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Meeting Log

**Staff Public Briefing on Sino-American Safety Summit and Related Activities
Beijing and Shanghai, China on Aug 30-September 1, 2005**

Meeting Log Submitted by: Patricia Bittner
Date/Time/Location of Meeting: September 16, 2005, 2:00 pm
Hearing Room, 4330 East West Highway,
Bethesda, MD
Date of Meeting Log Submission: September 20, 2005
Attendance List: Attached
CPSC Staff Presenters: Joseph Mohorovic
Robert Raffety
John Gibson Mullan
Page Faulk
Patricia Bittner

Summary of Meeting: Joseph Mohorovic welcomed the audience and provided an overview of CPSC efforts leading up to the Summit, Summit events in Beijing, related meetings in Shanghai, and the CPSC messages to the Chinese. Copies of his PowerPoint slides are attached.

Raffety (Toys), Mullan (Electrical), Faulk (Lighters), and Bittner (Fireworks) made brief remarks about the discussions that took place in their respective workshop areas.

There were no questions from the audience.



Agenda
Public Briefing on CPSC Trip to China
September 16, 2005,
2:00 p.m.

- **Welcome**
 - **Joseph Mohorovic**
 - **Introductions**

- **Overall Trip Brief**
 - **Joseph Mohorovic**
 - **Background**
 - **Three-Part Safety Message**
 - **Handbook**
 - **CPSC Trip to China**
 - **Future Endeavors**

- **Work Group Summaries**
 - **Gib Mullan (Electrical)**
 - **Robert Raffety (Toys)**
 - **Page Faulk (Lighters)**
 - **Patte Bittner (Fireworks)**

- **Question and Answers**

CPSC China Initiative



Joseph P. Mohorovic
Director

Office of International Programs and
Intergovernmental Affairs

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

CPSC's International Efforts

- Establishment of the Office of International Programs and Intergovernmental Affairs (IPIA)
- Allows for a coordinated effort in the international and federal arena regarding consumer product safety matters



Memorandum of Understanding (MOU) with China

- April 2004
 - Signed MOU with CPSC counterpart agency in China the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ)



Emphasis on China

- U.S. imports of consumer goods from China were valued at \$179 billion in 2004
- The value of U.S. imports from China increased from \$62.6 billion in 1997 to \$179 billion in 2004, a 186% increase over an eight year period
- China and Hong Kong have experienced the fastest growth rate in value of imports into the U.S. out of the top 10 countries from which consumer goods are imported
- The share of consumer product imports from China and Hong Kong into the U.S. increased from 21% in 1997 to 34.5% in 2004; an increase of 64%

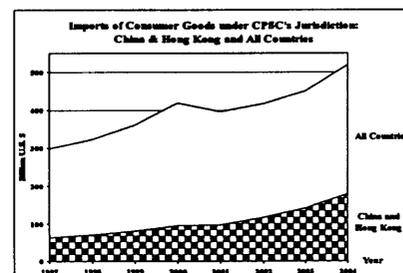


Creation of CPSC Interdisciplinary China Team

- Drawing upon the expertise of several key offices in the agency:
 - Patte Bittner, Health Sciences
 - Kathy Bellenfant, Field Office
 - Barbara Parisi, General Counsel
 - Mark Kumagai, Engineering
 - Soumaya Tohmany, Economics
 - Scott Wolfson, Public Affairs
 - Pat Fairall and Mel Altman, Compliance
 - Kelly Lawn and Colin Church, International Programs
 - Nick Marchica and Quin Dodd, Commissioner Nord
 - Pam Weller and Michael Gougisha, Commissioner Moore
 - Ed Richards and Rob Raffety, Chairman's Office

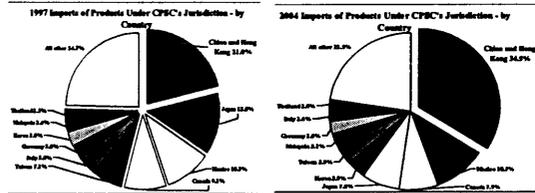


Economic Data



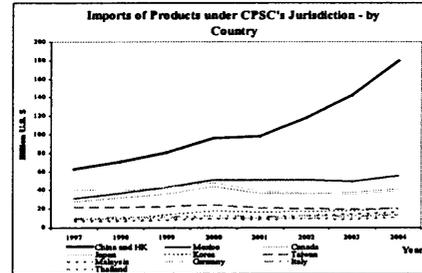
Source: U.S. International Trade Commission statistics.

Economic Data



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Economic Data



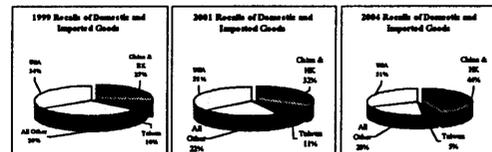
Source: U.S. International Trade Commission statistics.

