



Hello. My name is Dan Marshall. I am the Founder and Vice President of the Handmade Toy Alliance. The HTA represents 644 small businesses affected by the unintended consequences of the Consumer Product Safety Improvement Act (CPSIA) of 2008.

My wife Millie and I own Peapods Natural Toy Store in St. Paul, Minnesota. I am here today with my daughter Abigail and fellow HTA Board members Rob Wilson of Challenge and Fun in Massachusetts and Randy Hertzler of euroSource in Pennsylvania.

The HTA began in November of 2008, after I began to understand how the newly-passed CPSIA would decimate the small batch manufacturers who supply our store. Since then, I've been working with hundreds of other small business owners to save small batch manufacturers from regulatory burdens of the CPSIA, the greatest of which is the cost of mandated third party testing. These fixed costs, which are easily bourn by mass market manufacturers who make tens of thousands of units at a time, are simply impossible for small businesses that make toys, children's clothing and accessories in batches of a few dozen at a time, often in home-based studios.

These required tests are not limited to lead content testing. Toys, for example, will be subject to mandatory ASTM F963 testing, which requires the destruction of multiple units of each toy. The CPSC's current schedule would mandate ASTM testing as soon as this October. Unless the CPSIA is reformed, hundreds of small American toymakers will not survive that date.

Unlike similar product safety legislation such as The Food Safety Modernization Act, FDA food labeling rules, or California's Proposition 65, the CPSIA makes no allowances whatsoever for small businesses. Nor does it allow the CPSC any discretion in how it applies third party testing requirements to various types of products. Bicycles, books, hand-knit sweaters, and wooden toy cars are all treated the same.

As a result, the CPSIA as it stands is basically unenforceable. Key provisions have been stayed numerous times. The CPSC is slowly being transformed from public safety guardian into an enforcer of procedures and technicalities dictated by Congress at huge cost. Congressional action has dramatically undermined the CPSC, an agency which has effectively protected the American public for almost 40 years.

Meanwhile, we've watched numerous trustworthy businesses fold because of the CPSIA. Untold others have decided not to pursue their dreams as toymakers or crafters. We've even begun to see secondary effects such as the end of Mothering Magazine, which closed in February after 35 years, citing reduced ad revenues due to the CPSIA's impact on their advertisers.

If the CPSIA is not amended, hundreds more small family businesses will perish for no good reason.

Thanks to the work of this committee, we have a way forward. Our alliance endorses the draft amendment because of the relief it provides for our members. This bill requires either an exemption from third party testing or alternate testing procedures, such as XRF screening for lead in substrates, for products that are produced in small quantities. This is exactly what we have been asking for since the formation of our organization. Small batch manufacturers would be given a safety valve which was originally left out of the CPSIA.

We desire a thoughtful and measured reform worthy of meaningful bipartisan discussions. These issues deserve a full hearing to ensure that a high degree of consumer protection is maintained. We do not wish to create loopholes that would benefit the types of irresponsible companies that created the toy safety scare in the first place.

We urge you to reach out to your colleagues in the Senate to reach a bipartisan agreement. The CPSIA was the product of a strong bipartisan effort in 2008 and its reform requires the same effort. We believe this discussion draft is a suitable foundation for that discussion. We urge both houses of congress to set aside differences and find a way to see this reform process through. Our family businesses are watching the process closely. We're depending on you.

In conclusion, on behalf of our members, I would like to thank this committee for addressing this important issue and urge you to quickly pass meaningful reform of the CPSIA. Thank you.