



United States  
**CONSUMER PRODUCT SAFETY COMMISSION**  
Bethesda, Maryland 20814

**MEMORANDUM**

**DATE: August 14, 2006**

**TO :** GC

**Through:** Todd A. Stevenson, Secretary, OS

**FROM :** Martha A. Kosh, OS

**SUBJECT:** Proposed Interpretive Rule on Civil Penalty Policy

ATTACHED ARE COMMENTS ON THE CA 06-4

| <u>COMMENT</u> | <u>DATE</u> | <u>SIGNED BY</u>  | <u>AFFILIATION</u>  |
|----------------|-------------|---|---|
| CA 06-4-1      | 8/11/06     | Marty Walsh<br>Director<br>Product Safety   | Bosch and Siemens Home<br>Appliances Group<br>5551 McFadden Ave.<br>Huntington Beach, CA<br>92649                   |
| CA 06-4-2      | 8/11/06     | Lee Bishop<br>Sr. Counsel   | General Electric<br>Consumer & Industrial<br>Appliance Park, AP2-225<br>Louisville, KY 40225                        |
| CA 06-4-3      | 8/11/06     | Michael Wiegard<br>Joint Comments<br>of<br>American Honda<br>Motor Co., Inc.,<br>Kawasaki Motors<br>Corp., U.S.A.,<br>Polaris Industries<br>Inc., and Yamaha Motor<br>Corporation, U.S.A. | Eckert Seamans<br>1747 Pennsylvania Ave, NW<br>Suite 1200<br>Washington, DC 20006                                   |
| CA 06-4-4      | 8/11/06     | David Calabrese<br>Vice President   | Association of Home<br>Appliance Manufacturers<br>1111 19 <sup>th</sup> St, NW<br>Suite 402<br>Washington, DC 20036 |

August 11, 2006

BSH Home Appliances Corporation  
Comments on Proposed Interpretive Rule on CPSC Penalty Policy

BSH Home Appliances Corporation is pleased to submit comments on the proposed interpretive rule under 16 CFR Part 1119 which would identify and explain factors that may be considered in evaluating the appropriateness and amount of any civil penalty. The proposed rule would reduce the communication gap between the Commission and the regulated industry and public with regard to penalties, as did the recently published interpretive rule regarding compliance with regard to reporting requirements.

BSH Home Appliances Corporation is a global company which is very sensitive to the various national requirements in the countries in which it does business and is dedicated to understanding and complying with all of those requirements. At present, there are few public guidelines as to what the commission considers relevant in determining whether to seek penalties for reporting non-compliance and the amounts of those penalties. To the outside observer, the present situation appears at best opaque and at worst arbitrary. The proposed rule appears to be legal and proper and will provide guidance in interpreting the intent and application of the policy and facilitate the conveyance of that information to management and to the international colleagues.

BSH appreciates the opportunity to file these comments and encourages the Commission to finalize the interpretive rule as soon as possible.

Respectfully submitted.



Marty Walsh  
Director, Product Safety  
BSH Home Appliances Corporation

(By facsimile (301) 504-0127



## GE Consumer & Industrial

**Lee L. Bishop**

Senior Counsel - Product Safety & Regulatory  
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August 11, 2006

Todd A. Stevenson  
Director  
Office of the Secretary  
US Consumer Product Safety Commission  
Washington, D.C. 20207

VIA EMAIL AND US MAIL

**RE: Comments of General Electric Company Regarding Proposed Interpretative Rule  
on Civil Penalty Factors**

Dear Mr. Stevenson:

GE Consumer & Industrial (C&I) supports the proposed new interpretative rule regarding civil penalty factors to be considered by the Commission under Sections 19 and 20 of the Consumer Product Safety Act. GE adopts the comments filed by the Association of Home Appliance Manufacturers ("AHAM"), its trade association.

