

May 7, 2014

The Honorable Robert Adler
Acting Chairman
U.S. Consumer Product Safety Commission
4330 East West Highway
Bethesda, MD 20814

The Honorable Marietta Robinson,
Commissioner
U.S. Consumer Product Safety Commission
4330 East West Highway
Bethesda, MD 20814

The Honorable Ann Marie Buerkle
Commissioner
U.S. Consumer Product Safety Commission
4330 East West Highway
Bethesda, MD 20814

Dear Chairman Adler and Commissioners Robinson and Buerkle:

On behalf of the trade associations below representing importers, manufacturers, retailers, customs brokers, logistics providers, wholesalers-distributors and others, we are writing to express concern with regards to the U.S. Consumer Product Safety Commission's (CPSC) proposal for a new user fee on imported products to pay for the national expansion of the Risk Assessment Methodology (RAM) program. While we support efforts to keep potentially violative products out of the marketplace, we are concerned about the impact this new fee and program expansion would have on commerce and believe that engagement with the regulated community will result in more effective targeting, more efficient regulations and fewer delays for compliant products. We would ask the CPSC for direct stakeholder engagement on this important issue.

The Administration's fiscal year 2015 Budget Request for the CPSC states:

"The 2015 resource request begins scaling the CPSC's import surveillance initiative to a full-scale national program in FY 2015 and proposes that an import surveillance user fee be enacted in FY 2015 with collections beginning by FY 2015 to offset costs of the program."

The additional details provided in the budget language raise a number of serious questions regarding the statutory authority for imposing user fees, the actual cost of the system, the expected burden on the industry and the potential delays at the ports for the billions of imported consumer products under CPSC jurisdiction. Industry has a long history of paying user fees that end up not being used for their stated purpose. In addition, we have seen some agencies institute a risk-based methodology without consulting the trade that resulted in major delays at the ports. Specific for the CPSC, the implementation of a user fee in addition to the pending requirements under the proposed "1110 rule" could seriously impede international commerce and the availability of compliant and safe consumer products.

We also would like clarification as to how the expansion of the RAM and the proposed user fee meet the goals of the President's February 19th Executive Order on Streamlining the Export/Import Process for America's Businesses. As part of this Executive Order, government agencies are required to

streamline their data needs through the International Trade Data System working with Customs and Border Protection. The Executive Order also sets up Border Interagency Executive Council (BIEC) and we understand the CPSC is taking a leadership role with one of the subcommittees. One of the stated goals for the BIEC is to engage with and consider the advice of industry and other relevant stakeholders regarding opportunities to improve supply chain management processes, with the goal of promoting economic competitiveness through enhanced trade facilitation and enforcement. This important discussion should include outreach on the RAM, the proposed user fee and the Section 1110 rule which would require additional data from the trade.

To be clear, we support the CPSC's overall import surveillance and enforcement activities and the import surveillance program mission "to identify and interdict violative or potentially hazardous consumer products at U.S. ports of entry while expediting the entry of compliant trade." In order to help the CPSC meet this mission, we request that the Commission directly and regularly engage all relevant stakeholders, especially those involved in global trade, to thoroughly explore pathways forward that would not only help CPSC achieve its mission, but ensure the continuing flow of legitimate commerce with minimal disruption.

While we understand that the continued expansion of the RAM is an integral part of the CPSC's import enforcement program, it would be extremely helpful to both the trade community and national policy makers to have more visibility into the parameters of the program. Moving forward with a new import user fee, certificate filing mandate or other import entry conditions without a thorough exploration of the supply chain impact of these proposals with industry stakeholders could cause significant problems for both the industry as well as the agency.

Thank you for your consideration of this issue. We fully believe that the CPSC should move toward the establishment of a permanent stakeholder advisory group, as CBP and other federal agencies have, in order to regularize needed input into product safety issues of mutual importance. Each of our organizations continues to stand ready to work with the Commission and the excellent staff of the CPSC in furtherance of our mutual goal of consumer product safety. If you have any questions, please contact Jonathan Gold, Vice President for Supply Chain and Customs Policy with the National Retail Federation at (202) 626-8193 or goldj@nrf.com.

Sincerely,

American Apparel & Footwear Association
American Association of Exporters and Importers
American Home Furnishings Alliance
American Pyrotechnics Association
Baby Carrier Industry Alliance
Business Alliance for Customs Modernization
Business and Institutional Furniture Manufacturers Association
Coalition for Safe and Affordable Childrenswear
CONNECT - Coalition of New England Companies for Trade
Consumer Specialty Products Association
Craft and Hobby Association
Express Association of America

Fashion Accessories Shippers Association
Fashion Jewelry and Accessories Trade Association
Footwear Distributors & Retailers of America
Halloween Industry Association
INDA, Association of the Nonwoven Fabrics Industry
International Association of Amusement Parks & Attractions
International Sleep Products Association
Juvenile Products Manufacturers Association
Motorcycle Industry Council
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Candle Association
National Customs Brokers and Forwarders Association of America
National Retail Federation
NEMA – National Electrical Manufacturers Association
Outdoor Industry Association
Outdoor Power Equipment Institute
Pacific Coast Council of Customs Brokers and Freight Forwarders Association
Retail Industry Leaders Association
Society of Glass and Ceramic Decorated Products
Sports & Fitness Industry Association
Synthetic Turf Council
Travel Goods Association
Toy Industry Association
U.S. Chamber of Commerce
United States Council for International Business
United States Fashion Industry Association
Upholstered Furniture Action Council
Window Covering Manufacturers Association

cc: The Honorable Jay Rockefeller, Chairman, Senate Committee on Commerce
The Honorable John Thune, Ranking Member, Senate Committee on Commerce
The Honorable Fred Upton, Chairman, House Committee on Energy and Commerce
The Honorable Henry Waxman, Ranking Member, House Committee on Energy and Commerce
The Honorable Barbara Mikulski, Chairman, Senate Committee on Appropriations
The Honorable Richard Shelby, Ranking Member, Senate Committee on Appropriations
The Honorable Harold Rogers, Chairman, House Committee on Appropriations
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriations