

Import Safety Working Group and ISA: President's Import Safety Action Plan One Year Later

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Requirements

October 30, 2008



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Consumer Product Safety Commission



This presentation has not been reviewed or approved by the Commission and may not reflect its views.

Overview

- CPSC Initiatives
- Consumer Product Safety Improvement Act (CPSIA)
 - Enacted August 14th, 2008
 - Timeline for Trade



CPSC Initiatives

- ❑ Import Surveillance Division-2008
- ❑ Co-location of Staff at Ports
- ❑ ACE/ITDS Integration
- ❑ Importer Self Assessment-Product Safety
- ❑ CBP Test Lab Support



CPSIA- August 14, 2008

- Timeline for the Trade
- Definition of Manufacturer under CPSC
- Certification
- Third Party Testing
- Is it Paper or NOT?



Timeline

- General Certification becomes effective
November 12, 2008
- Third Party Testing Timeline for Childrens
Products
 - www.cpsc.gov/about/cpsia/



What does the term Manufacturer Mean under CPSC laws?

- ❑ Importer of Record
- ❑ Retailer
- ❑ Manufacturer
- ❑ Distributor



General Conformity Certification

- ❑ What is Certification?
- ❑ Who must Certify?
- ❑ When is Certification Required?
- ❑ Content of the Certificate
- ❑ Availability of a Certificate
- ❑ Certification Violations



Content of a Certificate

- Certificates must:
 - 1. Identification of the product covered by this certificate:
 - 2. Citation to each CPSC product safety regulation to which this product is being certified:
 - 3. Identification of the foreign or domestic manufacturer certifying compliance of the product:
 - 4. Identification of the U.S. importer, if applicable, certifying compliance of the product:
 - 5. Identification of the private labeler, if applicable, certifying compliance of the product (if any):



Content Continued

- 6. Contact information for the individual maintaining records of test results:
- 7. Date and place where this product was manufactured:
- 8. Date and place where this product was tested for compliance with the regulation(s) cited above:
- 9. Identification of any third-party laboratory on whose testing the certificate depends:

- *This form of certificate and instructions are staff interpretations and do not replace or supersede the statutory requirements of the new legislation. They were prepared by CPSC staff, have not been reviewed or approved by, and may not necessarily reflect the views of, the Commission. They may be subject to change based on Commission action.*



Availability of Certificates

- Certificates must accompany each product or shipment of products covered by the same certificate
- A copy of the certificate must be furnished to each distributor or retailer of the product (no requirement to provide to ultimate consumer)
- A copy of the certificate must be made available to the Commission and Customs upon request.



Certification Violations

- CPSA Section 19(a)(6) makes it unlawful for any person either:
 - To fail to furnish a certificate required by section 14; or
 - To issue a false certificate if the issuer in exercise of due care has reason to know it is false or misleading in any material respect
- Knowing violations of section 19 are subject to civil penalties; knowing and willful violations could lead to imprisonment



Third Party Testing

- ❑ Definition of a Children's Product
- ❑ Schedule for Third Part Testing
- ❑ Expedited Schedule for Certain Children's Product Standards
- ❑ Laboratory Accreditation



Expedited Schedule for Certain Children's Product Standards

- ❑ Lead Paint- 30 days after enactment
- ❑ Cribs and Pacifiers- 60 days after enactment
- ❑ Small Parts 90 days after enactment
- ❑ Children's Metal Jewelry- 120 days
- ❑ Baby bouncers, walkers, jumpers-210 days



Is it Paper or Not?

- Can electronic certificates be used to meet the requirements of Section 102 rather than Paper?
- **Answer: The CPSC staff's opinion is that so long as the Commission has reasonable access to the certificate electronically and it contains all the information required by section 102 of the CPSIA, electronic certificates can be used to satisfy the CPSIA.**



Where do I find the most up to date details on CPSIA and Import Safety?