GE C&I is a leading full-line manufacturer and marketer of major household appliances, (including clothes washers and dryers, dishwashers, kitchen ranges and ovens (gas and electric), refrigerators/freezers and room air conditioners, and microwave ovens), and lighting products and fixtures. GE C&I has its headquarters at Appliance Park, Louisville, Kentucky.

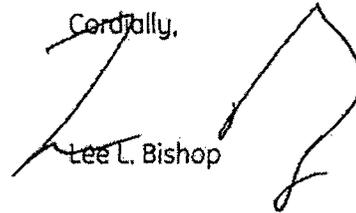
GE C&I strongly supports the adoption of the proposed new interpretative rule. The factors identified by the Commission are directly related to its mission to promote the production and sale of safe consumer products. The good faith adoption and use of good management practices in the design of consumer products and the monitoring of their performance in consumers' homes will result in safer products and, if necessary, better and more timely reports to the Commission. This has been the effect of the encouragement of environmental and worker safety business processes by the EPA and OSHA through their penalty policies.

GE appreciates the opportunity to file these comments and supports the prompt promulgation of

Todd A. Stevenson  
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this new interpretative rule.

Cordially,

A handwritten signature in black ink, consisting of a large, stylized 'L' followed by a smaller 'B' and a trailing flourish.

Lee L. Bishop

**Stevenson, Todd A.**

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**From:** Walker, Dyane (GE Indust, ConsInd) [dyane.walker@ge.com]  
**Sent:** Friday, August 11, 2006 4:17 PM  
**To:** Stevenson, Todd A.  
**Cc:** Bishop, Lee L (GE Indust, ConsInd)  
**Subject:** Comments on Penalty Policy

**Attachments:** comments on penalty policy.pdf



comments on  
penalty policy.pdf...

Please see attached correspondence -Comments of General Electric Company  
Regarding Proposed Interpretative Rule on Civil Penalty Factors.

<<comments on penalty policy.pdf>>

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August 11, 2006

**VIA E-MAIL AND FACSIMILE (301) 504-0127**

Office of the Secretary  
U.S. Consumer Product Safety Commission  
4330 East West Highway  
Bethesda, MD 20814-4408

Re: Civil Penalties

Dear Sir or Madam:

Enclosed are joint comments on CPSC's proposed new interpretative rule, 71 Fed. Reg. 39,248 (July 12, 2006), specifying factors that may be considered in determining the appropriateness and amount of a civil penalty under Section 20 of the Consumer Product Safety Act.

Respectfully submitted,

Michael A. Wiegard

*Enclosure*

MAW:aca

cc: Michael A. Brown, Esq.  
Mary McConnell, Esq.  
David P. Murray, Esq.



## INTRODUCTION

American Honda Motor Co., Inc., Kawasaki Motors Corp., U.S.A, Polaris Industries Inc. and Yamaha Motor Corporation, U.S.A. (the “Companies”) appreciate the opportunity to comment on the U.S. Consumer Product Safety Commission’s (“CPSC” or the “Commission”) proposed new interpretative rule that identifies and explains factors the Commission and staff may consider in determining the appropriateness and amount of a civil penalty under Section 20 of the Consumer Product Safety Act (“CPSA”), 15 U.S.C. §2069. 71 Fed. Reg. 39,248 (July 12, 2006). As explained more fully below, the Companies support the adoption of a new interpretative rule which makes clear that certain factors are relevant to determinations regarding the appropriateness and amount of civil penalties sought, and of civil penalty settlements, under Section 20 of the CPSA. As an initial matter, the Companies suggest that the proposed new interpretative rule be revised to also make clear that these factors will be applied evenhandedly, that no single factor be given undue weight, and that all pertinent factors, whether “positive” or “negative” with respect to the appropriateness and amount of a penalty, will be fully and objectively considered by the Commission and staff in each case.

