## Exhibit 90

# Recall Effectiveness Workshop Report 

CPSC in Cooperation with Stakeholders


February 22, 2018

Office of Compliance and Field Operations<br>Joseph F. Williams, CFEI<br>Compliance Officer

This document was prepared by CPSC staff and has not been reviewed or approved by, and may not necessarily represent the views of the Commission.

## Recall Effectiveness Workshop Report

## Introduction

The CPSC is charged with protecting consumers from unreasonable risks of injury or death associated with the use of thousands of types of consumer products. One way to protect consumers is to conduct a product recall. CPSC's recalls are generally executed cooperatively with affected companies. Although there are mandatory recalls, the vast majority of CPSC's recalls are voluntary. During the voluntary recall process, the CPSC works with companies that agree to provide notice to consumers and a remedy for potentially hazardous products. This cooperative process facilitates the ability of the CPSC and the recalling company to reach affected consumers.

In furtherance of that cooperation, on July 25, 2017, the CPSC hosted a Recall Effectiveness Workshop. The goal of the workshop was to explore and develop proactive measures that CPSC and stakeholders can take to improve recall effectiveness. Seventy-nine external stakeholders attended the workshop, including various retailers, manufacturers, law firms, consumer interest groups, third party recall contractors and consultants, testing laboratories, and other interested parties. The CPSC facilitated an open discussion among these participants about ways to increase recall effectiveness and also gathered feedback on how CPSC can potentially improve its recall efforts.

## Workshop Summary

During the workshop registration and welcome process, participants had an opportunity to post their expectations for the day. Stakeholders said they wanted to learn more about CPSC's procedures and learn about innovative ways to increase recall effectiveness. Stakeholders also said they wanted to discuss the role of technology and social media in recalls, and to address how to achieve consistency between recalls and recalling firms. Several stakeholders expressed interest in the action items that would result from the workshop.

CPSC opened the program with three presentations related to the recall process: (1)
"Review of Recall Process and Standard Notifications," (2) "Intro to OCM [Office of Communications Management] and Goals for CPSC Press Releases," and (3) "Recall Data." The first presentation offered an overview of CPSC's standard processes and recall notifications; the second introduced OCM's role in the recall process, and offered information on the goals and guidelines for CPSC press releases. The third presentation supplied statistical analysis of recall results from FY 2014 through FY 2016 for 865 closed Section 15 cases. This analysis demonstrated an overall correction rate of 65 percent, including corrections from manufacturers, distributors, retailers and consumers from CPSC recalls. The presentation provided correction rates based on distribution level, retail price, product category, type of remedy, and recall type. These presentations can be found online at:

## Recall Effectiveness Workshop Report

- CPSC Defect Recall Data - https://www.slideshare.net/USCPSC/cpsc-recall-effectiveness-workshop-recall-data;
- Review of Recall Process and Standard Notifications -https://www.slideshare.net/USCPSC/cpsc-recall-effectiveness-workshop-recall-process; and
- Goals for CPSC Recall Press Releases - https://www.slideshare.net/USCPSC/cpsc-recall-effectiveness-workshop-goals-for-cpsc-recall-press-releases.

After these background presentations, CPSC encouraged open-forum discussions on the recall process. The first open forum was titled, "What is an effective recall?" Some stakeholders said they were interested in considering multiple factors to measure the effectiveness of a recall. In addition to consumer return rates, some of these stakeholders recommended considering incident rates.

The second open forum was titled, "Communicating the Hazard." Over the past 20 years, the means of communicating recalls has changed substantially and continues to change rapidly as technology evolves. Widespread use of the Internet, email, social media, and other forms of instant communication have changed the ways companies can reach consumers. This session focused on communication channels, the use of marketing strategies, language in recall notices, recall best practices, and limitations and barriers to effective communication. It appeared from the discussions that very few firms develop a marketing strategy for recalls.

The third and fourth forums (held simultaneously as breakout sessions) focused on "Consumer Motivation" and "Technological Advances to Improve Recall Effectiveness." The "Consumer Motivation" forum discussed consumer behavior, challenges to motivating consumers to participate in recalls, incentives, and designing notices to encourage participation. The forum on "Technological Advances to Improve Recall Effectiveness" discussed technological improvements to consumer notification and the effectiveness of recalls, improving direct notification and challenges acquiring and implementing new technology to support more effective recalls.

## Reaction to the Workshop

The workshop received positive feedback from stakeholders. Follow-up survey results showed that:

- Respondents felt that the information was useful and that they can share the workshop information with others;
- Ninety-six percent of respondents believed the workshop format helped engage stakeholders in discussion;
- Eighty-eight percent of respondents felt their opinion was heard;


## Recall Effectiveness Workshop Report

- Ninety-six percent of respondents would like additional workshops on this topic; and
- Suggestions from respondents included: offering workshops in this format on other topics; continuing discussion on recall effectiveness during ICPHSO; encouraging additional manufacturers to attend future workshops; and webcasting future workshops.


## Stakeholder Suggestions

The workshop resulted in valuable feedback and ideas for improving recall effectiveness. The consolidated notes from the workshop can be found here (Workshop Notes). Key ideas and suggestions from stakeholders included:

## - Explore ways to increase direct notice to consumers

The "Recall Data" presentation demonstrated that direct notice has a substantial impact on consumer return rates. Stakeholders noted that improved product registration methods (e.g., retailer opt-in at checkout, home voice assistants, photo texting, QR codes, and incentives) could lead to higher consumer participation.

## - Expand the use of marketing strategies and technology

Marketing and technology can play a pivotal role in getting a recall message to consumers. Stakeholders discussed how using marketing and technology (e.g., social media, the use of apps, and targeted messaging) might heighten effectiveness, and several suggested that CPSC share effective practices to a wider audience.

## - Consider consumer and business incentives to promote effective recalls

Stakeholders discussed exploring incentives for consumers to participate in recalls, and examine whether it would be helpful to incentivize recalling firms to be creative in their recall efforts.

## - Consider greater differentiation of recalls

Stakeholders suggested evaluating whether differentiating between recalls with more and less significant hazards would improve overall effectiveness. Several stakeholders suggested reviewing systems other agencies use to develop and release recalls for possible guidance on whether and how to differentiate actions.

## Recall Effectiveness Workshop Report

- Consider disseminating additional information on best practices

Stakeholders saw value in dissemination of best practices in addition to existing recall information, including information related to the use of marketing, social media, and product registration.

## Key Findings for Further Consideration with Stakeholders

We considered these suggestions for follow-up with stakeholders and intend to prioritize the following:

## 1. Collaborating on ways to improve direct notice to consumers

Direct notice recalls have proven to be the most effective recalls. We intend to work with consumer and industry stakeholders on registration methods or other improvements (e.g., retailer opt-in at checkout, home voice assistants, photo texting, QR codes, and incentives for product registration) to promote direct notice recalls.

## 2. Collaborating with firms engaged in recalls to use marketing strategies to promote consumer response

We will continue to explore how technology can be used to enhance recall response in appropriate cases, including enhancing firms' recall marketing strategies, use of social media, and improved methods for in-store communication. We intend to identify and share examples of future recall marketing strategies that are innovative and/or successful.

