

My name is Jim Neill and I am Vice President for Product Safety at the Retail Industry Leaders Association, or RILA.

RILA's members include the largest and most successful companies in the retail industry, which together account for more than \$1.5 trillion in annual sales. RILA members provide millions of jobs and operate more than 100,000 stores and distribution centers domestically and abroad.

I thank the CPSC staff for their hard work to implement the CPSIA, and appreciate the opportunity to speak today on the application of the tracking label requirements. Product safety and customer satisfaction are paramount for retailers. RILA and its members strongly support the tracking label provision, and we look forward to its full implementation. At the same time, an orderly implementation of the new requirement is critical. As we have said in the past, global supply chains are long and complex, and require lead times—often a year or more—to implement new standards or requirements. With this in mind, companies have already taken proactive steps to implement the new tracking label

requirement by the August deadline—despite the absence of official guidance from the Commission.

RILA supports the NAM Coalition request for a stay of enforcement of the tracking label requirement for one year. The additional time is necessary so that the Commission can adequately review and assess the submitted comments, issue guidance for an effective and flexible framework for tracking labels, and provide companies with sufficient time to implement the new guidance into supply chains in an orderly manner.

Currently, whenever a recall occurs, retailers act with an abundance of caution to remove from shelves and stop the sale of all items that are potentially subject to the recall, and then use tracking systems to identify the specific products within that possible universe that are subject to the recall. This abundance of caution helps to assure that recalled products do not end up in the hands of consumers, regardless of whether there is a tracking label on a product.

Tracking labels will facilitate the efficient implementation of a recall by allowing retailers and manufacturers to narrow the scope of the recall.

We fully support the development of an effective tracking label system that includes flexibility to apply the requirement to a wide variety of children's products, and that takes into account considerations such as:

- size and surface area of the product,
- aesthetics of the product,
- multi-item sets,
- cost, and
- the protection of business proprietary information.

Today, I ask the CPSC to provide detailed guidance on the requirements as soon as possible, and also allow companies to reasonably implement the requirement while providing them sufficient time to transition to meet the new guidance. Thank you.