## DISCUSSION

### A. Statutory Factors

The proposed new interpretative rule acknowledges that Section 20 of the CPSA specifies five factors that shall be considered by the Commission in

determining the amount of civil penalties to be sought for violations of Section 19 (a) of the statute. The five specified factors are: the nature of the product defect, the severity of the risk of injury, the number of defective products distributed, the occurrence or absence of injury, and the appropriateness of the penalty in relation to the size of the business of the person charged. 15 U.S.C. §2069(b). The proposal also notes that the CPSA allows the Commission to compromise any civil penalty under Section 20, and specifies that in determining the amount of a penalty settlement, the Commission is to consider the same five factors.

The number of defective products distributed is likewise a statutorily specified factor in determining whether to file a substantial product hazard report under Section 15 of the CPSA. 15 U.S.C. §2064(a)(2). In its recent revision of the final interpretative rule under Section 15, the Commission explicitly recognized that the number of those products remaining with consumers is also a relevant consideration. 71 Fed. Reg. 42,028, 42,031 (July 25, 2006). The Commission explained in the preamble that the previous rule had suggested that the number of products originally distributed is the only relevant number in deciding whether a defective product presents a substantial risk of injury. The preamble went on to state that “when a potential hazard first appears long after a product was sold, however, the more relevant number is not the number of products originally sold, but the number still with consumers.” *Id.* at 43,030.

The Commission should correspondingly add a statement to the proposed new interpretative rule regarding civil penalty factors that a related and relevant

consideration is the number of defective products remaining with consumers at the time when notifications under Section 15 should have occurred. This statement should also clarify that this factor focuses on the number of product units that actually contain a defect, which, depending on the type of defect involved, may be substantially less than the total number of products initially distributed or remaining with consumers.

**B. Additional Factors for Consideration**

The proposed new interpretative rule goes on to specify six additional factors which the Commission and staff may consider in determining the appropriateness and amount of any civil penalties to be pursued in negotiations with regulated entities when a violation of the reporting requirements of Section 15(b) (as well as other requirements of Section 19(a)) has allegedly occurred. The Companies believe several of these factors are of particular relevance and importance in making such civil penalty determinations. However, the Companies also believe that revision and further explanation is necessary with respect to a number of the proposed additional factors.

**1. Previous Record of Compliance**

The proposal specifies that the Commission and staff may consider whether a firm has had previous reporting or other violations, and if so, whether the firm has taken action to address previous violations and to improve compliance with applicable CPSC safety requirements. In addition to prior violations and whether they have been corrected, the proposed rule should explicitly note that

this factor includes consideration of previous timely notifications by the firm under Section 15.

2. Timeliness of Response

The proposal also specifies that the Commission and staff may consider how quickly the firm responded to relevant information it obtained (or reasonably should have obtained) with regard to the matter under review. The proposed rule should be revised to acknowledge that assessing the timeliness of response depends on the type of information involved, the circumstances in which it was obtained, when it was obtained, and how it relates to other information, if any, in the firm's possession at the time. For example, a timely response may include testing or investigation rather than immediate notification if the available information does not at that point appear to be relevant or to reasonably support the conclusion that a defect is present.

This acknowledgement is important because determining the appropriateness or amount of a civil penalty for an alleged reporting violation inevitably occurs after the fact. The firm's response is thus inherently susceptible to second-guessing by CPSC with the benefit of hindsight, when the progression or pattern of information leading to the conclusion that notification was appropriate appears much clearer than it did when the information was first obtained, often in combination with other information that ultimately proved extraneous but nonetheless had to be reviewed and analyzed. Such "20/20 hindsight" is neither fair nor appropriate in making civil penalty determinations.

### 3. Safety and Compliance Monitoring

The new proposed rule specifies that the Commission and staff may consider the extent to which the firm has adopted a system for collecting and analyzing safety information and evaluating reporting issues, as well as the system's application in the matter under review.

To the degree that a firm has such a system, a disagreement between CPSC and the firm on whether information relating to a possible defect should have been reported to the Commission in a particular case, or on the timeliness of any reports relating to that defect, should not negate consideration of the monitoring system as a positive factor on behalf of the firm.

