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Mr. E.J. Misisco
Corporate Manager
Product Assurance
North American Philips Corporation
100 East 42 Street
New York, N.Y. 10017

Dear Mr. Misisco:

This letter is in reply to your correspondence of January 22 and 23, 1974, in which you inquired whether the product line of your Business Systems Division is considered a consumer product as that term is defined in the Consumer Product Safety Act (CPSA). You further inquired as to the Commission's interpretation of whether components of consumer products are under the jurisdiction of the Commission.

Section 3(a)(1) of the CPSA [15 U.S.C. 2052(a)(1)] defines the term consumer product as meaning "any article, or component part thereof, produced or distributed (i) for sale to a consumer for use in or around a permanent or temporary household or residence, a school, in recreation, or otherwise, or (ii) for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation or otherwise...."

In view of the foregoing, this office believes that only those products produced or distributed by your Business System Division for sale to consumers for use in or around a permanent or temporary household or residence, a school, in recreation, or otherwise, or for the personal use, consumption or enjoyment of consumers in or around a permanent or temporary household or residence, a school, in recreation or otherwise would be considered consumer products, and thus subject to the jurisdiction of the Commission. Those products used by consumers exclusively in business offices as part of their employment would not be considered consumer products. However, these products could be subject to regulation by the Occupational Safety and Health Administration.

The manufacturer of a product has the ultimate responsibility to determine the distribution and use patterns of his products and to act accordingly. In our opinion, any doubts should be resolved in favor of considering the product to be a consumer product.

It is the view of this office that component parts of consumer products are subject to the requirements of the Consumer Product Safety Act. For example, section 15 requirements [15 U.S.C. 2064] are applicable to component parts of a consumer product if the component contains a defect which creates a substantial product hazard. Reports under section 15(b) of the CPSA are also required if such components are discovered by the manufacturer to fail to comply with an applicable consumer product safety rule.

Furthermore, manufacturers of component parts, which are specifically the subject of a consumer product safety standard would be required, pursuant to section 14(a)(1) of the Act [15 U.S.C. 2063 (a)(1)], to certify that the components meet the requirements of the standard. Absent a specific standard covering a component part, manufacturers of components should anticipate requests for assurances from the manufacturer of a regulated end product that the component does not adversely affect the ability of the end product to comply with the standard.

Where the finished product is discovered to contain a substantial product hazard, manufacturers of components thereof are advised to ascertain the extent to which the component may be involved and to report the problem to the Commission. In any event, responsibility would be determined on a case-by-case basis with a view toward assessing the causal connection between the component part and the defective aspects of the end product that primarily contributed to, or may be responsible for, the injury or risk of injury.

If you have any further questions concerning this matter, please let me know.

Sincerely,

Michael A. Brown
General Counsel

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cc: Executive Director
BCM
✓SCA
OFC (for distribution to Area Directors)
A. Schoem

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ADVISORY OPINION

100 EAST 42 STREET
NEW YORK NY 10017
PHONE (212) 697 3600

NORTH AMERICAN PHILIPS CORPORATION

CORPORATE PRODUCT ASSURANCE DEPARTMENT

January 28, 1974

Mr. Michael Brown
Office of General Counsel
Consumer Product Safety Commission
Washington, D.C. 20207

Dear Mr. Brown:

In my recent letter of January 22, I requested your interpretation as to the classification of our Business Systems Division product line as consumer products. I further pointed out in that letter that we here at NAPC are in the process of setting up two corporate product safety committees. One will have cognizance over all chemical products divisions and the other which I will chair will have cognizance over all consumer products, professional and semi-professional equipment and components divisions.

I would like to ask your interpretation of how components fall under the jurisdiction of the Consumer Product Safety Act. I am taking the position here at NAPC that any component manufactured or marketed by any of our components divisions that finds its way into a consumer product fall under the requirements of the Consumer Product Safety Act. I have enclosed a copy of our Annual Report for 1972 in addition to the listing of our products in the electrical and electronic products and professional equipment area.

I am not asking for a ruling for every single product listed, merely for the general category of components that find their way into end item consumer products.

Thank you again for your consideration of my request.

Very truly yours,

E J Misisco

E.J. Misisco
Corporate Manager
Product Assurance

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Enclosures