Recall Data

- Relative to recalls of all imported consumer goods, the share of consumer product recalls from China and Hong Kong increased from 41% in 1999 to 63% in 2004
- Relative to all recalls of domestically produced and imported goods, the share recalls from China and Hong Kong increased from 27% in 1999 to 44% in 2004

Recall Data

Figure 2: CPSC Recalls of Domestic and Imported Goods Over Time



Source: CPSC Compliance data.

Classification of Recalled Chinese Products

- Aspect of China Program Plan

Product Description	Hazard	Number of Cases	Number of Units Recalled	HTS	Standard Number	Standard Title	CPSC Statute Violated	GB Standard (CCC Mark)	ISO Standard
Cordless Drills	Fire	2	1,224,760	8467.21	UL 745-3	Portable Battery-Operated Tools	CPSA		

- CPSC will offer AQSIQ the U.S. recognized consumer product safety standard where there is no reciprocal GB or ISO standard

Open Dialogue on Chinese Imports

- June 1, 2005
- Forum discussion among both government and private sector stakeholders on the development of this strategy
- Program Plan Released for Public Comment
- Summer 2005
 - Review of Public Comments
 - Led to Three-Part Safety Message



Three-Part Safety Message

- 1) The importance of compliance with CPSC technical regulations and consensus standards
- 2) Core principles for the manufacture of safe consumer products
- 3) The importance of proper testing



Three-Part Safety Message:

1. U.S. Standards Compliance

- Importance of compliance with CPSC technical regulations and consensus standards
- Any consumer product import shall be refused admission to U.S. if:
 - Fails to comply with an applicable consumer product safety rule
 - Has a defect which constitutes a substantial product hazard
- In some cases, failure to comply with an industry consensus safety standard makes a product defective and creates a substantial product hazard

Three-Part Safety Message:

2. Core Principles

- Handbook for Manufacturing Safer Consumer Goods
- Basic concepts for a comprehensive systems approach to the design, productions and distribution of consumer products
- Translated into Chinese



Three-Part Safety Message:

3. Testing

- For those products where a certification program exists, certification of products is encouraged
- Important elements of certification are surveillance services such as:
 - Factory inspections
 - Pre-market production sample testing
 - Post-market testing.
- Have all other products tested
 - Recommend product testing by an accredited test laboratory

Vehicles and Venues to Disseminate Message

1. Government to Government
 - Federal
 - AQSIQ
 - Ministry of Commerce (MOFCOM)
 - State and Local
 - Shanghai Officials
 - Future: Guangzhou Officials
2. Retailers
3. Trade Associations and Trade Fairs
4. Manufacturers

CPSC Trip to China 8/29/05-9/2/05

Sino-U.S. Safety Summit, August 30-31

- Overview
 - Meeting between Chairman Stratton and Minister Li Changiang
 - Speeches made by U.S. and Chinese government and private sector individuals
 - Private sector reinforced CPSC message
 - Retailers, Trade Associations, Manufacturers, and Testing Labs
- Plan of Action on Cooperation
 - Extension of MOU
 - Established working groups in various fields of consumer products
 - Working groups will meet on an annual basis
 - Urgent consultation mechanism put in place



CPSC Trip to China

Beijing Bilaterals August 31, 2005

- State Administration on Industry Commerce (SAIC)
 - Vice Minister Liu Yuting
 - IPR Trademark Protection
- Ministry of Commerce (MOFCOM)
 - Jin Xu, Deputy Director General, Department of American & Oceanic Affairs
 - Li Biqing, Director of Division, Department of Science and Technology
 - Produce guides for small and medium size enterprises
 - Forward safety standards from the EU and U.S. to Chinese manufacturers
 - Provide technical assistance to help them adopt these standards

CPSC Trip to China

Shanghai Meetings

- Shanghai Roundtable Meeting
 - U.S. Retail and Buying Offices in China
 - General acknowledgment of using retailers to connect to vendors and direct suppliers
- Meeting with Shanghai Local Government
 - Mr. Zhou Yu Peng, Vice Mayor
 - CIQ Shanghai Officials
 - ACSIQ presence



Target Audience for Safety Message

- Zeroing in on:
 - Small and medium size exporters
 - Direct sourcing entities



Future Strategies

- MOFCOM
 - Relationship with the Department of Science and Technology
- Retailer Conferences and Seminars with Vendors and Suppliers
- Representation at Chinese Trade Fairs 
- Academic Exchange Program
- Collaboration with ANSI on the Translation of Chinese and U.S. Standards
- Comparative Standards Study



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