### 4. Cooperation and Good Faith

The fourth additional factor that the proposed new rule specifies for consideration by the Commission and staff is the degree to which the firm cooperated and acted in good faith to address reporting or other product safety issues, both generally and with regard to the specific matter under review. The Companies believe that the proposed rule should be revised to emphasize the relevance and importance of this factor in making civil penalty determinations.

A review of penalty settlements over the past five years does not reveal any discernible difference in penalty amounts between situations where firms reported voluntarily and instances where they did not. For many companies who have made good faith attempts to comply with Section 15 and nevertheless have subsequently received letters announcing the Commission staff's intention to seek

the imposition of civil penalties, this has called to mind with respect to voluntary reporting the sardonic observation that “no good deed goes unpunished.”

The Environmental Protection Agency (“EPA”) has established an “Audit Policy,” 65 Fed. Reg. 19,618 (April 11, 2000), which provides regulated companies up to a 75 percent reduction in the proposed penalty assessment for voluntarily reporting a violation, cooperating with EPA, and taking corrective action. While CPSC does not approach penalty assessment in the same quantitative manner as EPA, the Companies believe that the Commission and staff should accord greater recognition to cooperation and good faith by a company, including particularly initial voluntary self-reporting as well as subsequent cooperation, in determining the appropriateness and amount of any civil penalty, as compared to situations where reporting is triggered by an initial CPSC investigation and the company fails to cooperate.

5. Economic Gain from Non-Compliance

The proposal specifies that the Commission and staff may consider the extent to which a firm profited or otherwise benefited from an improper delay in reporting. As an initial matter, the Companies questions whether this factor is necessarily relevant to an alleged reporting violation, because reporting does not necessarily require a commitment to conduct a recall, including corrective action and possibly a stop sale. A firm can report and then defend the position that a recall is not required. If this factor is intended to mean the Commission and staff

may consider “economic gain” from a firm continuing to sell a product that has been reported but not yet recalled, then it is inappropriate.

In addition, the Companies note that this factor appears to overlap with the statutorily specified consideration of the appropriateness of the penalty in relation to the size of the firm charged with the violation. If this factor is retained, the Companies suggest that the proposed rule be revised to note that consideration of this statutorily specified factor (i.e., the size of the business) may include consideration of the extent to which the firm profited or otherwise benefited from an improper delay in reporting.

6. Expected Product Failure Rate

The proposed new rule specifies that the Commission and staff may consider the “reasonably expected rate of failure” for the type of product under review over time. The Companies suggest that this proposed language be revised as follows: “In determining the reasonableness of a firm’s review and response to possible safety related information, the Commission and staff may consider the reasonably expected rate of the occurrence of repairs, replacements, and/or end of useful life over time for the type of product or component under review.”

Consideration of this information is both appropriate and very important with respect to certain types of consumer products that, because of the ways in which they are used, exhibit significant numbers of use and wear-related occurrences over time. All-terrain vehicles (“ATVs”) and other complex motorized vehicles that may be used for recreational and utility purposes are good

examples. These vehicles typically require component replacement or repair due to, among other things, user failure to maintain the product, un-acknowledged destructive use, such as collisions with solid objects, and user modifications and addition of accessories to the vehicles. In some cases, reasonably expected repair or replacement rates for particular product components may complicate substantially the process of determining whether a defect in that same component is present. A firm should be able to reasonably conclude that it need not report such product occurrences taking place at a rate which, based upon its own experience, is expected for that type of product, absent some other indication of the presence of a reportable defect.

7. Any Other Pertinent Factors

Lastly, the proposed rule specifies that the Commission and staff may consider any other pertinent factors. It fails, however, to give examples or otherwise define what such “pertinent” factors might be. The Companies agree that other factors which are pertinent to the matter under review should be available for consideration in determining the appropriateness and amount of civil penalties under Section 20. However, it seems clear that the Commission and staff and the reporting firm may well disagree as to what additional factors are pertinent in a particular case.