□ www.cpsc.gov



President's Import Safety Action Plan One Year Later:

FDA's Update

October 30, 2008

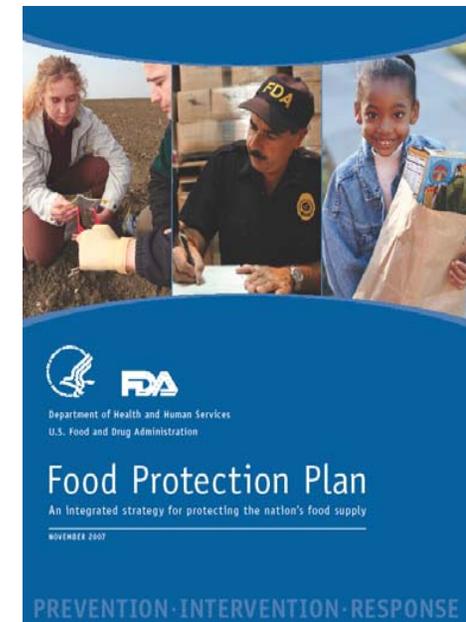
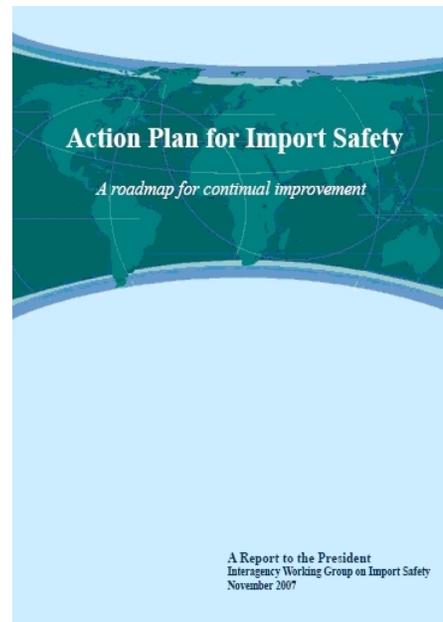
CDR. Domenic J. Veneziano
Director, FDA's Division of Import Operations and Policy



Presentation Overview

- Food Protection Plan and the Import Safety Action Plan

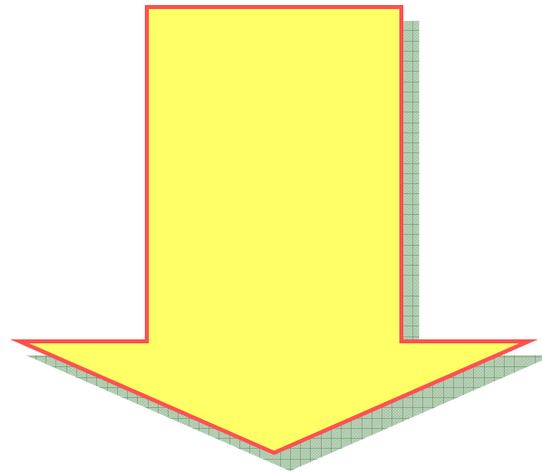
- FDA's Initiatives
 - ✓ ACE/ITDS
 - ✓ Beyond our Borders
 - ✓ Third Party Certification Pilot
 - ✓ Secure Supply Chain Initiative
 - ✓ PREDICT
 - ✓ Good Importer Practices
 - ✓ Rapid Response Teams



Food Protection Plan and the Import Safety Action Plan

Time for a New Approach

Reactive



Proactive



Food Protection Plan and the Import Safety Action Plan

The Import Safety Action Plan

- Executive Order 13439 – **July 2007**
- Involvement of 12 Federal Departments and Agencies
- Follows the organizing **principles** identified in the Strategic Framework – **September 2007**:
 - ❖ Prevention (with Verification)
 - ❖ Intervention
 - ❖ Response(Life-Cycle of an Imported Product)
- Action Plan – **November 2007**
 - ❖ 14 Broad Recommendations
 - ❖ 50 Specific Action Steps

The Food Protection Plan

- In **May 2007**, FDA charged with developing a comprehensive, integrated Food Protection Plan
 - ❖ Food for people and animals
 - ❖ Domestic and imported
 - ❖ Food safety and food defense
- **Three core elements:**
 - ❖ Prevention
 - ❖ Intervention
 - ❖ Response(Life-Cycle of an Imported Product)
- Approach
 - ❖ 38 FDA Administrative Actions
 - ❖ 10 Legislative Proposals



