



**U.S. CONSUMER PRODUCT SAFETY COMMISSION
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**STATEMENT OF CHAIRMAN ELLIOT F. KAYE
TO THE CONSUMER PROTECTION, PRODUCT SAFETY, INSURANCE, AND DATA SECURITY SUBCOMMITTEE
OF THE U.S. SENATE COMMERCE, SCIENCE, AND TECHNOLOGY COMMITTEE**

CONSUMER PRODUCT SAFETY AND THE RECALL PROCESS HEARING

OCTOBER 8, 2015

Good morning Chairman Moran, Ranking Member Blumenthal and the members of the Subcommittee. Thank you for the invitation to come speak about the United States Consumer Product Safety Commission's recall process. I am pleased to be joined today by my friend and colleague, Commissioner Buerkle.

U.S. Government agencies with recall authority have struggled for decades with effectively reaching consumers about recalls. Our experience at CPSC has mirrored that of our sister agencies. Expanding technologies simultaneously create new challenges in capturing consumers' attention and present new opportunities to do the same.

When I became Chairman last summer, I asked our staff to take a fresh look at how we and other agencies process and monitor recalls with an eye on reaching more

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consumers and reaching them more quickly. My primary objective is to move to a recall process that is even more focused on consumer protection.

Toward that end, we are taking numerous steps to enhance the effectiveness of the product safety recalls that we announce. These steps include: (1) shortening the length of time it takes to alert the public to a product recall; (2) working with individual recalling companies to ensure monthly progress reports provided to the Commission accurately reflect the steps taken by the recalling company and ensuring the accuracy of their data; (3) identifying priority recalls so that the agency can provide enhanced monitoring of those critical recalls; (4) improving technology so recalling companies can provide recall progress report information to the staff through a one-stop business portal; (5) expanding the use of social media by the CPSC to reach targeted audiences; and (6) urging recalling firms to use social media and search engine optimization to broaden the notice of safety recalls to reach as many owners of recalled products as possible. Beyond these steps, we continue to consider whether enhancing or changing our regulations could have a positive effect on this process.

We have placed a priority on getting recall information to the public more quickly and more broadly, two elements critical to a more effective recall. In Fiscal Year 2015, we announced recalls to consumers, on average, 4-5 days faster than we did in the previous

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fiscal year. In addition to the hundreds of recalls that we have conducted in cooperation with Canada in the past seven years, we have increased our coordination with safety agencies in other countries. Since 2013, we have conducted seven trilateral recalls with both Canada and Mexico, three of which were announced simultaneously in all three markets, including a recall last month of 1.3 million bicycles involving 13 recalling manufacturers and distributors. Coordinated recall announcements increase efficiency and lead to less confusion for consumers.

The improvements we are making to the process will still be insufficient without a significantly increased effort by recalling companies. There is no way around that fact. As we all have experienced as consumers, companies spend a tremendous amount of effort and resources, including time, money and creativity, on marketing their products to us. But, at CPSC we often do not see a commensurate effort on the recall side. Parents of young children, in particular, are extremely busy. Many companies seem to embrace that fact when marketing their products and seem to ignore it when recalling those same products. I believe that companies should dedicate the same effort to recalling dangerous products as they do marketing them.

Companies should use all of the tools at their disposal, including customer lists, incentives and social media, to inform and motivate consumers to take action. Recalls

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are more effective when customers are directly notified and for many products, companies have the ability to do this through their existing customer records. We have seen companies have successful recalls by offering incentives, such as gift cards for small amounts or free or discounted products, to motivate consumers to take advantage of the recall remedy. These are some of the creative solutions that we believe companies can use to improve recall effectiveness.

We have seen some recalling companies effectively use their social media platforms. Others, unfortunately, have used lesser-followed social media accounts to disseminate information or bury recall information under a difficult-to-find recalls tab on a website. While such actions might “check the box” for publicizing recalls, they do not lead to effective recalls; they certainly do not strike me as a genuine attempt to protect consumers. I expect companies to ensure that recall information is featured prominently on their websites and social media sites, instead of making consumers search for the information. As consumers, we can all easily recognize when looking at a company’s website what is a priority and what is not.

Beyond far more prominent website placement, the use of social media needs to become more prevalent. For many recalls, social media is the ideal medium to reach a large number of consumers simultaneously, especially when compared with some of our

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historic notification methods such as posters in retail locations. Through social media sites, companies can collect and monitor data regarding the reach of their recall message.

Facebook is the largest social media site today, boasting nearly 1.5 billion monthly active users as of this past summer. Nearly all major companies have an active presence on Facebook for marketing purposes, which should also be used to disseminate recall information more widely to consumers. Unfortunately, the CPSC itself does not yet have a Facebook presence. Those who support government transparency, informing consumers and genuine recall effectiveness should endorse CPSC going onto Facebook.

I welcome feedback aimed at increasing recall effectiveness. Earlier this year, the non-profit advocacy group, Kids In Danger, issued a report that examined children's product recalls during the last ten years. I give credit to them for reporting on our effectiveness and encouraging others to focus on this important issue. Their work has better informed our processes and amplified our call that companies have a far greater role to play.

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Thank you, again, for the invitation to speak to you about the CPSC's recall process and the life-saving work undertaken by our staff. I look forward to answering any questions that you may have.