

Advocacy Suggests Improvements to the Consumer Product Safety Commission's Proposed Rule on the Safety Standards for Sling Carriers

On October 2, 2014, the Office of Advocacy's Chief Counsel, Dr. Winslow Sargeant, sent a letter to the Consumer Product Safety Commission (CPSC) suggesting improvements in the agency's Regulatory Flexibility Act analyses. A copy of Advocacy's comment letter may be accessed at www.sba.gov/advocacy.

On July 23, 2014, the CPSC published a rule in the *Federal Register* (79 Fed. Reg. 42724) that proposed to establish safety requirements, including a product testing regimen, for manufacturers of infant and toddler sling carriers. The CPSC complied with the Regulatory Flexibility Act by concluding that the proposed rule would have a significant impact on a substantial number of small businesses, and the agency published an Initial Regulatory Flexibility Analysis (IRFA). While supportive of the public policy underlying the proposed rule – infant safety – Advocacy suggested ways that the CPSC could improve its economic analysis of the small entities that would be affected by the rule.

- The CPSC was able to identify 47 suppliers of sling carriers to the U.S. market, but admitted that there were hundreds more suppliers that produce small quantities of slings. The CPSC assumed that these hundreds of sling manufacturers were very small businesses. Because the CPSC was unable to acquire data on the very small businesses, the Commission made assumptions about their make-up, the extent to which they manufactured slings, and their revenue. Ultimately, the CPSC concluded that the proposed rule would likely cause a large number of very small manufacturers to experience significant economic impacts. Because of the projected impacts, the CPSC proposed extending the effective date of the final rule by 12-months.
- Advocacy was approached by a number of small sling carrier manufacturers, most of which could be described as stay-at-home moms that supplement their income by creating the slings. These small business persons supported the goal of the regulation – increased child safety. However, they believed that the rule could be dramatically improved resulting in a more balanced approach that would raise child safety while not putting the majority of small sling manufacturers out of business. Further, the small stakeholders questioned whether small sling businesses have the resources to accomplish the testing regimen required by the proposed rule.
- Advocacy suggested that the lack of data on the very small sling manufacturers made it hard to determine if the CPSC's assumptions on the industry were valid. Advocacy recommended that the CPSC gather more information on small sling carrier manufacturers market share, production costs and revenues to get a clearer view of the impacts associated with the rule. Advocacy also asked the CPSC to entertain additional alternatives, including finalizing the 12-month extension of the effective date, to minimize the impacts of the rule.
- For more information, visit Advocacy's web page at <http://www.sba.gov/advocacy/1022014-safety-standard-sling-carriers-cpsc-2014-0018> or contact Linwood Rayford at (202) 205-6533.