

UNITED STATES

CONSUMER PRODUCT SAFETY COMMISSION 4330 EAST WEST HIGHWAY

BETHESDA, MD 20814

CHAIR ALEXANDER D. HOEHN-SARIC

Remarks of CPSC Chair Alexander Hoehn-Saric International Consumer Product Health and Safety Organization (ICPHSO) International Symposium October 27, 2021 – 2:35 pm

Thank you for that very kind introduction, ICPHSO President Andy Church. Thank you also to Planning Chair Rod Freeman and to Executive Director Marc Schoem for inviting me to speak today.

I am so pleased to address this community of international product safety professionals right at the start of my tenure as Chair of the Consumer Product Safety Commission (CPSC). While I have worked with a number of you in the past, there are many here I look forward to getting to know. It is only through strong international cooperation and stakeholder engagement that we can achieve the goal of a safer consumer product environment.

Since arriving at the CPSC a couple of weeks ago, I've been getting to know the hard-working, dedicated staff and have started to build upon the good work of my predecessors to enhance consumer product safety. I have been warmly welcomed by my fellow Commissioners and look forward to working with them to further the CPSC's lifesaving mission.

We have a lot of work ahead of us. Starting with tackling the challenges associated with consumers' growing reliance on e-commerce, the increasing complexity of products, and the continuing effects of the COVID-19 pandemic.

Across the globe, people are purchasing more and more consumer products online. The pandemic increased the pace of this trend as consumers shied away from in-person store visits. The resulting growth of e-commerce has challenged the CPSC and the regulated community to improve controls to ensure the safety of these products. Consumers have a <u>right</u> to expect that the products they buy online are just as safe as the ones they purchase in a store down the street. And it is our job to make it so.

The CPSC, however, faces significant challenges with the growth of direct-to-consumer international sales. Unlike purchases made from a platform operated by a company with a U.S. presence, many direct international sales occur without any mechanism on the supplier's end to ensure the products meet U.S. safety requirements. The problem is compounded by the fact that *de minimis* imports, those under \$800.00 in value, require relatively little information on their shipping documents. The information that is lacking is often exactly the data the CPSC uses in its risk assessment efforts, and, therefore, the agency is challenged when determining which parcels to inspect for compliance with safety requirements.

Consumers often buy directly from a foreign source because those products are cheaper and they are conveniently sent right to their doorstep. Most consumers do not question whether these products are safe. They just assume they are safe. But it becomes everyone's tragedy if the product they purchased causes a fire, has a small part that is a choking hazard, or possesses excessive amounts of heavy metals because they do not meet relevant safety standards.

While driving up online sales, the pandemic is also disrupting global supply chains. Companies may wait months for vital components, long delayed by transport issues or labor shortages. Companies have sought out alternative suppliers, sometimes at the expense of quality and safety. I know that you are aware, but it is worth emphasizing that <u>all</u> stakeholders in the consumer product space need to be especially watchful that alternate sources of parts or components are safe. Testing requirements must be met. Lab results and statements of conformity must be honest and accurate. And the CPSC will be vigilant in enforcing these procedures and safeguards.

The United States is not unique with respect to the product safety challenges we are facing. ICPHSO, through its professional membership, works to improve consumer safety, not just in the U.S., but around the world. The reality is that regulations and increasing enforcement in the U.S. <u>alone</u> is not enough. We need to address the behavior of suppliers across the globe. And that's why international regulatory cooperation, outreach to foreign suppliers, and improved industry practices by all global stakeholders are so important.

The CPSC must continue to do its part in the international arena. Last year, our Office of International Programs, working with the relevant subject experts throughout the agency, produced or engaged in 14 virtual training events. These reached, in real time, well over 1,000 registered foreign industry and government representatives from 79 different countries, and an untold number who subsequently viewed the recorded sessions. Training on U.S. product safety requirements and best practices provided by our staff to foreign stakeholders — often in cooperation with foreign regulatory partners — emphasizes not just the rules, but also the need to design safety into products at the beginning; to implement robust controls on component parts; and to build strong conformity assessment programs into their management structure. We must continue to collaborate with ICPHSO members in our outreach efforts abroad.

The CPSC staff also collaborates in multilateral efforts with foreign regulatory agencies. Last year, the CPSC was a principal force in the adoption of a UN recommendation aimed at preventing cross-border distribution of known unsafe products. We are also leading efforts to help other countries put effective measures in place to implement this recommendation. To the extent that the rest of the world deters the manufacture and distribution of unsafe products, all consumers will be safer – both in the U.S. and around the world.

I also note that this ICPHSO conference is focusing on safety issues related to artificial intelligence (AI). It is critical that the CPSC work with stakeholders to develop the expertise necessary to understand and evaluate the safety risks and opportunities of such technology. Last year, the CPSC hosted a virtual forum, attended by more than 200 stakeholders, that gathered input on this emerging technology and the potential safety challenges it poses. This past summer, the CPSC staff submitted a report to the Commission on the forum and other activities staff is working on, including voluntary standards and approaches to product testing and evaluation. Continued stakeholder engagement will be key, and staff will be holding a second stakeholder forum focused on testing and evaluation efforts. I encourage all to participate. Details are forthcoming for a virtual event early in the next calendar year.

The growth of AI and machine learning and the implications for consumers also has not been lost on Congress. In my confirmation hearing, Senator Blackburn highlighted the importance of this issue, and

Members of the House of Representatives, like Chair Schakowsky and Representative McNerney, have long championed the safe development and deployment of such technologies. Congressional interest in Al is bipartisan, broad, and bicameral.

I welcome the discussion of AI at this conference and look forward to engaging with Congress, consumer groups, and other stakeholders on this important issue.

In closing, it is a great honor to join my fellow Commissioners and the CPSC staff. Our mission is clear: Keep consumers safe. But we cannot do this alone. We need to partner with all members of the product safety community, both domestically and internationally. To that end, I look forward to our working together with you to advance consumer product safety.

Thank you for your kind attention and thank you, again, to ICPHSO for the invitation to speak today.