



UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
4330 EAST WEST HIGHWAY
BETHESDA, MD 20814

CHAIRMAN INEZ M. TENENBAUM

**STATEMENT OF CHAIRMAN INEZ M. TENENBAUM
ON THE STATEMENT OF POLICY CONCERNING SECTION 103(a) OF THE CPSIA**

Section 103(a) of the CPSIA requires manufacturers to place permanent, distinguishing marks on children's products and their packaging to the extent practicable. Importantly, and as this guidance indicates, the tracking labels provision applies only to products manufactured on or after August 14, 2009. The primary purpose of the distinguishing marks is to aid in the quick and effective facilitation of recalls involving children's products. I believe that the guidance unanimously approved by the Commission today will help to achieve the goals of improved recall effectiveness and better protection of consumers while also providing industry with assurance that the Commission does not intend to penalize manufacturers for inadvertent violations of the statute when they have made a good faith effort in attempting to comply with the tracking label requirements.

Although there are a number of issues surrounding the tracking labels requirement, I will address three of the principal concerns regarding this statute. First, many manufacturers have expressed concern that "one size does not fit all" with respect to tracking labels. In the guidance issued today the Commission acknowledges this concern and has agreed that Section 103(a) does not require a uniform "one size fits all" labeling system. Rather, the only "uniform" requirement is that the tracking information required by statute be ascertainable from the distinguishing marks made on the children's product and its packaging. How an individual manufacturer chooses to achieve this end is left to the reasonable judgment of each individual manufacturer, unless and until such time the Commission decides it necessary to implement more detailed and uniform regulations.

Second, small volume manufacturers and crafters have expressed concern that they cannot feasibly comply with the statute because their production patterns do not lend themselves to lot, batch, and run labeling systems. To this end, the Commission agrees that small volume manufacturers or crafters need not create a labeling system incorporating the use of lot, batch, or run numbers so long as such manufacturers can keep adequate records of the components used in their products. The goal of the labeling statute is to enable manufacturers and consumers alike to ascertain pertinent information about a children's product in the event of a recall, not to implement a rigid and uniform labeling standard that applies to both small and large manufacturers in the same way. In developing and implementing a tracking label system, small volume manufacturers and crafters should also consider the business and recordkeeping practices of their peers.

Third, many manufacturers have expressed concern over the lead time it will take to implement the new tracking label requirements due to confusion over the statutory provisions and the lack of clear guidance from the Commission. The Commission is aware of this concern and the guidance approved by the Commission today is intended to help clear up any confusion over the statutory requirements. While this guidance is incapable of answering every product specific question, I believe that the guidance provides sufficient general direction for all manufacturers to comply. To the extent that more detailed direction is necessary, the Commission may work directly with firms, issue additional guidance, or initiate rulemaking if such future measures are deemed necessary by the staff or the Commission. The Commission also understands that manufacturing changes cannot occur overnight, and some manufacturers may require some additional lead time to take the necessary measures to meet the statutory requirements. I believe the Commission and staff will measure the good faith efforts of a manufacturer, considering steps taken both before and after the issuance of this guidance to comply, in evaluating a firm's compliance with section 103(a).