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## **Petition CP 01-01 Petition for Product Registration Cards**

### **Introduction – Draft on Recall Card Registration Comments**

Consumers Union (CU), publisher of *Consumer Reports*, believes strongly that the system currently in place by which manufacturers of children's products agree to recall products needs substantial improvement. We therefore welcome the opportunity to provide comments in support of: **"Petition CP 01-01, Petition for Product Registration Cards"** filed by the Consumer Federation of America (CFA) calling for product registration cards to accompany products intended for use by children.

Too often when a recall takes place, manufacturers are unable to identify the purchasers of their products. Experience at another federal agency with recall registration cards suggests that more effective recall notification systems will lead to higher rates of products returned for refund, repair or replacement. If this petition is granted, we believe it would result in improved safety for children, America's most vulnerable consumers.<sup>1</sup>

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<sup>1</sup> We would not support allowing a product registration program, however, to obviate the need for public notice of a recall since a significant number of products used by children are passed down from family to family or sold at

Among the serious problems with the current product registration system is the *warranty registration cards* that are widely distributed by product manufacturers. As currently utilized, these cards are not an adequate source of consumer data to work as a recall database. These cards typically ask a variety of questions that have no relationship to safety, including about such diverse topics as household income, profession, hobbies, marital status, number of children, whether one rents or owns a home – in short, the kind of information that sends a message to consumers that the manufacturer is seeking primarily marketing information and consumer data, rather than the ability to contact the consumer in the event of a safety recall. Indeed, these warranty cards have generally steered away from mentioning their usefulness should there be a recall, possibly for fear of scaring customers. It is likely that many consumers do not complete and mail the cards so as to avoid receiving marketing literature or compromising their privacy. The low return rate on these warranty registration cards is predictable, and contributes to hampering the manufacturer’s ability to contact customers when a product is recalled.

### **Jurisdiction to Require More Stringent Product Registration provided under the Consumer Product Safety Act**

Under the Consumer Product Safety Act, Section 16 (b), the CPSC is authorized to require manufacturers, private labelers and other distributors of consumer products to “...establish and maintain such records, make such reports, and provide such information as the Commission may, by rule, reasonably require for the purposes of implementing this Act. Or to determine compliance with rules or orders prescribed under this Act...”

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garage sales, second hand stores, etc. These programs would instead supplement one another with the goal of informing as many consumers as possible about a safety recall.

This section clearly indicates that CPSC has the jurisdiction to improve the product registration system and that the agency needs no additional legislation in order to carry out the petition's goals.

### **Purpose of Petition**

We support the petition's goal of requesting that the Consumer Product Safety Commission (CPSC) issue a rule "requiring manufacturers (or distributors, retailers, or importers) of products intended for children provide along with every product a Consumer Registration Card that allows the purchaser to register information through the mail or electronically." We also support the CFA's request that the CPSC issue rules requiring that:

- The remedy for recalls of products intended for children remain in effect as long as the affected company is in business, including operating under new corporate ownership, and
- Identification information be permanently provided on every product intended for children. We leave to the CPSC's discretion to decide when placing such product registration information on a product is not practical.

### **Information CPSC Should Require Manufacturers and Others Relevant Parties to Maintain Under This Petition**

The petition requests that the CPSC require registration cards do the following:

1. Collect only information needed to contact the petitioner, eg., name and address or email address.
2. Have postage paid by manufacturers.

3. Have the name and model number of the product purchased stamped on the cards.
4. State that the information gathered will be used only to advise the purchaser of a recall or important safety information.
5. Offer an incentive to register the product. For example, General Electric (GE) enters into a weekly drawing those consumers who register a GE microwave oven, enabling them to win a GE appliance each week and including a monthly drawing for \$1000 cash. We believe that this type of incentive program could be successfully replicated by child product manufacturers.

The petition also asks that electronic registration be made available. We agree that consumers should have the option to file their information on-line at a specially designated place within the manufacturer's website for product registration. The information gathered should again be limited to the information cited above, including the specific product information, and should be accompanied by guarantees that the privacy of the consumer's information will be protected.

In addition to the above recommendations for gathering recall information in this specific manner, CU offers the following additional recommendations:

1. We believe that the consumer's fax and cell phone numbers should be requested as well as the other more traditional contact numbers. If the information is only being used in the event of a recall, then having as many possible means of contact consumers makes sense.
2. CPSC should require the year of manufacture of the product be added to information stamped on recall registration card and the card be pre-addressed to the manufacturer.

3. We also suggest an addition/substitution to the message on the registration card: “Fill this card out immediately and mail it. Postage is paid. We can only contact you in the event of a recall only if you complete this card and mail it back to us.”

Some commenters voicing the industry perspective have argued that consumers won’t fill out these cards.<sup>2</sup> We would agree that such a system isn’t likely to result in 100% registration, but the statistics we cite below describing registration of car seats does promise a great improvement in current numbers of consumers registering their products. As with child restraints, the products that are the focus of this petition affect children, and most parents have heightened concern about protecting their children from danger.

