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Toy regulations affect direct retailers

By Chantal Todé

TOY CATALOG and Internet retailers are scrambling to meet deadlines for new regulations from the Consumer Product Safety Commission regarding the banning of lead and phthalates in toys, as well as how they inform consumers about toy safety warnings.

A number of highly publicized product recalls in 2007 — many of them for toys — left consumers, toy retailers and the nation's product safety watchdogs rattled. While many in the direct marketing industry agree that the new law is an important step toward ensuring the safety of children, there are some concerns over how it is being implemented.

"My biggest concern is what we are required to do and what we aren't," said Michael Wagner, CEO of The Parent Company, which operates eToys and My Twinn Doll. "The legislature has put the law in place, but all the details aren't there."

Congress passed the Consumer Product Safety Improvement Act of 2008. While many of the regulations will take effect December 12 for Internet retailers and February 10 for catalogers, the CPSC

was still taking comments from the catalog industry until October 15, and into November from the Internet side. The final rule regarding exactly what catalogers will be expected to do is supposed to be released on November 12. The possibility of a 180-day grace period has been raised by the CPSC.

"Many catalogers have their catalogs planned well in advance, so these restrictions could be very problematic," said Hamilton Davison, executive director of the American Catalog Mailers Association.

The law contains a section that deals specifically with toys sold via catalogs and the Internet. It states that when a toy carries a cautionary statement regarding choking, any advertising providing a direct means of purchase also must contain an appropriate cautionary statement.

"This is an area where you want to protect children," said Jerry Cerasale, SVP of government affairs at the Direct Marketing Association. Still, the association raised several concerns in its comments to the CPSC, including suggesting that symbols be used in catalogs instead of a full warning statement.

Toy marketers who sell through the Web and catalogs must adopt new standards after last year's recalls

"The real estate is very important in a catalog," said Cerasale. "If you have lots of warnings, it uses up space that could be used to sell other products."

The DMA also is asking that catalogers be given an 18-month grace period to comply with the new regulations and that business-to-business catalogs be exempt from the regulations.

The labeling requirement isn't as big a concern for The Parent Company as the phthalates issue, said Wagner. Phthalates are ingredients found in some plastics.

"If there is a warning on a manufacturer's package, we put it on our Web site — this is something we've done for some time," he said. Some Internet retailers aren't currently doing this, however. ■