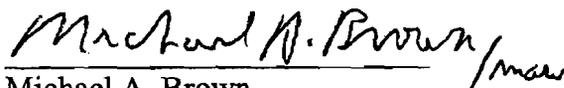
This provision could obviously be used by the Commission and staff to identify other factors for consideration in making penalty determinations in particular cases. Correspondingly, the firm should also be able to put forward

additional factors as pertinent to these determinations. The proposed rule should accordingly be revised to provide that the Commission and staff may consider any other pertinent factors identified by the staff or by the firm.

**CONCLUSION**

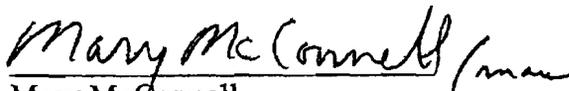
The Companies believe that, with the changes noted above, the Commission's proposed new interpretative rule will provide the regulated community with important guidance regarding relevant factors in civil penalty determinations and settlements under Section 20 of the CPSA. We urge CPSC to adopt the proposed new rule with the revisions and clarifications noted in these comments.

Respectfully submitted,



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AHAM Comments on Proposed Interpretative Rule on  
CPSC Penalty Policy

I. There is a Strong Rationale for the Interpretative Rule

The Association of Home Appliance Manufacturers is pleased to submit comments on the proposed interpretative rule under 16 CFR Part 1119 which would identify and explain factors that may be considered by the Commission in evaluating the appropriateness and amount of a civil penalty.

We applaud the Commission for issuing this proposal which fills a significant gap in critical Commission communication to the regulated industry and public. A government agency should not act in an opaque manner. The criteria and rationale for critical actions should be clear to all who are affected by and interested in government policies. Whether and what level of penalty might be assessed for failure to file or late filings of safety reports under Section 15 of the Consumer Product Safety Act is critical information.

At present, only Commission staff and a small coterie of lawyers and larger company in-house safety staff have a good sense of what the Commission considers relevant in determining whether to seek penalties and the amounts. There are no public guidelines although there are other government agencies, such as EPA, who have had such policies for many years. The CPSC penalty decisions, as incorporated in press releases and Federal Register announcements, do not provide specific or useful general explanations. Even experienced company staff and counsel are left to sift through press releases to discern patterns relating to lateness of reporting, the number of products involved and other factors that seem to be relevant. But, in discussions with Commission staff these attempts to find patterns and precedent can easily be dismissed on the ground that outsiders cannot know relevant confidential information about particular uses.

The lack of public guidance leaves companies without guidance. When they consider their obligation under Section 15 to inform the Commission, it is reasonable that they also consider the possibility that they be penalized for late or non-filing. Yet, they are left adrift as to what would be relevant in such a determination.

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AHAM Comments on Proposed Interpretative Rule on CPSC Penalty Policy

It is beneficial to consumers that the Commission be as clear as reasonably possible about what informs its penalty decisions. As AHAM commends the Commission for finalizing the first substantial revision to the Section 15 guidelines, we also welcome this effort to provide basic information on penalty considerations. Most knowledgeable persons inside and outside of the Commission would agree that the substance of the proposal is not remarkable and represents common considerations by the Commission in discussions with regulated parties in penalty determinations.

We strongly support the propriety of issuing penalty guidelines on legal and policy grounds.

II. **The Legal Basis for This Action is Well-Founded**

The Commission is justified legally to provide this form of guidance. The Consumer Product Safety Act, §15, describes the circumstances under which products must be reported to the Commission; §19 states that a penalty can be imposed for knowingly violating a prohibited act such as failing to file timely a §15 report; §20(b) sets forth factors in determining the amount of penalty; and §20(c) delineates the factors that can compromise that amount. The statute, however, does not clearly state when a penalty should be imposed.

