

Building Consumer Confidence

What We Hope to Accomplish Today

Thank you Joe, for your opening remarks. And for your leadership on this issue.

Many, if not most of us in this room have spent a great deal of our time in the past few months on the issues before this conference: How do we strengthen consumer confidence in the underlying health and safety of products sold in this country?

A few months ago, the answer to that question would have been seen as self-evident: the US system of public regulatory oversight and private sector standards and conformity assessment self-regulation was seen as the gold standard for consumer protections in the marketplace.

In the past few months, we have seen that model publicly challenged by a series of design flaws and testing and inspection failures. It has been a difficult time for many of us in this room, but here we are.

And the reason we are all here is because we all know that we all have something to offer to help restore that trust. And we all are here because we know we can't do it alone. And that may be the underlying genius of the American system of consumer protection.

While the news has been about product recalls, what has sometimes gotten lost, is that most of these recalls were initiated by manufacturers themselves – at a time when the news of such recalls would inevitably show up on page A1 of local papers, and not on an inside page of the business section. And when design failures have been identified –such as use of rare earth magnets—the standards community has stepped up and revised the relevant standard under expedited procedures.

This is the necessary first step to restoring consumer trust; stop doing what has violated that trust in the first place. The fact that such admissions are embarrassing, painful and expensive has –at least – the unlooked-for benefit of showing sincerity in acknowledging the problem.

Many regulatory systems have a hard time of even taking this step; it is difficult to admit culpability or to volunteer to rectify mistakes. But to stop digging when you are in a hole is just the first step. As Joe said, we must now work together to identify necessary, workable and immediate actions that can be taken to ensure consumer confidence

And that comes back to the ability of the US system of public-private efforts to address this current crisis of confidence. And thus, to the people in this room.

When you look at the parameters of the current debate on import health & safety issues, there is –I believe- surprising unanimity on the direction that policymakers and the private sector have identified. That is not to say that there are not significant concerns expressed about how we implement reform initiatives, but the efforts by most involved groups has been to find the best ways to work together and take advantage of the resources that each group brings to the table.

Joe has laid out a series of interlocking questions that we hope that the panelists will address, and that will be the focus of the final portion of our conference which is the Open Discussion on the Development of Recommendations and a going-forward Action Plan.

If we address issues of better integrating safety processes into product life cycles can we restore consumer trust? How do we persuade consumers and policymakers that the US consensus-based standards and compliance systems are the most dynamic and responsive methods for addressing health & safety concerns? Or as one panelist poses the question, how will a Federal agency mandate private third-party standards and conformity assessment, but continue the benefits of the current system?

And finally, how do we best police the global marketplace? We have seen responses by other regulatory regimes of heavy-handed, top-down responses to perceived market failures. Such approaches rarely if ever offer practicable solutions. If the US public-private system of consumer protection can rise to the challenge –and that’s why we’re here, right? – then we can show how best to respond to such moments of crisis – and opportunity.

In previous times in our nation’s history, we have faced moments of doubt about the quality of our consumer protection defenses; and we have found uniquely American ways of dealing with the issues in a consensual and participatory manner. For example, the Good Housekeeping Research Institute –represented on our first panel-- was active at the turn of the last century in proselytizing food safety; many of their efforts and those of the National Consumers League were reflected in the Pure Food and Drug Act of 1906. Consumers Union played much the same role in the passage of the 1938 Food, Drug and Cosmetic Act.

As well, the mandates of the Toy Industry Association, ASTM, Underwriters Laboratories and the Association of Home Appliance Manufacturers all reflect the importance of consensus, safety and consumer concerns. And the origins of the FTC, EPA and the CPSC are all grounded in consumer issues that were front and center to the American public at the time of their creation. In other words, responsiveness to issues of consumer health & safety is hard-wired into the job-description of all of our panelists, and I suspect, all of us here today.

As you may know, the President’s Interagency Working Group on Import Safety will hold a public meeting on October 1st where they have requested public input. ANSI will testify on the results of this conference. If, during the final Open Discussion portion of

the conference, we can collectively identify the necessary, workable and immediate actions that can –and should—be taken, we will have responded constructively to the goals of the conference – Building Consumer Confidence – in the US public-private partnership of consumer protection.

To start off the conference, I am very pleased to introduce our keynote speaker, --my friend-- , Nancy Nord, the Acting Chairman of the Consumer Product Safety Commission. Nancy has held a number of positions within the federal government and the private sector that give her a wealth of experience in dealing with the agenda now before the Commission. She has served as the General Counsel of the White House Council on Environmental Quality, counsel to the House Energy & Commerce Committee, as well as attorney at the FCC. I got to know how effective Nancy could be when she was at Kodak and I was at Hewlett-Packard and we were both wrestling with the global issues of electronic commerce, the Internet and consumer protection.

Nancy has been a Commissioner at the CPSC since May 2005. In a classic version of the “Gods giving you what you ask for” or at least “what you are good at”, Nancy has led the Commission thru some tempestuous times as of late. She has moved a federal agency with limited resources and a restricted national mandate into the global arena, most recently with the ratification of mutual obligations with her Chinese counterparts at the Second Biennial Sino-US Consumer Product Safety Summit. She has proposed a reform agenda on product recall, information and safety modernization, much of which has been picked up in recent legislative proposals.

I am very pleased that we are able to start off our conference with someone such as Nancy who can help us chart the way forward. Nancy Nord has helped define –and create—the space where we now meet to problem solve, identify solutions, and work together to restore consumer confidence.

Please join me in welcoming our keynote speaker, Nancy Nord, the Acting Chairman of the Consumer Product Safety Commission.