



Building Consumer Confidence



Standards & Conformity Assessment

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Overview

□ Agenda

- Standard in the Electrical Sector
- Safety of Consumer Products
- Global Supply Chain
- Corrective Actions
- PRISM Proposal on Standards and Conformity Assessment
- Education to meet “World Class Manufacturing”
- Relied Upon Standards
- Mandatory Conformity Assessment

AHAM

- ❑ Trade Association of home appliance manufacturers
- ❑ Major Appliances
- ❑ Portable Appliances
- ❑ Floor Care Appliances
- ❑ Suppliers
- ❑ Represents \$32 Billion U.S. Market
- ❑ Products used throughout the home, every day
- ❑ Membership is global

Standards

- ❑ AHAM products are under jurisdiction of many safety standards
 - UL
 - ANSI Z21/83 Gas Fueled Products
 - NFPA—National Electric Code
 - ICC Building, Mechanical and Gas Codes
 - Local jurisdictions and inspections for installed appliances
 - Relevant international standards (CENELEC, IEC, etc.)

Safety Standards in the Electrical Sector

- We say “Voluntary” standards, but...
 - Enforced by retailers, insurance carriers, local jurisdictions and the product liability system

- Consensus Standards
 - ANSI Standards Process
 - Leadership and collective wisdom of industry, suppliers, laboratories, retailers, AHJ’s, government and consumer groups.
 - Living documents

Safety of Imports

- AHAM members are as concerned as all others about import safety
- Not a “China problem”
- It does not matter where the products are designed or manufactured
- Even when final assembly is in the U.S., many components or sub-assemblies are from other locations

Safety of Products

- ❑ For Appliances, this means:
 - Manufacturers and retailers that take responsibility for safe design, manufacture and the supply chain
 - Manufacturers and retailers that act responsibly when there are problems discovered
 - Manufacturers and retailers work with consumers to find recalled products and remove them from use
 - Trade is allowed to continue but safety is enhanced
 - All parts of the system practice continuous improvement

Safety of Products

- ❑ It is important where retailers and distributors act as manufacturers, that they accept the same responsibility as manufacturers
- ❑ Retailers and distributors have unique ability to enforce safety programs with OEM and private contract manufacturing partners.

Global Supply Chain

- ❑ Product safety must be addressed at every link in the global supply chain
 - Design
 - Manufacture
 - Retailer/Distributor
 - Safety certification organizations
 - Final goods quality
 - Factory surveillance
 - After market surveillance and action

Corrective Actions

- ❑ Actions can occur despite best efforts to enhance safety
- ❑ Appliance industry is no exception
- ❑ The priority is to act responsibly when actions are necessary
 - Gather information
 - Take action promptly
 - Remove items
 - Work with retail partners
 - Create the proper corrective action
 - Use information to change the standards

CPSC Proposal on Standards

- ❑ AHAM has strongly supported and participated in CPSC's educational efforts in China and other countries
- ❑ We believe that education about safety standards and regulations is critical
- ❑ But, meeting the standards and regulations is only the beginning

World Class Manufacturers

- ❑ For a company to be a “World Class Manufacturer” they must do more than meet the applicable safety standards
- ❑ Adopt the principles in CPSC’s, “Handbook for Manufacturing Safer Consumer Products.”
- ❑ Educate companies in building safety into the design
- ❑ Work the system throughout the supply chain

CPSC Programs

- ❑ The Second U.S.-Sino Safety Summit was constructive
- ❑ Conference needs to repeat often
- ❑ Work Plans need to be implemented
- ❑ Applaud special efforts on individual products
 - Extension cords
 - Power outlet strips
 - Decorative lighting
- ❑ Need emphasis on partnerships to stop counterfeit safety certification marks

CPSC Proposals

- Need to focus on Standards and Conformity Assessment
 - Several excellent ideas in PRISM proposal
 - Raises questions about how to use private, third-party standards and conformity assessment systems
 - Need to preserve OMB A119 and reliance on private standards systems
 - Faster development to meet changing market
 - Living documents to react to issues

Major Issue—Standards & Conformity Assessment

The biggest questions for this audience are...

- How will a Federal Agency mandate private, third-party standards, but continue the benefits of the present system?
- How will a Federal Agency mandate private, third-party conformity assessment, but continue the benefits of the present system?

“Relied-On” Standards

- ❑ First, set the criteria for mandatory rulemaking.
- ❑ AHAM supports revisions to Section 9 of CPSA, that Commission, by Action or Petition, may rely on or adopt as mandatory in whole or in part existing voluntary standards if it finds that:
 - Voluntary compliance is not sufficiently widespread
 - The standard will substantially reduce hazards, and
 - Federal adoption will improve compliance and reduce or eliminate the subject risk

“Relied-On” Standards

- ❑ Adoption of standards should be prioritized by:
 - Risk of injury
 - Hazard statistics
 - Products without widespread participation in compliance systems
- ❑ CPSC should adopt only most critical safety-related provisions of private safety standards
 - Example: Immersion protection devices on hair dryers
- ❑ CPSC should favor standards based on ANSI accredited SDO’s

“Relied-On” Standards

- ❑ CPSC rulemakings should consider...
 - Technical feasibility
 - Effect on competition
- ❑ CPSC should rely on standards interpretations from the SDO
- ❑ CPSC should allow update to most recent version of standard and rapidly update mandatory standards rules

Conformity Assessment

- ❑ CPSC should rely on existing systems of conformity assessment
- ❑ Any mandate of conformity assessment should reinforce existing marks of conformity
 - Partners with AHJ's
 - Builds on consumer awareness
- ❑ Build greater systems of enforcement of valid marks of conformity
 - Government investigation and prosecution

Mandatory Conformity Assessment

- ❑ CPSC should rely on 3rd party conformity assessment systems where:
 - Risk is considered high
 - A conformity system is used by most of the industry
 - The system can be maintained and enhanced
 - Factory follow-up surveillance is included
 - Certification Organizations possess a mark with proven integrity and which protects intellectual property.

European CA System

- ❑ Current European system of Conformity Assessment (use of CE Mark) would offer far less protection in critical safety areas
- ❑ Not recognized by OSHA NRTL system
- ❑ Not accepted by Authorities Having Jurisdiction
- ❑ Does not include factory follow-up surveillance
- ❑ Does not require type-testing of each model
- ❑ Has not been proven to prevent corrective actions (See RAPEX)

Consumer Safety

- ❑ Any system of standards and conformity assessment can be improved
- ❑ We need to
 - build upon the existing standards and CA systems in the U.S.
 - enlist the aide of consumers to look for marks of conformity assessment
 - have the support of all governments to root out false marks of conformity
 - work with CPSC to establish a system that meets agency needs with existing private system of standards