Import Safety Action Plan

➤ Six building blocks

1. Advance a Common Vision
2. Increase Accountability, Enforcement, and Deterrence
3. Focus on Risk over the Life-Cycle of an Imported Product
4. Build Interoperable Systems
5. Foster a Culture of Collaboration
6. Promote Innovative Technologies and New Science



Life –Cycle of an Imported Product

➤ PREVENTION

- Legislative changes
- Mandatory Certification
- Increased enforcement
- Development of Standards
- Third Party Certification
- Voluntary Certification Programs
- Beyond Our Borders
- Facility Verification Program
- FDA Foreign Inspections
- Foreign Governments MOAs
- Unique Identifier for firms
- Good Importer Practices (GIPs)
- IT Improvements
- Dedicated Foreign Cadre



Life –Cycle of an Imported Product

➤ INTERVENTION

- Increased enforcement
- Laboratory results: Elexnet
- Develop rapid test kits
- Use of State Data
- Historical examination results
- Good Importer Practices (GIPs)
- Collaboration with other Federal Agencies
- Collaboration with industry to develop new methods
- Product Risk Assessments
- Importer history
- Adverse Adverts
- IT Improvements
- Recall Data
- Secure Supply Chain Initiative
- Increased Staff
- Domestic Inspections
- Voluntary Programs
- Legislative changes
- Import Alerts
- Expand laboratory capacity
- Investigational tools

• PREDICT



Life – Cycle of an Imported Product

➤ RESPONSE

- Legislative changes
- Rapid Response Teams
- IT Improvements
- Collaboration with State Agencies
- Collaboration with other Federal Agencies
- Traceability Technologies



Anne Maricich
Field Oversight Director,
Regulatory Audit
Office of International Trade



Import Self-Assessment – Product Safety

Pilot Program Effective
October 29, 2008



Controls for Product Safety

- ❑ Effective Control Environment
- ❑ Adequate Risk Assessment Process
- ❑ Sufficient Control Activities
- ❑ Effective Information and Communication
- ❑ Sufficient Monitoring/Quality Assurance Program



How Can ISA Partners Apply

- ❑ Interested ISA partners email: isa@dhs.gov
- ❑ Partners will be asked to complete a product safety questionnaire
- ❑ Interagency team will visit to discuss product safety controls
- ❑ Foreign factory visit may be scheduled
- ❑ CBP/CPSC review board decides on readiness



Benefits of ISA-PS Pilot

- ❑ Reduced product safety tests on goods
- ❑ Front of the line in labs if testing is done
- ❑ Destruction of products in lieu of redelivery
- ❑ Fast Track Product Recall Program
- ❑ Dedicated points of contact for NEISS codes
- ❑ Special training on compliance, internal controls, and audit trails



IMPORTER SELF ASSESSMENT ON PRODUCT SAFETY

Why ISA for Hasbro?

Barry O'Brien
Director of Global Trade and Customs
Hasbro, Inc.



Why ISA for Hasbro?

- We wanted a partnership between Customs and Importers to maintain a high level of trade compliance.
- Voluntary approach to trade compliance that allows importers maximum control of their own Customs compliance.
- We knew the ISA program recognizes importers who are willing to assume responsibilities for self-assessment in exchange for less Customs oversight.
- The ISA program was built on knowledge, trust, and willingness to maintain an ongoing Customers/Importer relationship.



Why the ISA program for Import Product Safety?

- Will be a partnership between Customs, Importers, and the CPSC to maintain a high level of trade compliance.
- Again, it will be a voluntary approach to trade compliance but it will give you a very high maximum control of your safety compliance with Customs and CPSC.
- Again, we feel that by participating in this program you will assume responsibilities for self –assessment in product safety in exchange we hope to receive less oversight by Customs and CPSC.
- And like the above ISA program of 2003, the Importer Self Assessment-Product Safety Program will be built on trust and a willingness to maintain an ongoing relationship between the importer, CBP and CPSC.



The Future of the ISA program on Import Product Safety

- 1. Reduce import safety certificates followed by a quarterly reconciliation statement on safety certificates by item number.
- 2. Reduce penalties if some reason the paper certificate was missing in the container before a quarterly reconciliation is factored into the program.
- 3. Reduction of testing – combine all tests that we do now to one final test for the product and distribute this test sheet to CPSC and our customers.





