



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
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CHAIR ALEXANDER D. HOEHN-SARIC

Remarks of Chair Alexander D. Hoehn-Saric

**International Consumer Product Health and Safety Organization (ICPHSO)
2024 Annual Symposium**

**Tuesday, February 20, 2024
12:15 PM Eastern**

Thank you for the invitation to speak and for the generous welcome. This is an important annual event, as it brings together so many consumer product safety stakeholders in one place. Today, I'd like to update you on our work at CPSC and expand on what I discussed at the ICPHSO international conference regarding a safer online landscape for consumers.

As many of you know, the CPSC is a small but mighty agency. We have an enormous mission to protect the public from unreasonable risks of injury and death from more than 15,000 categories of products. And we do this with a dedicated staff and a budget that is far smaller than that of any other federal consumer protection agency.

One complicating factor this year is the lack of clarity over our budget. We are four and a half months into the current fiscal year, and I feel the weight of our limited and precarious funding acutely right now. Limited resources and uncertainty are slowing our safety efforts, including the speed of import inspections and guidance provided to businesses.

And when we do get our final appropriations, I fear that it will reflect a decrease in our budget from last year, further complicating matters. In the end, we will need to figure out how to do more with less and prioritize what is most important. From my perspective, that means putting consumers first in every decision we make.

I know that many of you have noticed the changes at the agency. There was even a session yesterday that examined the "drastically shifted landscape" under new leadership at the CPSC. You aren't wrong. Some changes that you may have noticed include:

- When we issue recalls, we are focused on making it as simple as possible for consumers to receive notification and take action. As part of that, we are working with recalling firms, as well as the retailers and the online marketplaces that are often the point of contact for consumers, to issue direct notice to buyers about the recall in a way that gets their attention.
- When companies don't respond to a request for a recall, or don't offer adequate remedies, we are going public with warnings to consumers about those products. Last year, CPSC

issued 26 warnings to the public about hazardous products when companies refused to agree to a recall, more than we issued in the last five years combined. Once a rare occurrence, these unilateral warnings are now an important part of our toolbox, especially for products sold by foreign manufacturers on e-commerce websites. Too often these sellers ignore outreach from the CPSC or disappear altogether when a defect is identified. Consumers have a right to know about hazardous products in their homes and before they buy. And it is not fair for responsible companies to compete against businesses that cut corners on safety.

- We have finalized mandatory safety regulations that address hazards caused by ingesting small, button cell batteries and powerful magnets; furniture tip-overs that can crush children; and adult portable bedrails that can trap the elderly. These rules establish important baseline protections for consumers and provide clarity and a level playing field for companies.
- We are expanding our consumer education efforts to reach communities that are too often overlooked, including Native American communities.
- We are expanding our outreach to small and large businesses both domestically and around the world. Last year, our Office of International Programs provided training to over 800 foreign industry and foreign government representatives in Vietnam, Cambodia, Malaysia, Taiwan, Korea, and Mexico. And our Small Business Ombudsman's office held 15 outreach events with nearly 30,000 viewers/attendees in total – nearly doubling our outreach from the previous year.
- And we are aggressively pursuing civil penalties against companies that fail to report potential safety defects. During my time as Chair, we have assessed nearly \$110 million in civil penalties – a massive increase over the previous years.

Looking forward, despite the uncertainty and the risk of even fewer resources, the Commission has embraced an ambitious agenda for this year, including finalizing long-delayed rulemakings to establish safety standards, continuing small business outreach and information sharing both in person and through the Regulatory Robot, enforcing the safety standards that have been put into place over the last several years, educating consumers about potential product safety hazards, and strengthening our ability to prevent hazardous products from reaching consumers – particularly through monitoring imports.

While budget realities forced us to limit the number of CPSC officials who made the trip to Orlando this year, I am pleased that you were able to hear from my Chief of Staff, Jana Fong Swamidoss, yesterday and you will hear from Austin Schlick, in his new role as Executive Director, along with other agency leaders tomorrow.

I pause here to thank Austin for taking on this new role and embracing the challenge. He was a truly influential General Counsel, helping us work creatively through problems over the last two years. I deeply appreciate that he agreed to stay on at CPSC and continue to work with me. Jessica Rich, our new General Counsel, was not able to make the trip down – she is only in her first month on the job – but she is already bringing to bear her broad experience in government and consumer protection, and is having a positive impact on our work.

Turning back to the agency's priorities, I spent part of last week in Los Angeles where I spoke with the American Apparel and Footwear Association, toured the LA/Long Beach port, and

visited with our import and field staff. As you all know, the scale of that port is enormous. I am amazed at how our staff are able to find and identify hazardous products and stop them before they reach store shelves. It is a true needle in a haystack problem.

Our eSAFE team is in a similar situation – combing the internet and thousands of items every day for hazardous products. Just last year, this team requested the removal of more than 50,000 products found online. But we all know the problem of recalled, non-compliant, and dangerous products being sold online is much bigger than CPSC can handle alone.

