



**Testimony of Alexander D. Hoehn-Saric
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Hearing on The Fiscal Year 2025 Consumer Product Safety Commission Budget

**U.S. House of Representatives
Committee on Energy & Commerce
Subcommittee on Innovation, Data & Commerce
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Good afternoon, Chair McMorris Rodgers, Ranking Member Pallone, Chair Bilirakis, Ranking Member Schakowsky, and members of the subcommittee. Thank you for inviting me and my fellow Commissioners to testify before you today about the Consumer Product Safety Commission's budget, priorities, and challenges. As a former Committee staffer, it is my privilege to be here before you now as CPSC Chair.

More than 50 years ago, Congress established CPSC to protect the public from unreasonable risks of injury and death associated with consumer products. Over the past five decades, its mission has grown to encompass more than 15,000 categories of products and two trillion dollars in commerce annually, including one trillion dollars in imports. It is estimated that consumer product deaths, injuries, and property damage cost the nation one trillion dollars each year.

CPSC protects the American public using numerous strategies:

- We inspect, stop, and test potentially hazardous and non-compliant consumer products at the ports – including toys with excessive lead content, fireworks that are not made in compliance with our laws, and flammable children's clothing. We do this with fewer than 50 investigators at ports spread across the country.
- We investigate injuries and deaths related to consumer products with fewer than 60 product safety investigators nationwide.
- We conduct recalls when we find a dangerous or defective product and seek civil penalties when companies violate the law, including failing to report known defects.
- We work with industry to establish voluntary standards to improve product safety, and where that is found to be insufficient, establish mandatory rules.
- We educate and inform the public about the safe use of products, safe infant sleep practices, and water safety, and we provide warnings about defective and dangerous products.

We do all this work with a staff and a budget that is far smaller than other federal safety agencies with similar missions.

CPSC would not be as successful as we are without our incredible employees, who believe deeply in our mission to help keep the American public safe. In fact, their commitment to this work and our agency shows up in the annual Federal Employee Viewpoint Survey. We were the most improved small agency in 2023 for the recent

“Best Places to Work in the Federal Government” ranking. Thanks to our staff, CPSC has been able to advance safety considerably over the past two and a half years while I have been Chair. I could not be prouder to work with these dedicated public servants.

Recent Successes

- With the resources available, I have focused on putting consumers first in everything that we do. And we have been incredibly productive. In my time as Chair:
- We’ve conducted over 800 recalls and issued more than 70 product safety warnings to consumers;
- We’ve issued more than 110,000 take down requests to online marketplaces for recalled, banned, or violative products;
- We’ve established standards improving the safety of products ranging from button cell batteries to adult portable bedrails, and implemented Congressional bans on crib bumpers and inclined infant sleepers;
- We’ve intercepted approximately 25 million violative items at the ports;
- We’ve assessed more than \$109 million in civil penalties for violations of product safety laws; and
- We’ve reached consumers more than 10 billion times with safety messages about drowning prevention, infant safe sleep practices, carbon monoxide poisoning, and more.

Focusing on statistics and numbers, however, takes the heart out of the work done by CPSC. When I talk about recalls, I remember the Jetson Rogue electric scooter that burst into flames in Hellertown, Pennsylvania, killing two young sisters and hope that the recall will prevent other families from facing a similar tragedy. When I talk about our e-commerce take down requests and public warnings, I remember the “My Bouncer Little Castle” with a hoop that strangled a young child and know that CPSC’s work will prevent another shopper from adding this to their online shopping cart and putting their child at risk. And as we implement the STURDY Act, I recognize the parent activists who fought for decades to make dressers more stable after the deaths of their own children, and hope that the action taken adds no more parents to their ranks.

When CPSC is doing its job, it means fewer trips to the emergency room and fewer deaths across this great nation. Each life saved is a story that we will never know, but will have a lasting impact on consumers, their friends, and families.

Budget

Our increased productivity is due in part to the support we received from Congress over the last several years. In Fiscal Year (FY) 2021, CPSC received \$50 million in funding under the American Rescue Plan Act (ARPA) to improve our performance at the ports, increase our inspection of de minimis shipments, reach out to underserved communities, upgrade our technology, and much more. In FY 2023, CPSC received an increase of \$13.5 million in its base funding, which allowed us to be more active in achieving recalls and stopping dangerous products before they reach store shelves.

However, I am deeply concerned that our progress is in danger. For this year, FY 2024, CPSC's budget was cut by one percent but the demands facing our staff only grew. Combined with increases in labor and contract costs, we are approximately \$10 million below where the agency needs to be to maintain the levels of staffing and service we had in FY 2023. That may not sound like much to some, but for this agency – with a total appropriation of just under \$151 million – it is very significant. And because about 70 percent of our budget is spent on personnel, we have few contracts to cut. In addition, our grant program funding levels are set in statute and come out of our general appropriation. In short, there is little – if any – fat to trim at CPSC.

These challenges are exacerbated by the coming depletion of the agency's ARPA funds, which we expect to occur in the first quarter of FY 2025. Those funds have been used largely at the ports or in support of work at the ports. While we have been taking steps to preserve the staff we hired with ARPA funds by moving them into our base salaries and expenses budget, we still have 17 port staff whose salaries are paid for using ARPA funding. We also continue to fund several necessary technology improvements, recall translations, updates to our import targeting systems, consumer education and outreach campaigns, and more through ARPA.

To address this year's budget cut and the coming depletion of the agency's ARPA funds, we have decreased our staff from a high of 583 during FY 2023 to 548 employees as of today and are planning for further reductions through attrition. As a result, important work is delayed, import inspections are slowed, and consumers are facing

more risk at home, at daycare centers, and in schools. In short, we are not engaging in work that we know will save lives and serve the public because we do not have any other choice.

