

Chairman Stratton, Commissioner Gall, and Commissioner Moore, thank you for providing me with this opportunity to speak to you about CFA's Petition on Consumer Registration Cards. Our Petition urges CPSC to initiate rulemaking to require all manufacturers, (or distributors, retailers or importers) of products intended for children to provide along with every product, a Consumer Registration Card that allows the purchaser to register information through the mail or electronically.

Such a rule is necessary to protect consumers, especially children, from the hazards associated with potentially dangerous recalled products. Our petition seeks to require direct communication to consumers in the event of a recall or other need to convey important safety information. Our current system of recall notification is failing. By relying upon the media and manufacturers to broadly communicate notification of recalls to the public, CPSC and the companies involved are missing an opportunity to communicate with the most critical population- those who purchased the potentially dangerous product. According to a May 1978 CPSC Recall Effectiveness Study, direct to consumer notification is the most effective form of notice.

The effective recall of hazardous products is an important purpose of the Consumer Product Safety Commission, (Consumer Product Safety Act, Section 15(c)) and should be the priority of any company that puts a consumer product into the market place.

I. Need for Rule

Requiring companies that manufacture, distribute, import or sell products intended for children to take additional measures to assure the effectiveness of recalls is necessary for the following reasons:

- 1) First, return rates for CPSC- recalled products are very low. In Fiscal Year 1996, CPSC recalls experienced an 18% return rate. In FY 1997, the most recent year for which data is available, the return rate fell slightly to 16%. The failure of manufacturers to learn about who purchased their products and their inability to contact buyers other than through mass commercial media has been documented as a reason for CPSC's low recall return rate. This low return rate should be improved and demands innovative measures to increase return rates- particularly for children's products.
- 2) Second, many CPSC recalls involve products for children. In fiscal year 2002, CPSC instituted recall actions involving 84 toy and children's products, involving more than 11 million product units.
- 3) Third, children are a vulnerable population who deserve additional protections.
- 4) Fourth, the risks of death or serious injury associated with children's product recalls are substantial. These recalls often occur because of choking, strangulation, suffocation, burns or serious fall hazards. All of these too often result in the death of a child or serious injury. Children have no capacity to prevent any of these hazards.

II. Research shows that product registration cards work.

A number of pilot studies including two from large consumer product manufacturers, have shown that direct to consumer notification cards without marketing information have improved consumer compliance rates. The Toro Corporation included four specially designed consumer registration cards with two different models of electric leaf blowers. Toro reported that the results of the study “clearly show that taking the market research off the card increases the return rate.” Mattel, Inc. included a special consumer registration card with a motorized ride-on car. Mattel achieved a 30% registration rate- 27% through returned cards, 3% through call-in registration and less than 1% through email registration. As CPSC points out in its October 11, 2001 Product Safety Card Proposal Memo, these results may not necessarily reflect actual results because the official logo of CPSC was not included, language was not included that specified that the information would be included solely for the purpose of a recall, and no promotion of the cards was undertaken.

While CPSC has limited direct experience with product registration cards, the National Highway Transportation and Safety Administration (NHTSA) implemented a mandatory registration card program for child safety seats in March of 1993, which required manufacturers to provide a postage paid registration form with each new child safety seat sold. The rule also specified the format of the card including that the information pertaining to the car seat was preprinted. In addition, the product registration card was attached to the seat at a location where owners would see it and handle it before they could buckle a child into the seat. An amendment to the rule required a label on the car seat itself including the manufacturer’s contact information for subsequent owners of the product.

In a new study released January 6, 2003, NHTSA evaluated its child safety seat registration program. The study found that child safety seat registration was successful in notifying purchasers of recalls. Specifically the NHTSA study found:

- 1) Nine times more child safety seats are now being registered than before the mandatory registration card rule was implemented.
- 2) Increased registration rates increased recall compliance rates: the repair rate on recalled seats is now 21.5% vs. 13.8% in 1993- a statistically significant 56% increase.
- 3) The indirect cost to consumers of the mandatory standard is 43 cents for each car seat sold.
- 4) Return rates for registration cards is now at 27% vs. 3% before the rule was implemented.