In 2022, total e-commerce sales in the United States were estimated at just over one trillion dollars, an eight percent increase over the year prior. That is a huge amount of money and will certainly continue to grow as consumers rely more heavily on online shopping. Moreover, new online marketplaces are entering and expanding in the U.S. market.

For example, Temu, a relatively new entrant to the U.S. market spent tens of millions of dollars on Super Bowl ads. A Super Bowl that was the most watched telecast in American history, with 123 million viewers. As more platforms enter the market and as more consumers turn to e-commerce, it is critical that online marketplaces act as responsible gatekeepers to protect their users from hazardous products.

As I mentioned at ICPHSO international, one of my priorities is to change the paradigm of online shopping by encouraging companies to focus on promoting a culture of safety at their organizations, holding third party sellers accountable for the products they sell, and empowering consumers with safety tools and information while they're adding to cart. I call this approach Product Safety by Design.

First, online marketplaces should create a corporate structure that prioritizes product safety and establishes clear responsibility and accountability for the integration and execution of safety measures. Many reputable manufacturers have a senior officer responsible for product safety. As part of their structure, online marketplaces selling consumer products should designate a Chief Product Safety Officer who has the authority and resources to ensure that product safety is an integral part of the platform's business.

Product Safety by Design also means inviting all employees to be part of the solution. Valuing safety starts at the top and should be actively pursued by a company's leadership. So often it is viewed as the cost of doing business and response to bad online safety reviews or public criticism or government enforcement activities. Instead, everyone from website designers to marketers should be incentivized to prioritize safety as a part of their everyday work.

Online marketplaces should also take more responsibility for the products listed on their sites and the merchants who sell through them. Too often consumers are left holding a defective product while the online marketplace they purchased it from points the finger of blame at the same seller the marketplace allowed on its site.

Consumers rightly assume that sellers on online sites have been approved and are as safe and reputable as if the product was in a brick-and-mortar store. As we know, that is not always the case. Too often unscrupulous manufacturers selling online disappear after being contacted by CPSC about a hazardous product. And even when CPSC is able to get an online marketplace to take a listing down, that same product listing can reappear on the same marketplace under a different manufacturer's name within days.

This game of online whack-a-mole must stop. Online marketplaces are in the best position to prevent these listings from appearing even before consumers see them. Sellers who fail to follow safety standards or comply with a platform's safety terms and conditions, or whose products cause injuries without recourse should be sanctioned, banned, and prevented from reappearing under a new name. Online marketplaces have the tools – and resources – to make this happen.

Finally, consumers need accurate and fulsome information to make the safest decisions for themselves and their families. This starts with adequate safety warnings in online listings but should be much broader to include the availability of relevant safety educational material prior to making a purchase and vigorous direct notification tactics in the event of a recall.

Many products, especially those intended for babies and small children, come with clear warnings on their packaging. But when buying online, this information can be lost or missed if the consumer doesn't read the fine print on a listing. Online marketplaces should be proactive about prominently displaying relevant safety information in a clear manner that is consistent across their sites.

Safety information shouldn't just include warnings but also advice on how to use products safely and how to choose which products are safer. Online marketplaces should work with regulators and trusted consumer advocates to provide this advice – whether it's how to use a portable generator properly, how to prevent furniture tip-overs, or what to buy for your baby's nursery.

Now even in the best of cases, products will be sold that are defective and need to be recalled. Online marketplaces use some of the most cutting-edge technologies to market to their users. They should take advantage of these capabilities to send safety information as well, including notices of recalls.

Direct messaging of a recall should be more than just an e-mail. It should include a text, a push message on an app, a banner when you login, and every other tool a platform uses.

While some online marketplaces have made significant progress, too much of the focus has been reactive—relying on CPSC or others to identify and request that illegal listings be taken down – as opposed to being proactive in finding the hazardous products or keeping them from being listed in the first place.

While the CPSC is not in a position to mandate these basic practices, I hope all online marketplaces will adopt the approach because it is good for consumers and will strengthen the brand of the online marketplaces. At the same time, I am heartened by the bipartisan Congressional interest in protecting consumers who use online marketplaces. Meeting baseline responsibilities should not be a significant burden for good actors and would create a level playing field in the current Wild West of e-commerce.

In closing, my fellow Commissioners and I remain committed to protecting the public from unsafe consumer products. We may not always agree on how best to do that, but we take our roles very seriously and are doing our best to work together to further CPSC's safety mission.

CPSC staff also is dedicated and hard working, and that won't change. With whatever resources we are allocated, they will pursue improvements to safety hazards through their work. This includes enforcing rules that emerged from a number of Congressional mandates in the past few years, including the STURDY Act, the Safe Sleep for Babies Act, the Portable Fuel Container Safety Act, and Reese's Law, as well as our existing rules such as those covering adult portable bed rails and hazardous magnet sets.

But CPSC cannot accomplish or achieve our safety mission alone. In this room today, we have representatives from other safety agencies from around the country and the world, advocates, safety experts, consultants, retailers, importers, testing labs, and manufacturers both large and small.

We look to all of you, who make up this community of professionals, to do your part to improve safety. And most importantly, we look forward to working with you on these efforts this coming year.

Thank you for your time today.