

U.S. CONSUMER PRODUCT SAFETY COMMISSION

International Consumer Product Safety Program 2007 China Program Plan



Strengthening Our Relationship to Make Imported Products Safer for America's Consumers

This document has been prepared by CPSC staff, has not been reviewed or approved by, the and may not reflect the views of, the Commission.

INTRODUCTION

Since 1972 the U.S. Consumer Product Safety Commission (the “Commission” or “CPSC”) has been charged with protecting the public against unreasonable risks of injury associated with consumer products, assisting consumers in evaluating the comparative safety of consumer products, and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.¹

In the more than three decades since the Commission’s creation, consumer products have generally become safer for consumers to use. In recent years the United States and the CPSC have witnessed an explosion of imported consumer products, particularly from China, and both the number and percentage of imported products that are recalled has climbed precipitously. In fact, on average about two-thirds of all U.S. product recalls are of imported products, and the large majority of those products are manufactured in China.²

Data on imported consumer products confirms this trend and justifies the Commission’s focus on addressing the hazards posed by imported products. A 2007 study revealed that the value of U.S. imports from all countries of consumer products under CPSC’s jurisdiction was \$614 billion in 2006.³ Of this amount, the value of U.S. imports of consumer products manufactured in China was \$246 billion, comprising approximately 40% of all consumer products imported into the U.S. From 1997 through 2004, the share of all U.S. imports of consumer products from China increased by about 293%. This trend is likely to continue in the near term.

In response, the Commission is exploring a variety of means to reduce the number of consumer products imported to the U.S. that pose a substantial product hazard, that violate mandatory product safety standards or that otherwise pose an unreasonable risk to American consumers. These efforts have included the creation of a new Office of International Programs; the development of the China Program; participating in product safety seminars; direct notification to manufacturers and to General Administration for Quality Supervision Inspection and Quarantine (AQSIQ) when a Chinese manufactured consumer product recall occurs; and stepped-up port and market surveillance to help keep defective or violative products out of the hands of consumers.

THE CHINA PROGRAM: FOUNDING DOCUMENTS

As a result of the trends of increased imports of Chinese manufactured consumer products and the related increase in product recalls and other corrective actions involving these products, the Commission developed and adopted the China Program. The China

¹ 15 U.S.C. §2051(b)(1-4).

² S. Tohamy 2005b, *Recalls and Seizures of Imports of Consumer Products from China and Hong Kong-Updated*, Aug. 10, 2005.

³ C. Smith, *Imports of Consumer Goods from China and Hong Kong – Updated*, April 11, 2007.

Program is a program to engage officials from the People's Republic of China in a cooperative dialogue and through working teams to reduce the risk of injury to American consumers from Chinese imports. The China Program also seeks to educate Chinese manufacturers and other Chinese trade groups in strategies to improve the safety of Chinese consumer product exports and increase the rate of compliance of such products with CPSC's mandatory rules and applicable voluntary industry standards.

The Commission's China Program objectives and activities are based on two formal documents executed and adopted by the Commission and its closest Chinese government counterpart, AQSIQ.

1. **The Memorandum of Understanding** (April 21, 2004)

As an acknowledgement of the growing importance of international product safety issues in the United States with regard to consumer products imported from China and the desire for mutual cooperation to address these issues, China's Minister Li Chiangjiang of AQSIQ and CPSC Chairman Hal Stratton signed a Memorandum of Understanding ("MOU") in Beijing on April 21, 2004. The MOU is intended to protect the health and safety of U.S. and Chinese consumers.

The MOU pledges the signatories to seven specific areas of cooperation:

- Exchanges of scientific, technical and regulatory information.
- Agreement on a list of consumer products for cooperation.
- Exchange of information on emerging consumer product issues.
- Consultation on consumer product safety issues relating to specific products that are manufactured in one signatory country and sold in the other.
- Consideration of inspection results obtained by the laboratories authorized by the other country.
- Training of laboratory and inspection personnel, and
- Development of a Plan of Action for Cooperation.

2. **The Plan of Action for Cooperation** (August 30, 2005)

Following the signing of the MOU, staff from AQSIQ and CPSC discussed and proposed a procedure for specific activities that would be conducted by the signatories to the MOU. These proposals were adopted when CPSC Chairman Stratton and Minister Li signed the Plan of Action for Cooperation ("PAC") on August 30, 2005. The PAC is primarily intended to establish a mechanism for communication and coordination between AQSIQ and the CPSC staff, particularly when a significant safety event occurs that requires urgent consultation. Most importantly, the PAC creates a process for bilateral cooperation through the creation of working groups in specific consumer product industry segments. The working groups are intended to develop strategies to address safety problems in particular product categories; to be able to respond quickly to urgent product safety issues; to exchange information on changes to safety standards; to

exchange laboratory and inspection personnel in each other's respective facilities; and to plan a biennial Sino-U.S. Consumer Product Safety Summit (which will next be held in Bethesda, Maryland in the autumn of 2007).

THE WORKING GROUPS

Pursuant to the PAC, the Commission formed four "working groups" which cover four product categories. On the U.S. side, these working groups consist of CPSC staff with particular expertise in each product area.

Each working group shall be under the direction of a team leader. The specific substantive agenda and objectives of each group will be decided by consensus of the team's members. Below is a list of the four working groups.

- Electrical Products
- Toys
- Cigarette Lighters
- Fireworks

The four product working groups listed above will conduct meetings in May of 2007 in Beijing, China in conjunction with the International Consumer Product Health Safety Organization Conference.

In the autumn of 2007, the second Biennial Sino-U.S. Consumer Product Safety Summit will be hosted by CPSC, in Bethesda, Maryland.

CHINESE GOVERNMENT NOTIFICATION OF RECALLS

The increasing number of recalls of imported consumer products manufactured in China is of serious concern to the Commission staff. It is essential to the Commission staff's success in reducing the risk of injury and death to American consumers that the Chinese government learn the identity of a manufacturer whose product is the subject of a safety action involving the CPSC.⁴

Many recalls announced by U.S.-based retailers, distributors and importers do not publicly identify the Chinese manufacturer (sometimes because the retailer may not know the original manufacturer of the product). When the Commission staff is able to identify the Chinese manufacturer of a recalled product, CPSC is currently sending letters (in both English and Mandarin) briefly explaining the recall and enclosing a copy of the CPSC press release announcing the recall to both AQSIQ and directly to the manufacturer (whenever the manufacturer's correct name and address are ascertained).

⁴ The MOU and the PAC contemplate that the signatories will consult on consumer product safety problems relating to consumer products manufactured in the other's country. Providing AQSIQ with knowledge of specific CPSC product safety actions, including recalls involving a product manufactured in China, will enhance AQSIQ's ability to adopt policies and initiate regulatory activities to improve the compliance rate of firms subject to its jurisdiction.

CPSC WEBSITE CHINA PROGRAM DOCUMENTS

In a further effort to provide all interested parties with access to documents related to the Commission's China Program, the Business section of the CPSC website has a page containing links to the MOU and PAC, information, studies and reports presented at the Sino-U.S. Consumer Product Safety Summit, the CPSC Conformity Assessment Message, and other documents. The website is at:
<http://www.cpsc.gov/businfo/china>.

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