

The Consumer Voice in Europe

# BEUC WRITTEN INPUT TO THE US CPSC

Public hearing on the 2022 priorities



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#### **About BEUC**

BEUC, the European Consumer Organisation, is the umbrella group for 45 independent consumer organisations from 32 European countries. Our main role is to represent them to the EU institutions and defend the interests of European consumers by covering a range of topics including product safety, sustainability and trade policy.

BEUC is a proud member of TACD, the Transatlantic Consumer Dialogue¹ through which we regularly exchange information and best practices with US consumer groups, notably related to product safety.

#### 1. The rise of new safety risks in the global market

Consumers around the world are now more and more buying online and directly importing products with a simple click. While online shopping is convenient, increases choice and can financially be attractive, it also comes with new risks. Consumers are more often receiving products at home that do not necessarily undergo traditional checks and that are not compliant for instance with EU law. They can even sometimes receive products that can harm them and their families. In 2020, six consumer groups from the BEUC and ICRT² networks tested 250 electrical goods, toys, cosmetics and other products bought from online marketplaces such as Amazon, AliExpress, eBay and Wish³. Our members selected the products based on possible risks and found that 66% of them fail EU safety laws with possible consequences such as electric shock, fire or suffocation.

These findings from consumer research and testing are mirrored by other figures such as the ones of the Safety Gate<sup>4</sup>, the rapid alert system used by EU Member States to exchange information about unsafe products in the internal market. The latter shows that a large proportion of non-compliant products are imports, especially from Asia.

Our colleagues in the United States such as Consumer Reports<sup>5</sup> and Public Citizen<sup>6</sup> report similar issues on the US market. This problem, as well as other common challenges related for instance to improving the effectiveness of products recalls or addressing the safety risks posed by IoT/Connected products deserve a common transatlantic cooperation and reply. This is the reason why we are sending written input for the CPSC hearing.

<sup>&</sup>lt;sup>1</sup> https://tacd.org/

<sup>&</sup>lt;sup>2</sup> http://www.international-testing.org

<sup>&</sup>lt;sup>3</sup> https://www.beuc.eu/publications/two-thirds-250-products-bought-online-marketplaces-fail-safety-tests-consumer-groups/html and https://www.beuc.eu/publications/beuc-x-2021-004 is it safe to shop on online marketplaces.pdf

<sup>&</sup>lt;sup>4</sup> https://ec.europa.eu/safety-gate/#/screen/home

<sup>&</sup>lt;sup>5</sup> https://advocacy.consumerreports.org/research/testimony-of-david-friedman-vice-president-advocacy-consumer-reports-for-u-s-house-hearing-on-fake-and-unsafe-products-on-online-marketplaces/

<sup>&</sup>lt;sup>6</sup> https://www.citizen.org/article/lori-wallach-testifies-before-the-subcommittee-on-consumer-protection-and-commerce-of-the-committee-on-energy-and-commerce/



### 2. The importance of the transatlantic cooperation on product safety

EU and US regulators should find a way to overcome the technical and procedural difficulties that are preventing them to exchange data on dangerous products. Some of these harmful products could be taken off the market more rapidly.

The new EU market surveillance regulation enables EU authorities to cooperate with third countries. We call on the EU and the US to build on this new approach and make the necessary changes to be able to alert each other and better protect consumers.

The EU and Canada recently managed to find a solution to do so and signed an administrative arrangement<sup>7</sup>. They are now exchanging rapid alerts on dangerous products, even planning to focus on harmful products sold online, and to conduct joint actions. This is the type of positive cooperation we would like to see happening between the EU and the US. This should be a key objective of the new transatlantic cooperation agenda<sup>8</sup>.

## 3. The value of international cooperation

The US, the EU and more than 50 other members of the World Trade Organization (WTO) launched trade negotiations on 'e-commerce' in 2019<sup>9</sup>. This term has come to encompass a wide range of digital trade themes including enhancing online consumer trust. Our research shows that very often, consumers do not realise that the trader they are buying from is located outside of their country or region. It also found that when consumers buy online from traders located outside their jurisdiction, they can encounter various problems. For instance, it tends to be complicated to contact traders and get easy access to redress if something goes wrong.

The WTO e-commerce negotiations should be used as an opportunity to address these challenges in an international framework. But trade rules alone will not solve the problem. Therefore, the WTO e-commerce outcome should encourage an improvement of the cooperation between regulators across the globe to better protect consumers. They should cooperate on consumer protection, market surveillance and product traceability, enforcement, customs, competition, redress and dispute resolution.

International cooperation also happens with international organisations active in product safety (ex. the International Consumer Policy Health & Safety Organization - ICPHSO, the International Organization for Standardization - ISO) and in the context of other fora. These include ICPEN, UNCTAD and the OECD<sup>10</sup>. We strongly encourage the CPSC to use these channels actively to discuss with the EU and other countries in order to improve product safety for consumers in globalised markets. An important element to improve the efficiency of international cooperation would be to ensure that authorities are empowered to act at cross border level.

**END** 

<sup>&</sup>lt;sup>7</sup> https://ec.europa.eu/info/sites/info/files/aa final en-eu version.pdf

<sup>8</sup> https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip 20 2279/IP 20 2279 EN.pdf

<sup>&</sup>lt;sup>9</sup> BEUC factsheet on WTO e-commerce: <a href="https://www.beuc.eu/publications/beuc-x-2019-">https://www.beuc.eu/publications/beuc-x-2019-</a>

<sup>015</sup> international negotiations on e-commerce digital trade at the wto.pdf

<sup>10</sup> See in particular the Global recalls portal <a href="https://globalrecalls.oecd.org/">https://globalrecalls.oecd.org/</a>





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