### **Child Restraint Regulations Provides Model for Registering Child Products**

#### **A. A good model for requiring registration of children’s products exists.**

Since September of 1992, manufacturers of child restraint systems have been required under the National Highway Traffic Safety Administration (NHTSA)’s Standard 213 (49 CFR Parts 571 and 588, Docket No. 74-09; Notice 26, Fed. Reg. September 10, 1992) to provide postage-paid registration forms with each seat. NHTSA issued this rule in response to a petition from the Center for Auto Safety and Consumer Action of San Francisco.

According to NHTSA, from 1981 to 1991, almost 18 million child restraints were recalled. Only 13% of these restraints were remedied or removed from use. From 1990-1991, nearly 12 million restraints were recalled. Only 11% of those were remedied or removed from use.

According to NHTSA, the average completion rate for recalls of child restraints went from 25% to 50% after the child restraint registration system was put in place. This suggests that it is reasonable to expect that a more rigorous registration system will succeed in getting more products subject to recall under CPSC's jurisdiction repaired or out of circulation.

NHTSA noted when it issued the rule that consumers who did learn of child restraint recalls were very concerned; NHTSA's Auto Hot Line received 30,000 calls during a child restraint recall prior to the promulgation of the 1992 regulations. This led the agency to conclude that "...many owners are highly motivated and would return a recalled seat for a remedy, if they knew it had been recalled." The same undoubtedly holds true for other baby products.

Consumers who have heightened concerns about safety when their children are using a product are more likely to respond when informed of a recall, and notification is critical to the success of any recall campaign.

Before finalizing this regulation, NHTSA conducted a study of consumer attitudes about the proposed registration program, with participants asked to evaluate five different registration forms. The focus group members preferred a postage paid pre-addressed card with an uncluttered graphic design that clearly and succinctly communicated the benefits of registration in the event of a recall, that differentiated itself from a warranty registration card, and required minimal time and effort on the consumer's part.

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<sup>2</sup> "...an old style registration card...is not necessarily or particularly going to be effective on a variety of product categories." Comments of Rick Locker, representing the Juvenile Product Manufacturers of America at a CPSC forum on Recall Effectiveness, March 23, 1999.

B. NHTSA's child restraint registration card requirements

- NHTSA's regulation standardizes the text and layout of the registration form. Manufacturers must preprint their return address, along with information identifying the serial number, model name or number of the restraint. The form must be attached to the seat to insure the consumer will notice it.
- All registration cards for child restraints must include this motivational text:

**Child restraints could be recalled for safety reasons. You must register this restraint to be reached in a recall. Send your name, address and the restraint's model number and manufacturing date to [insert address of manufacturer] or call [insert phone number of manufacturer]. For recall information, call the U.S. Government's Auto Safety Hotline at 1-800-424-9393 (202-366-0123 in DC area).**

We ask CPSC to use this or a substantially similar format. We recommend adding a statement that this information will be used only in the event of a product recall, and that the consumer's privacy rights will be fully protected by the manufacturer.

- Under NHTSA's rule, manufacturers must keep records of the names and addresses of persons who have returned the registration form for at least 6 years. As noted above, we support the petitioner's call for manufacturers to keep this information for an indefinite period of time because baby products are so often handed down to younger children and to relatives within families. The result is that they may be in use for many more than 6 years.

In addition, NHTSA officials have discovered since the 1992 regulation went into effect that companies have been lax about keeping records of registered products by product category **model and year**. The failure of the regulations to spell out the obligation to maintain that information has meant less specific data is available about recalls. We suggest CPSC avoid that mistake by requiring both **registration information** before a recall and **recall completion information** after the recall be maintained by **model and year** by the manufacturer and reported annually to CPSC; this information should also be made available to the public.

- NHTSA also requires under its rule that the product be labeled with the address and telephone number of the manufacturer, a requirement we recommend to the CPSC.
- NHTSA specifies a minimum size for the registration form so that the part to be returned to the manufacturer would be mailable as a postcard, which we also support.

While CU strongly endorses this effort to improve the current recall system, we would be remiss if we didn't recognize that recalls fall far short of reaching the majority of owners once the products are purchased and the packaging discarded. An evaluation of CPSC's fast track recall program in 1998 estimated that manufacturers couldn't account for 70-90% of sold infant products after they have been recalled. Certainly we must improve the recall rates, and if this petition is granted and new rules put into effect, that will likely happen.



While improving the product registration rates for children's products must be the highest priority, CPSC's Annual Report for 2000 indicates there were 288 recalls in the previous year alone, involving more than 90 million consumer product units. Many of these are products used primarily by adults. Clearly getting recall information to those consumers needs to be a high priority too. After acting on this petition, we urge the CPSC to move quickly to improve the product registration system across the board, and help insure that consumers are made aware of all product dangers and can remedy them as quickly and effectively as possible.

### **Conclusion**

Consumers Union believes that increasing the success of the recall system is critically important. Recall effectiveness is literally a matter of life and death. That is why we strongly support the CFA petition to require a more effective, well-documented registration system for children's products. We urge the CPSC to grant this petition expeditiously, adopting the suggestions CU and others have made to strengthen the petition in specific areas.

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Respectfully Submitted,

**CONSUMERS UNION OF U.S. INC.**

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