NHTSA’s experience with registration cards over the last decade provides an important model for CPSC to emulate. NHTSA’s recent study evaluating their product registration card proves that the cards are not only effective in increasing consumer compliance with recalls but also achieve a successful result at a low cost to consumers.

III. CFA's Petition

In addition to requiring that the manufacturer (or distributors, retailers, or importers) of products intended for children provide along with every product a Consumer Registration Card that allows the purchaser to register information, through the mail or electronically, CFA's petition sets out four additional specifications for the card, including that the Consumer Registration Card:

- 1) Collect only information needed to contact the purchaser (name and address or email address). No other information should be collected. Toro's pilot study confirmed this to be effective.
- 2) Be postage paid by the manufacturer (or distributor, retailer, or importer). NHTSA's rule requires this factor.
- 3) Be pre-labeled by the manufacturer (or distributor, retailer, or importer) with the name and model number of the product purchased. NHTSA's rule requires this factor.
- 4) Contain a statement that the information collected will be used only in the event that the manufacturer needs to contact the purchaser to convey recall or other important safety information. Consumers should be reassured in this manner that their privacy rights will not be violated in the sharing of their personal information with others.

These common sense requirements and protections will help assure the efficacy of the recall program, by increasing registration and improving recall effectiveness.

IV. Addressing Criticisms

A number of comments submitted to CPSC by industry opposed CFA's petition based upon large costs to the manufacturer and minimal likelihood of success. The best indicator of both cost and success should be NHTSA's experience with their car seat registration card rule. According to NHTSA's recent evaluation, the cost to consumers was 43 cents per car seat sold, hardly an onerous burden. In addition, the study showed that the rule was successful. It noted a 56 % increase in the number of car seats repaired to comply with a recall.

In addition, a number of commentators objected to the petition because given how frequently consumers move, they argued, address information would be obsolete very quickly. To deal with this reality, products should have on them, manufacturer's contact information so that second and subsequent owners can not only register the product but also so that they can identify that they own their product in case of a recall. In addition, CPSC, like NHTSA, should offer a form on its web site that can be used to register the seat with the manufacturer. Further, consumers should notify the manufacturer when they move to keep the information current. Programs aimed at reminding seat owners to do this could increase numbers of registered owners. For example, the U.S. Post Office provides checklists and information on what to do when moving. Adding a note on updating recall contact information for registered products could serve as an effective reminder for product owners.

A number of commentators also objected to the scope of the petition, “children’s products,” with a number of commentators supporting the concept of registration cards but wanting their product to be exempted. We urge CPSC to use their expertise in evaluating what products should be included. Specifically we urge that the following factors be considered when evaluating the scope of the rule:

- The hidden hazard associated with the product- meaning the unforeseen potential harm the product may pose to the user.
- Whether the user is a vulnerable population.
- The cost of the product.
- The size of the product.
- How the product is conveyed to the consumer.
- The recall history of the generic product category.

At a minimum, CFA believes children’s products are particularly deserving of a new recall notification system.

V. Conclusion

In conclusion, CFA strongly urges CPSC and manufacturers to do all that they can to communicate a recall to consumers who purchase consumer products. Tragically- this is not now the case. We know of too many deaths and serious injuries that have occurred but that could have been prevented if the consumer had been notified of the product recall. For example, a portable crib purchased in 1991 was given to a second owner in 1993 -- a month after the recall. That person gave it to a childcare provider in whose care a baby died in the summer of 1995. All of these people were in contact and would have passed on any news of the recall if they had it. Sadly, no product registration card was included in the original product, and a baby’s death could have been prevented.

We urge CPSC to act favorably on our petition in an expeditious manner to prevent further tragedies from recalled products. While CPSC staff has recommended that Chairman Stratton and Commissioners Gall and Moore defer the petition to wait for results from a study, we urge CPSC to take action now to prevent future harm. Waiting and maintaining the status quo will not solve the current deficiencies plaguing our recall system.