

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

April 8, 2008

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

We applaud you for your strong leadership in responding to the concern surrounding imported food and product safety, and for your establishment of the Interagency Working Group on Import Safety to conduct an in-depth review of the current system. We were pleased that the recommendations of the Interagency Group recognized the importance of not creating barriers to trade for food and consumer products, both imports and exports, and for being aware of the impact of any proposed regulatory changes on trade flows. We also were pleased to see recognition of the need for strong public-private partnerships in ensuring imported product safety, as well as a focus on the role the technology can and should play in improving the safety of food and product imports.

We have previously written to you regarding the role of technology and innovation in advancing the economy. Specifically, we highlighted the benefits that technologies like Radio Frequency Identification (RFID) can bring to improve the level of information throughout the supply chain resulting in enhanced efficiencies. Information technology can also serve as an important building block to improve the product safety system. By promoting technological innovation now, both short and long term gains are possible. In fact, the Working Group recommendation specifically recognized the role that technology can play in the food and product safety system:

“Recommendation 13 – Expedite Consumer Notification of Product Recalls.

13.1 Develop best practices for the use of technologies to expedite consumer notification of recalls. With advances in product-tracking technologies, such as integrated circuit cards (Smart Cards) and Radio Frequency Identification (RFID), retailers are increasingly capable of learning and anticipating their customers' preferences, both as individuals and cohorts. Information collected at the point-of-sale, provided voluntarily by consumers in exchange for product discounts and other benefits, has significant potential in the realm of product safety. For example, consumers who voluntarily share their personal contact information with a retailer (email address, telephone number, etc.) also can agree to receive instant recall notification from the seller regarding any of the products they recently purchased at that store. To the extent that the private sector can leverage the use of Smart Cards, RFID and other technologies to expedite consumer notification of emerging or existing product hazards while adequately protecting consumer privacy, the government should support such efforts.”

The principle objectives of a product recall are for the manufacturer/supplier to locate the defective products as soon as possible and to facilitate the removal of defective products from the chain of distribution. Any company undertaking a recall needs a comprehensive plan that reaches the entire distribution chain, including end users who possess the product. “Notice” of a

recall is a crucial step in the corrective action process. To effectuate proper notice, the manufacturer/supplier must:

1. Communicate with and give retailers notice of a product recall simultaneous to the notification of the regulatory authorities.
2. Provide retailers with precise information, as needed, to enhance the rapid identification and removal of recalled products from the marketplace.
3. Request retailers to institute a "stop sale" and block the sale of the product at the register.

As your Administration continues its work to implement the recommendations of the Working Group, we urge you to work closely with the private sector to ensure adoption of systems for recalls and other supply chain management issues that utilize existing and globally accepted standards, such as those developed by EPCglobal, ISO, IEEE and GS1. Providing the right information on a product recall, to the right party at the right time, improves the safety of U.S. consumers.

Technological gains provide tools to automate this process and improve it significantly. However, duplicative or non-interoperable programs will only lead to increased complexity, and not the desired result of better, faster, and more accurate information throughout the system. Ensuring continued strong trade flows of both exports and imports, while ensuring safety, is an important aspect of a prosperous U.S. economy. Technology can play a significant role in promoting a more efficient, effective and safe supply chain.

Sincerely,

A handwritten signature in black ink that reads "Bill Hamner". The signature is written in a cursive style with a long horizontal flourish extending to the right.