Product Safety Issues in the Toy Industry

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Overview

- Agenda
  - Background
  - 2007 Events
  - Industry Action
  - Import Safety System Improvements Needed
  - Building Safety into Imported Products
  - Rebuilding Consumer Confidence
Background

- Historically, the US toy industry has had a good safety record.
  - Leadership in standards setting (lead, small parts).
  - Average and consistent product recall levels.


- Lead primarily a children's jewelry issue
2007 Events

- China-sourced product quality issues began to surface, against backdrop of ongoing economic issues (“off-shoring” and currency valuation).
- Increasingly large numbers of children’s toy jewelry were recalled for lead content.
- Magnet recalls were expanded by Mega Brands (4 million units) in May.
- RC2 recalled 1.5 million Thomas & Friends toys for lead paint in June.
2007 Events

- Then the Mattel/Fisher-Price avalanche began in August, for both lead and magnets, and continued into September.
- Media and government attention reached a crescendo, hearings began.
- While magnets were important, attention focused on lead as the stronger issue.
Import Safety System Improvements Needed

- In early summer, industry analysis confirmed that toy safety standards were not the issue, but that safety testing and inspection systems needed improvement.

- Magnet issues seemed to be design-related, while excess lead in paint was viewed as being the significant testing problem.
Building Safety Into Imported Products

- TIA consulted with ANSI, CPSC and Congress to develop a 3-part toy industry initiative:
  - Work with ANSI to develop standardized testing procedures.
  - Also with ANSI, develop criteria to certify testing laboratories as qualified to perform testing to US standards.
  - Encourage the Federal government to require third-party testing of all toys sold in the US.
Rebuilding Consumer Confidence

- Two timeframes:
  - Short term, for 2007 holiday season.
  - Longer term, more permanent solution.

- Short-term – toy brands, retailers, licensors undertake massive inspection/re-inspection process, together with consumer communication campaign.

- Longer-term – Industry testing/inspection program, supported by consumer communications campaign.