A. **This Rule can be Distinguished from the *Bluestone* Decision.**

The proposed interpretative rule does not exceed the authority of the CPSC. There is case law, the *Bluestone* case, which struck down an administrative law judge's considerations on penalties. But, the ALJ-applied factors contradicted the statutory factors. The proposed interpretative rule here would not exceed CPSC's authority since it interprets the statutory factors; it does not add to them. The proposed guidelines also would not exceed CPSC's authority to the extent they address the question of when the penalty should be imposed.

In *Bluestone Energy Design, Inc. v. Federal Energy Regulatory Commission*, 74 F.3d 1288 (D.C. Cir. 1996), the Court held that a hydroelectric project operator violated FERC regulations. The Court, however, also determined that, in assessing the amount of penalties imposed on the operator, the Commission -- through the administrative law judge adjudicating the case -- exceeded its authority by taking into account the time and resources the staff devoted to the operator's case. (The FERC statutory language is similar to the CPSA in that it provides for statutory factors for the amount of the penalty but not whether there should be a penalty.)

The Court held that use of staff time and resources was not listed as one of the three factors that Congress authorized the Commission to consider in setting penalties. But, *Chevron U.S.A. Inc. v. Natural Resources Defense Counsel, Inc.*, 467 U.S. 837, 842-845 (1984) supports agency interpretations of this type if they are reasonable. In

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*Bluestone*, the Court held that applying those factors were not reasonable. The Court examined the reasonableness of the ALJ's view that use of staff time and resources were relevant to the statutory factors. 74 F.3d at 1295. The Court reasoned that because the Commission retains broad authority to allocate resources as it wishes, there is no guarantee that the use of staff time and resources committed to a case will correlate to the nature or seriousness of a violation or the violator's attempts to comply with the statute. Therefore, the Commission's inclusion of staff time and resources in setting the penalty was not reasonable and the factor was impermissible under the FERC statute. *Id.*

So, the penalty factor in *Bluestone* was struck down because it was not in a regulation and contradicted the statute. None of these considerations exist here.

B. The Commission Has Acted Reasonably in Interpreting Statutory Factors

Even assuming that the CPSA statutory factors are exclusive like the FERC statute factors, the Commission has a right to interpret the factors if it does so reasonably. The proposed interpretative rule explains the CPSA factors. These guidelines address ambiguities in the statutory language. Whereas the Court in *Bluestone* found that the non-statutory factors could conflict with the statutory factors and dilute their significance, the interpretative rule criteria are actually subsets of the statutory factors, provide additional interpretation concerning the application of the statutory factors and do not contradict or dilute the statute.

For example, §20(b) of the CPSA states that three of the factors to be considered in determining the penalty amount are the "nature of the product defect, the severity of the risk of injury, [and] the occurrence or absence of injury..." It is entirely appropriate for the Commission to consider the existence and effectiveness of a firm's safety and compliance monitoring process, since this process is designed to develop this information and provide it to the firm to allow an informed decision on whether a report is appropriate. Similarly, §20(b) of the CPSA states that the "number of defective products distributed" is a relevant factor. Clearly, the "reasonably expected rate of failure" for a particular product failure is relevant to this statutory factor.

C. The Penalty Factors Can be Used to Determine Whether a Penalty is Appropriate

Additionally, the proposed rule does not exceed CPSC's authority because it does not just address the penalty amount but, rather, whether a penalty should be imposed at all. Although the statute addresses the penalty amount, it is silent as to the factors to be considered in deciding if a penalty should be imposed. In the Consumer Product Safety Act, §19 outlines the circumstances under which a penalty can be imposed for "knowingly" violating a prohibited act (including "failing to furnish information required by Sec. 15(b)"), §20(b) sets forth the relevant factors in determining the amount of penalty, and §20(c) delineates the factors that can compromise that amount. There are no factors listed in the statute that must be considered in determining if a firm has

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violated Sec. 19. The only specified factor is that the violation must be “knowing”, i.e., “(1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.”

