



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
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COMMISSIONER PETER A. FELDMAN

**STATEMENT OF COMMISSIONER PETER A. FELDMAN
ON PELOTON SETTLEMENT AGREEMENT
JANUARY 5, 2023**

Today, the Consumer Product Safety Commission (CPSC) announced a settlement agreement with Peloton Interactive, Inc. (Peloton) of over \$19 million. This settlement, which I supported, resolves allegations that Peloton knowingly failed to report hazards associated with its Tread+ treadmill and distributed this product after it had been [recalled](#). I remain concerned that CPSC lacks a coherent enforcement policy when it comes to civil penalties.

Here, a maximum civil penalty was appropriate to resolve the failure-to-report claims given the number of products distributed in commerce and the fact that this matter involved the death of a six-year-old child, and other injuries. While Peloton was a first-time offender, the firm's failure to cooperate fully with CPSC and provide information in a timely and complete fashion are other aggravating factors. Yet, in another recent failure-to-report case that involved fatalities, a similar number of incidents, and evidence of aggravating factors, this current Commission settled claims against [Vornado Air, LLC](#) for as little as \$7.5 million. That settlement, which I opposed, arguably involved worse facts than *Peloton* given Vornado's status as a repeat offender, and I still do not know how to explain the discrepancy in settlement amounts. No one at the Commission has articulated a coherent underlying doctrine or principle.

Further, the Commission should always consider injunctive relief to deter future violations, especially in sale-of-recalled-goods cases. I opposed the civil penalty with [TJX Companies, Inc.](#) last year because of the absence of a third-party monitor. Until recently, the Commission has used its injunctive authority to require third-party monitors in cases where there was a reasonable likelihood of future violations. Unlike the systemic nature of TJX's violation, here, Peloton's conduct, to me, appeared to stem from a loss of control of its product distribution during unique pandemic circumstances. While I am comfortable accepting this penalty without a monitor, that remedy and all other tools must remain on the table as a part of a coherent approach to enforcement.

Without principled decision-making, the product safety community will remain confused about the expectations the Commission is setting for how we will deal with similar conduct.