

CPSC Chairman Inez Tenenbaum's CPSC-AQSIQ
Consumer Product Safety Summit Closing Statement
Beijing, China, October 26, 2009

I want to thank AQSIQ Vice Minister Wei for hosting this year's U.S.-China Consumer Product Safety Summit.

I also want to recognize Director General Wang Xin and his staff and the U.S. stakeholders who made this trip with me.

I speak for the entire U.S. delegation when I say we have enjoyed visiting your beautiful country, first Wuxi, then Shanghai and now Beijing. I am very pleased that the hard work by both of our countries during this Summit has resulted in new steps to improve product safety, especially the safety of children.

I want to thank Vice Minister Wei's team at AQSIQ for organizing this Summit. Thanks also to the U.S. stakeholders who accompanied us on this trip for their contributions.

Our goal at CPSC is to protect families in and around their homes by ensuring the safety of the products that they buy. That's what this Summit has been about. Protecting families. The best way to protect families is to build safety into products during design and manufacturing. If you can do that here in China, before they reach ports or stores shelves in the United States, we will have accomplished a great deal.

The Chinese government has been very responsive to our concerns and I am pleased to announce that we have a way forward that makes real progress toward safer consumer products.

This summit was a platform for CPSC and AQSIQ to make very clear that times have changed. Chinese suppliers and U.S. importers are now on notice from both governments that it is a mistake to depend on good intentions and a few final inspections to ensure compliance with safety requirements.

We now expect companies to implement proven best practices, such as factoring misuse into design, strict controls on components and other inputs, and enough sampling and testing to ensure that all of the product coming off the line is safe for consumers.

CPSC and AQSIQ will push companies to build safety into the product at every stage of the production and the distribution chain. Suppliers and importers need to understand that this is now our expectation.

AQSIQ, for its part, will hold Chinese suppliers responsible for implementing best practices in manufacturing. This way safety – and compliance with export market requirements – is built into the products they are making or for which they are supplying materials.

Let me be clear, however, that employing best practices to ensure product safety is not only the manufacturer's job. U.S. importers

also have a major responsibility. They must take steps to ensure that U.S. safety requirements are built into their products at every step of the way, including at the very beginning of the process as the product's design specifications are developed.

CPSC will hold importers accountable if their products are hazardous or if they violate U.S. products safety requirements.

This includes a new federal law that puts strict limits on lead and phthalates in children's products and makes all toy requirements mandatory.

We intend to enforce this law that Congress put in place in a firm but fair manner.

CPSC also has a rulemaking procedure underway that puts U.S. importers on notice. In the draft language, in cases where CPSC may impose a financial penalty on a U.S importer for violations,

CPSC may take into account whether the importer has a safety or compliance program in place and whether they conducted pre-market and production testing to minimize safety risks.

It goes without saying that U.S. importers should assure themselves that their suppliers are complying with all U.S. safety requirements.

CPSC is also working to make sure U.S. importers have a clear understanding of the steps they need to take to make their products safer. We are developing a new handbook for importing safe consumer products to help guide them.

We have been working with AQSIQ and Chinese manufacturers so that they too understand and comply with U.S. safety requirements.

During the Summit meetings, we have made progress in six key

areas: lead in children's products, toys, cigarette lighters, fireworks, electrical products, and all-terrain vehicles known as ATVs. ATVs are new to the agenda at this Summit.

I want to call attention to ATVs because they can be especially dangerous if used improperly. More than 900 people in the United States die in ATV-related incidents each year. Many of the fatalities involve children. We need every ATV to operate as safely as possible and we are working with AQSIQ to make sure ATVs exported to the United States meet new mandatory performance standards and that Chinese ATV makers have an approved action plan before exporting.

We spent an entire day in Shanghai conducting a training seminar that was well attended. And I visited an ATV factory and testing facility to make sure that Chinese suppliers understand U.S. requirements.

Our work with the Chinese government and Chinese manufacturers also is bearing fruit in the area of toy safety. In fiscal year 2008 there were more than 80 toy recalls, with nearly half of those recalls related to lead violations. I am pleased to report that in fiscal year 2009, there were about 40 toy recalls, with only 15 lead violations. Our goal is to have no toy recalls and no lead paint violations, but we are certainly moving in the right direction.

As noted in our joint statement today, AQSIQ is holding Chinese manufacturers accountable and CPSC is holding U.S. importers accountable. Consumer products that have safety built into the manufacturing process and have been tested to ensure compliance with rigorous safety standards, become products that consumers in the United States can have confidence in.

Not surprisingly, Chinese drywall has also been part of the discussion during the Summit.

Drywall is used in American homes widely and has been the source of much concern and public attention since the beginning of the year.

CPSC has collected more than 1,700 reports from homeowners, mostly from three states, who have reported health problems and corrosion of electrical and copper components.

These consumers are suffering greatly. I have personally visited with many of these families. We are working to determine what is causing the problem. Later this week, we will release the results of initial testing of Chinese made and American made drywall.

The seriousness of this issue can not be underestimated. I appeal to companies in the Chinese drywall supply chain to examine carefully their responsibilities to U.S. consumers who are suffering from problems in their homes and to do what is fair and

just in each case, if their products are involved and I want to underscore if their products are involved.

The Chinese government has been working, and continues to work with CPSC, on the technical side of the investigation and we are greatly appreciative.

In a world where markets are so interconnected, all parties in the global supply chain have responsibilities to their end customers, wherever they are.

Finally, as CPSC and AQSIQ intensify our efforts to correct problems in the production and distribution chain for consumer products, we have recognized the need to provide each other with sensitive investigative information on a case-by-case basis. For this reason, we will explore a mechanism for the exchange of such information in confidence.

Vice-Minister Wei – to you and your colleagues at AQSIQ – thank you for your hospitality. This has been a very successful Summit. We look forward to returning your hospitality at the 4th biennial United States/China Consumer Product Safety Summit in 2011 in our country. Thank you again for hosting this event.