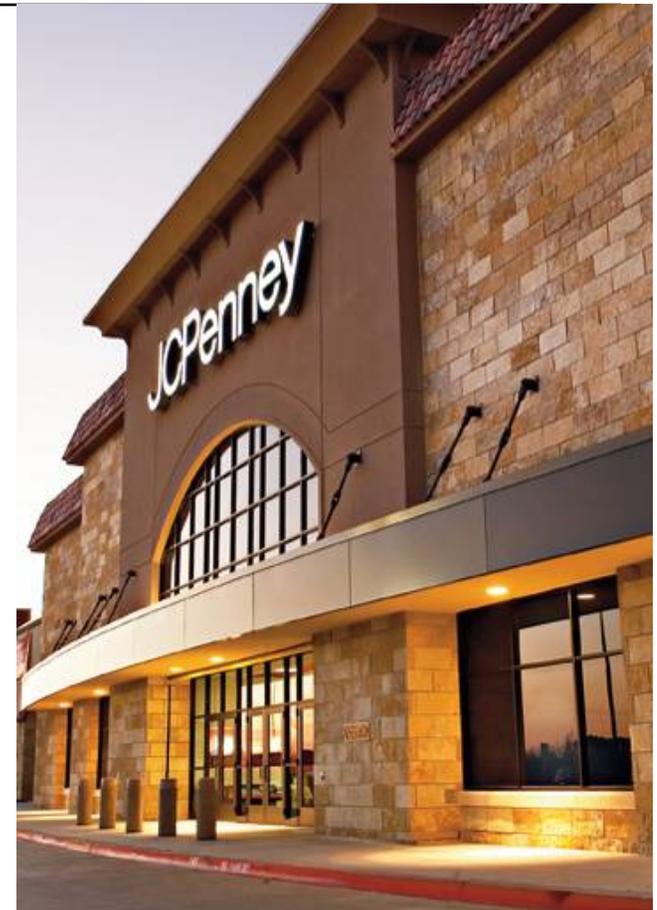
Every Day Matters™

JCPenney Product Safety and Importer Self Assessment



JCPenney

- ❑ Established in 1902 by James C. Penney
- ❑ Multi-channel retailer in the U.S.: stores, internet & catalog
- ❑ 1082 Department Stores
- ❑ Sales of \$19.9 Billion in 2007
- ❑ 155,000+ Associates



JCPenney ISA Program

Why do ISA?

- Benefits
 - Current
 - Future
- Partnership and collaboration program with CBP and other government agencies
- Corporate Social Responsibility



Corporate Social Responsibility

- ❑ Responsible retailing is no longer just a debate
- ❑ Customer attitudes are changing and the pace of change will only accelerate over the next few years.
- ❑ Increasing concern about climate change, China, Product safety, etc.
- ❑ “**Green**” retailing is becoming extremely competitive
- ❑ Investors: The Triple Bottom Line *People, Profit, Planet*
- ❑ New Standards and Regulations



ISA & Product Safety Pilot

- Questionnaire
 - Control Environment
 - Risk Assessment
 - Control Procedures
 - Information & Communication
 - Monitoring
- U.S. Visit
- Foreign Visit



JCPenney Controls & Procedures

- Vendor Selection
- Factory Audit Programs
 - Factory Evaluation: Quality
 - Legal Compliance: Labor, Health & Environmental
 - Factory Security: CTPAT
 - Audits: during production and final audits
- Product Testing
 - JCPenney Labs
 - Third Party Labs



Product: Testing Labs

Mr. James C. Penney



Carrollton, TX RTL



Singapore
MTC



Hong Kong MTC



The Consumer Product Safety Improvement Act of 2008 (CPSIA)

- Communication to suppliers
- Education & Training
- Establishing new procedures and controls
- Challenges
 - Timelines
 - Implementation



Next Steps: ISA-Product Safety

- Continued collaboration with CBP, CPSC and other government agencies to:
 - Explore additional benefits for importers
 - Implementation of CPSCIA

