



Unintended Consequences

THE CONSUMER PRODUCT SAFETY IMPROVEMENT ACT HAS LEFT PILES OF CHILDREN'S BIKES, TOYS AND OTHER DEBRIS IN ITS WAKE WHILE CONSUMERS AND MANUFACTURERS WONDER WHETHER THE ACT DID MORE HARM THAN GOOD.

THE OBAMA ADMINISTRATION AND Congress have big plans for U.S. manufacturing and the economy this year, offering proposals to restructure health care, promote "green jobs," and establish a powerful new regulatory regime to control greenhouse emissions.

Before any of these proposals are enacted into law, members of Congress should stop, take a deep institutional breath, and ask themselves: "Are we repeating the mistakes of the Consumer Product Safety Improvement Act?"

Known by its acronym of CPSIA, the 2008 law shows that even popular legislation written with the best of intentions can destroy jobs and disrupt the marketplace. It offers a powerful cautionary lesson about

the dangers of legislative overreach.

"Thanks to the flaws in this law, millions of perfectly safe products are in the process of being destroyed, costing U.S. businesses billions of dollars in the midst of one of the worst economic crises in U.S. history," observes Rick Woldenberg, chairman of Learning Resources, Inc., an Illinois educational toy company, and a leading advocate for reforming the law.

"Charitable organizations and thrift stores are being forced to pull inventory from their shelves at a time when American families need them more than ever. The supply of science supplies to schools is being curtailed. Youth model ATV and dirt bikes are no longer available creating a safety issue because more than 90 percent of injuries to kids on ATVs occur on large adult size models. Even libraries are at risk of legal liability for lending children's books."

Congress simply never considered that the legislation it was writing could cause this much economic devastation. And now, as Congress is turning its attention to health care and managing carbon dioxide emissions, perhaps it can learn from the mistakes with the CPSIA.

BEST OF INTENTIONS GO AWRY

Legislators had the best of intentions when they started writing consumer product safety legislation in 2007. A national outcry had arisen over dangerous toys imported from China, everything from wooden trains covered in lead-based paint, to rattles that could choke a baby, to a fake eyeball toy filled with kerosene. Millions of products were recalled.

The Congressional response was to expand the authority and budget of the Consumer Product Safety Commission (CPSC), the independent agency that regulates the safety of consumer products. Manufacturers were certainly on board. The National Association of Manufacturers (NAM) organized a broad industry alliance,



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