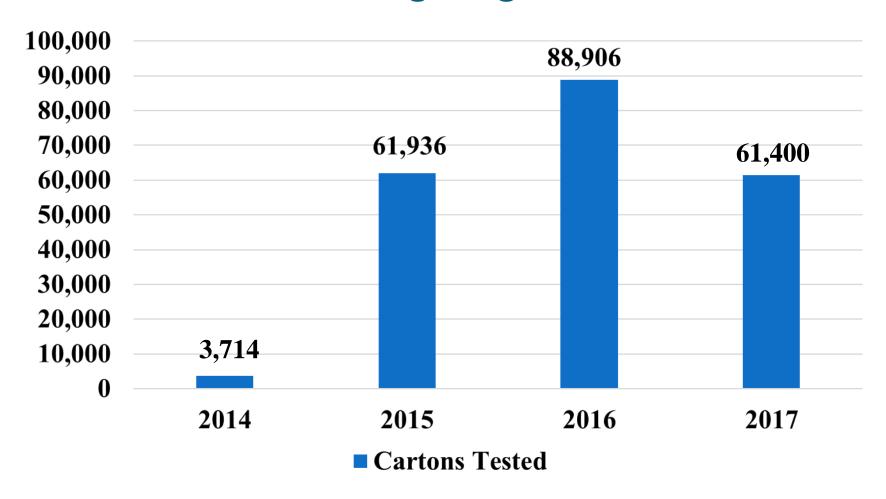
- Thirteen companies recommended for corrective action for issues with <u>imported or domestic fireworks</u>.
- Five companies recommended for corrective actions related to issues with <u>domestic products Only</u>.
- These letters are pending issuance.
- Fifteen companies have received Corrective Action Letters.
- Eleven have responded to these letters.
- Two have not responded.
- One company did not receive a letter because untested items found during Phase III were identified in phase II.
- One had mail issues.

Actions and Recommendation for Corrective Actions for Shippers with Continuing Violations.

During the audits issues found with Shippers have been addressed.

- One shipper has received a letter of suspension.
- Twenty-five shippers are being recommended for action.

Number of Cartons Tested thru the Domestic Testing Program



VI. Modifications to AFSL Standards

- John D. Rogers, Executive Director

Standard for Fuseless Firecrackers

"Section 1-1.4 This standard applies only to devices that have been approved and assigned a transportation classification of fireworks UN0337, 1.4S by the U.S. Department of Transportation."

"Section 2-1.6 The explosive composition for a single fuseless firecracker must not exceed 50 milligrams."

"Section 2-1.10 Individual fuseless firecrackers must not ignite when dropped onto concrete or equivalent non-yielding surface or asphalt from a height of two (2.0) feet."

Standard for Fuseless Firecrackers

"Section 2-1.13 The maximum number of fuseless firecrackers per individual retail sales package shall be 20 units, packed with an equal or greater volume of sawdust or similar impact-absorbing material."

"Section 2-1.14 No more than one (1) fuseless firecracker shall ignite inside a sealed retail package when the package is dropped onto a concrete or asphalt surface from a height of 5 (5.0) feet."

Standard for Fuseless Firecrackers

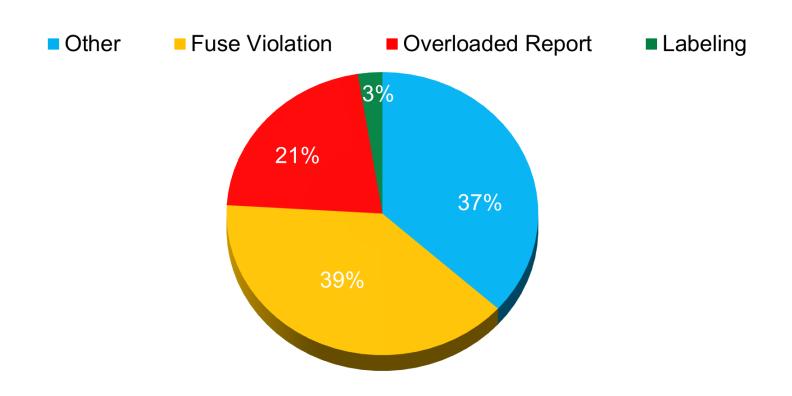
"Section 3-2.3 Individual fuseless firecrackers with outside diameter greater than 1/4" must bear the following identification.

Consumer Fireworks 1.4S

"Section 4-1.2 Product design, packaging, and case packing must produce a finished shipping case in which simultaneous explosion of most or all of the items does not result from ignition of one item in the shipping case."

Effective Date: April 1, 2017.

CPSC Fireworks Violations FY16



Requirements for Fuses

"Safety fuse: A fuse consisting of a thread-wrapped powder train that has been coated with a water-resistant material lacquer sufficient to prevent side ignition when tested in according with the AFSL test procedure for side ignition resistance."

Effective Date: April 1, 2017.

AFSL Monitoring of Fuse Tests

- AFSL has requested that BV begin recording all tests related to fuses, including fuse burn time, fuse side ignition, and fuse attachment.
- AFSL is working with a fuse manufacturer in China to develop design/performance specifications for fuses.

VII. Election Results

- John D. Rogers, Executive Director

VIII. Closing Remarks

- Michael Ingram, President

www.afsl.org

THANK YOU!

