

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE U.S. CONSUMER PRODUCT SAFETY COMMISSION

AND

**THE GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION
AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA**

The U.S. Consumer Product Safety Commission (CPSC) and The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ), hereinafter referred to as "the Participants",

RECOGNIZING that the CPSC is an independent federal regulatory agency to protect the public against unreasonable risks of injuries and deaths associated with consumer products; and is charged with the enforcement of the U.S. Consumer Product Safety Act (CPSA), the U.S. Federal Hazardous Substances Act (FHSA), the U.S. Flammable Fabrics Act (FFA), the U.S. Poison Prevention Packaging Act (PPPA) and the U.S. Refrigerator Safety Act (RSA).

RECOGNIZING that AQSIQ is the Government agency responsible for the supervision and administration of China's import and export commodity inspection; is in charge of the supervision and administration of certification and standardization; and is responsible for the supervision and administration of China's import and export commodity inspection in accordance with the laws and regulations of China and international practice.

The Participants under this Memorandum of Understanding (MOU) have reached an understanding as follows:

In order to protect the health and safety of consumers, the Participants intend, on the basis of applicable laws and regulations of each Participant's country, to cooperate in areas that are within the scope of responsibilities of both Participants and in the scope of consumer products of mutual concern. This includes:

1. Exchange of scientific, technical, and regulatory information, to help ensure the quality, safety, and proper labeling of consumer products covered in Annex 1 "List of Scope of Consumer Products");
2. Both Participants recognize the "List of Scope of Consumer Products" as the annex to this MOU. If necessary, the scope of the consumer products can be adjusted through consultations by mutual agreement;
3. Exchange of information of emerging issues of significant public health and safety within the scope of the mandate and authority of each Participant. Information regarding products and manufacturers may be provided if necessary and permitted under the laws of each country;
4. The Participants are to address safety problems of consumer products covered in this MOU which are manufactured in the country of one Participant and sold in the country of another Participant through consultations, and do their best to avoid any other problems caused by the above-mentioned safety issues.
5. Both Participants are to consider the inspection results obtained by the laboratories authorized by the other Participant.
6. Participate in training of laboratory and inspection personnel of the other Participant, as mutually agreed in advance.

In order to conduct the activities under this MOU, the Participants intend to develop a Plan of Action on Cooperation, which outlines the scope and details of their cooperation for each activity. Any and all activities under this MOU will be subject to the needs of both Participants based on mutual agreement. Both Participants understand that any and all activities under this MOU will be subject to the availability of funds and resources and the laws governing the respective Participants. Each Participant shall designate contact persons (see Annex 2) for developing a relevant draft plan for carrying out the above mentioned activities.

In the implementation of any of the above exchanges, the Participants understand that all travel and per diem expenses incurred by one of the Participants in the course of providing technical assistance/training or other non-regulatory activities requested by the other Participant under this MOU should be borne by the requesting Participant. Health and hospital insurance coverage is the responsibility of the traveling Participant.

This MOU may be modified at any time with the approval in writing of both Participants.

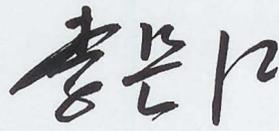
This MOU is to become effective on the date of signature and continue in effect for a period of three years from such date, unless one Participant notifies the other of its intention to terminate the MOU sooner. Such notification should be given to the other Participant no later than 30 days before termination of the MOU. The MOU may continue to be extended for another three years from such date unless otherwise terminated by one of the Participants with 30 days advance notice of termination, if possible.

This MOU is signed in duplicate at Washington on April 21, 2004, in the English and Chinese languages.

For the U.S. Consumer Product
Safety Commission

For the General Administration of Quality
Supervision, Inspection and Quarantine
of the People's Republic of China

HDS



Annex 1

List of Scope of Consumer Products

The scope of consumer products for cooperation is as follows:

Clothing, textiles, toys
Hazardous products such as cigarette and multipurpose lighters
Home appliances
Hazardous chemical consumer products
Bicycle helmets

Annex 2

Contact Persons

US Side:

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