

## U.S. CONSUMER PRODUCT SAFETY COMMISSION 4330 EAST WEST HIGHWAY BETHESDA, MD 20814

## STATEMENT OF COMMISSIONER ELLIOT F. KAYE ON THE CPSC'S PLAN TO CREATE AN E-FILING PROGRAM FOR IMPORTED CONSUMER PRODUCTS

## **February 2, 2021**

Recently, the Commission voted unanimously to approve the U.S. Consumer Product Safety Commission's (CPSC's) Plan to Create an eFiling Program for Imported Consumer Products.<sup>1</sup> I was very pleased to join my colleagues in supporting the staff's recommended four-phased approach to significantly enhance and modernize the CPSC's import surveillance capabilities. This step is a critical one in the larger effort underway at the U.S. ports of entry to keep consumers safe.

The work we do at the ports creates a safer marketplace for America's consumers. It is far more efficient to identify and interdict dangerous and violative products at their point of entry into the U.S. than it would be to try to chase those products down after they have dispersed into the stream of commerce and ended up in America's homes. Even in those instances when we find a violation at the ports for failing to have or produce proper product certification, our staff has determined through a study of certificates that the failure to certify a product is highly correlated to that same product failing to comply with applicable safety standards.<sup>2</sup> When products do not comply with those safety standards, consumers are put at real risk. The bottom line is our work at the ports makes consumers safer.

For us to stay effective at the ports, however, we need to continually evolve in our approach. We are facing two separate and not-entirely related ways in which products are entering the country.

<sup>&</sup>lt;sup>1</sup> See <a href="https://cpsc.gov/s3fs-public/RCA-CPSC-Plan-to-Create-an-eFiling-Program-for-Imported-Consumer-Products.pdf">https://cpsc.gov/s3fs-public/RCA-CPSC-Plan-to-Create-an-eFiling-Program-for-Imported-Consumer-Products.pdf</a>?vdh1iFVJSGoacMR6pV6LKzA8EPlbY152.

<sup>&</sup>lt;sup>2</sup> See <a href="https://www.cpsc.gov/s3fs-public/eFiling-Certificate-Study-Evaluation-Report-FINAL.pdf?dP0Vwp55DJO.iSQIBsPqTg07umCLIcKr">https://www.cpsc.gov/s3fs-public/eFiling-Certificate-Study-Evaluation-Report-FINAL.pdf?dP0Vwp55DJO.iSQIBsPqTg07umCLIcKr</a>.

Historically, products have come in through large containers. The plan we approved for e-filing initially supports our ability to target container-based imports. As we have improved our processes for risk scoring and targeting container-based imports, it has been clear to many of us at the agency for a number of years that collecting certain critical targeting data electronically as part of the coordinated federal trade data system is vital for enhancing our ability to protect consumers.

Consumers are not the only beneficiaries of e-filing. This approach is also consistent with the larger data collection approach of U.S. agencies with border-related responsibilities. Further harmonizing our data targeting with that of our sister federal agencies will lead to greater efficiencies in the entire system and benefit compliant trade. I expect that with a mature e-filing system in place, we will not only better and more quickly identify non-compliant products, but we will also process and approve compliant trade more quickly.

Unfortunately, container-based imports are not the only manner in which products are entering the U.S. marketplace. Direct-to-consumer electronic-commerce shipments, including those of a very small dollar amount, are significantly becoming a major avenue for imported products ending up in America's homes. This change in the manner of import is not a mere nuisance for us in how we seek to protect consumers. CPSC staff has estimated that by 2023, e-commerce purchases will make up 57 percent of the total volume of imports under CPSC's jurisdiction.<sup>3</sup> The CPSC must act now so that we will not be blind to such a substantial percentage of consumer products entering the U.S. That would be an alarming and unacceptable development.

It is past time for the agency to catch up to e-commerce shipments. Moving to e-filing will assist us in our efforts to better target and address the evolving nature of imports. I believe the Commission's approval of the e-filing project sends an important signal that the Commission recognizes our need to evolve more quickly with our ports work and to provide our excellent staff with the resources and authority they have been requesting.

Across our critical efforts at the ports, we have a good amount of work to do to target even more effectively and to keep pace with evolving methods of import. We will also need continued support and funding from Congress if we are to keep pace. For years CPSC staff have led in this area with vision and focus. Staff's proposed e-filing plan was no exception. I am pleased with this vote that we are supporting their efforts.

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<sup>&</sup>lt;sup>3</sup> See <a href="https://cpsc.gov/s3fs-public/CPSC-e-Commerce-Assessment-Report.pdf?r7qiKly65RFOmoWtqvyMZF8oTjF4SVwc">https://cpsc.gov/s3fs-public/CPSC-e-Commerce-Assessment-Report.pdf?r7qiKly65RFOmoWtqvyMZF8oTjF4SVwc</a>.

I want to thank the Office of Import Surveillance for its ongoing excellent work, especially in the face of a global pandemic. Each day they live out our special mission – keeping consumers safe.