Our FY 2025 budget request attempts to address these concerns by proposing to increase our budget to \$183.05 million, an increase of approximately \$32 million above the current fiscal year. This proposed increase would be used to ensure that all port-related activities are fully integrated into our base budget, including the 17 ARPA-funded port staff. It also would enable us to further increase our resources to stop and test consumer products that are imported into the United States, expand our surveillance of e-commerce, increase our ability to conduct defect investigations, expand outreach to consumers, and identify chronic hazards from chemicals like PFAS. This funding is critically needed for us to help keep consumers safe.

This funding request also aligns with congressional expectations. Just this past May, the House passed four bills requiring CPSC to engage in new rulemakings on lithium-ion batteries and awning safety, to ban high concentration sodium nitrite from consumer products, and to establish a pilot program using artificial intelligence. Absent additional resources and staffing, however, I am concerned that the Commission will be challenged to meet the timelines and mandates in these bills should they become law. I appreciate that the House identifies us as the right agency to address emerging product hazards, but we need additional funding to do that work effectively.

Unfortunately, the House appropriations process is going in the other direction. Last month, the Appropriations Committee approved an FY 2025 funding level of \$142 million. Implementing this six percent cut when salaries and expenses are increasing would require widespread staff reductions, which would be devastating to consumer safety.

At some point, we cannot do more with less. We can only do less with less.

Storms on the Horizon

This threat to our effectiveness is happening at a time when the challenges facing the American consumer are growing. E-commerce is booming and so are the number of recalled and violative products sold online. Innovations in technology are benefiting

consumers, but also creating new risks through the use of artificial intelligence, lithium-ion batteries, harmful chemicals and other potential hidden hazards. And we continue to struggle with disproportionate death and injury rates for specific consumer products in underserved communities.

Online Marketplaces

The most significant challenge that CPSC faces today comes from the online marketplace. In 2022, total e-commerce sales in the United States were estimated at more than one trillion dollars, an eight percent increase over the year prior. That will certainly continue to grow. And there are new entrants to the market every day, such as Temu and Shein. No online marketplace is doing enough to keep American consumers safe. And while CPSC is attempting to protect consumers through litigation, monitoring online sales, and education, there is much more that needs to be done.

Consumers rightly assume that when they buy something online, it is just as safe as if they bought it in a brick-and-mortar store. Unfortunately, that is not always the case. Too often, foreign manufacturers that sell products online disappear after being contacted by CPSC about a hazardous product. That leaves the consumer holding a defective product with little or no recourse. And while CPSC often can get the platform to take a specific product listing down, that same product can reappear on the same platform under a different manufacturer's name within days.

The reality is that we are monitoring a rapidly growing economic sector for consumer products using a statute that was last fully updated in 2008 and resources that are insufficient for the task.

I am thankful for the letters sent last year by Chair McMorris Rodgers, Ranking Member Pallone, Chair Bilirakis, and Ranking Member Schakowsky pushing online marketplaces to share the actions they have taken to keep consumers safe. You recognize in your letters, and I agree, that these platforms are in the best position to evaluate the safety of the products sold on their sites and to protect consumers. The burden cannot be placed on the consumers buying the products. And going after fly-by-night foreign manufacturers simply does not work. I urge further congressional action to address the safety of products sold by third parties on online marketplaces.

De Minimis Shipments

CPSC also faces challenges due to the changing nature of consumer product imports. E-commerce purchases valued under \$800 that are shipped directly to consumers enter our country with much less data provided about them than other shipments. This lack of information on "de minimis" shipments coming from foreign countries, such as China, makes them extremely difficult to track and target for inspection.

The bottom line is that more and more goods are coming in from overseas for which CPSC has limited data to evaluate their safety. That, coupled with the volume of imports and inability to fund more staff at major entry points, presents significant challenges to CPSC and our ability to stop dangerous products before they enter the stream of commerce. We are moving forward on an e-filing program that will provide us additional capacity to track imports, but our limited funding and the coming depletion of ARPA funds exacerbate these problems.

Emerging Hazards

I also am concerned about emerging technologies in consumer products, including artificial intelligence (AI), lithium-ion batteries, and chemicals for which the agency needs to engage in more research. It is troubling that a consumer product, like a robotic lawnmower for instance, could fundamentally change how it operates over time based on AI and that those changes could be harmful to the consumer. With lithium-ion batteries, we know that poorly made e-bike batteries from overseas are causing deadly fires, but the use of energy storage technologies is not limited to micro-mobility devices and is growing faster than the agency can fully evaluate. This also is true with respect to the use of chemicals, such as PFAS, in products that can create chronic health hazards.

Our staff is conducting cutting edge research in these areas, but as these technologies develop quicker than the agency can keep up, we will need to think through the implications for the safety of consumer products, and make sure that there are appropriate guardrails in place to ensure that any progress does not create an inherently dangerous product.

Outreach

Another challenging area, where we have made strides, is the need to better align our outreach work with affected communities. The reality is that there are deep disparities based on race, ethnicity, and geographic location in injuries and deaths from numerous categories of consumer product hazards from pool drownings to infant deaths. CPSC needs to make sure that our messaging is being effectively communicated to the right audiences. And in some cases, we recognize that our safety messages can conflict with common practices that have been in place for generations – resulting in a situation where safety and traditions are at odds. We have been taking steps to work directly with impacted communities and working with other federal agencies to reach people where they are. We want our messaging to be heard and acted upon, and our FY 2025 budget attempts to increase resources in this area.

In closing, CPSC provides incredible value for the resources provided. Our work saves lives and prevents injuries. However, without Congress' support, we cannot maintain our efforts to keep consumers safe. Thank you, and I am happy to answer any questions.