All of the factors in the proposed rule are directly related to, and provide useful gloss on, the concept of a “knowing” violation of Sec. 15(b). To determine if a firm acted as a “reasonable man” would do in the circumstances, exercising “due care” to determine if a product has a ‘defect’ that could present a “substantial product hazard” it is certainly reasonable and relevant to consider whether the firm used a systematic safety analysis and compliance monitoring program, whether the firm acted in a timely fashion given the facts it knew at the time<sup>1</sup>, whether the particular failure rate is different from the failure rate already known to the Commission, and whether the firm acted in good faith.

### III. Policy Considerations Support an Interpretative Rule

Each of the factors that the Commission has stated in the proposed interpretative rule is relevant, appropriate under the statute and, in the experience of counsel and companies dealing with the CPSC, factors that are considered. There is no new ground being plowed here, simply a repetition of similar policies by EPA and other agencies. These factors make good policy sense.

The mission of the CPSC is to, among other things, “protect the public against unreasonable risks of injury associated with consumer products.” 15 USC Sec. 2051(b)(1). The Commission and its Staff have devoted substantial time and resources toward not only educating consumers, but also urging manufacturers to produce safe products. These factors carry on this laudable mission. For example, it is clearly in the public’s and the CPSC’s interests to encourage manufacturers to develop and use product safety and compliance monitoring business processes, to not only minimize the creation of unsafe product designs, but also to thoroughly analyze product failures in the field to determine if the product contains a defect that caused the failure (including an analysis of the severity of the potential risk.) Firms should be encouraged to report in a timely manner, as soon as it is reasonable to determine that reporting is appropriate. Firms that employ these procedures will inevitably produce safer products than those that do not.

In contrast, firms that act in bad faith, do not have reasonable safety business systems, produce products that consistently have higher safety-related failures than other

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<sup>1</sup> This factor is consistent with existing CPSC guidelines at 16 C.F.R. Sec. 1115.14. Those guidelines state that firms should report “immediately” after obtaining information that “reasonably supports the conclusion that its consumer product ... contains a defect...or creates an unreasonable risk of serious injury or death...” Id. at 1115.14(e). Thus, the triggering event for an “immediate” report is the conclusion of an expeditious and good faith inquiry into the facts.

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AHAM Comments on Proposed Interpretative Rule on CPSC Penalty Policy

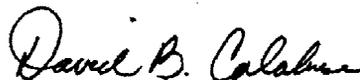
firms who produce the same products, and consistently fail to report in the face of reasonable information that a report is required, should be on notice that they are more likely to be the subject of a civil penalty than the firms that comply with the factors in the civil penalty guidelines.

There are no safe harbors here, no exemptions. What is stated are relevant factors the Commission will consider and industry may use in its discussions with staff. Each of these factors "cuts both ways", putting all firms on notice that their decision to act responsibly or not will bear on their exposure to civil penalties.

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AHAM appreciates the opportunity to file these comments and hopes the Commission will finalize the interpretative rules as soon as possible. We would be glad to provide further information as requested.

Respectfully submitted,



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Vice President, Government Relations

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**Stevenson, Todd A.**

---

**From:** Morris, Wayne [WMorris@AHAM.org]  
**Sent:** Friday, August 11, 2006 11:21 AM  
**To:** Stevenson, Todd A.  
**Cc:** Samuels, Chuck; Calabrese, David  
**Subject:** Comments on FRN Vol.71 No. 133  
**Attachments:** AHAMCommnts CPSC Penalty Policy August 11 2006.pdf

Attn: Office of the Secretary

Mr. Stevenson,

Enclosed you will find the comments of the Association of Home Appliance Manufacturers on the Federal Register Notice, Volume 71, No. 133, Dated July 12, 2006 16CFR Part 1119 on the Civil Penalty Policy proposed changes.

If you have any questions, please contact me.

Thank you for the opportunity to comment on this proposal.

***Wayne Morris***

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8/11/2006