

## House Committee Votes To End Funding for CPSC Database

June 28, 2011 by [Sean Wajert](#)

The House Appropriations Committee voted last week (tally 27–21) to send a funding bill to the House floor that would cut off funds from being used for the Consumer Product Safety Commission's new consumer database.

Readers may recall that the Consumer Product Safety Improvement Act of 2008 mandated the creation of a consumer product safety information database, and [from the beginning](#), there was controversy about the absence of a process for addressing false and inaccurate reports that will scare consumers, harm business, and generate no additional safety gains; the need to employ means to prevent the submission of fraudulent reports of harm while not discouraging the submission of valid reports; the importance of not putting the governmental imprimatur on voluntary data that has not been verified; and the absence of a sufficient time period allocated for manufacturers to evaluate and respond to any proposed report.

As we have [posted](#), the U.S. Consumer Product Safety Commission gave final approval late last year to the new consumer product safety database, overriding very real concerns about who should be permitted to submit incident reports and how they will be verified as accurate. CPSC commissioners split along party lines in the 3-2 vote, which came after a final discussion of whether the regulation would simply give certain interest groups a new forum to attack product makers and plaintiff lawyers a new tool, giving rise to lawsuits based on a rumor repeated through the echo chamber of the Internet.

Manufacturers have limited control over what information can be removed or amended once posted. The two dissenting votes made an unsuccessful attempt to amend the final rule so as to give manufacturers more time to comment on or respond to the accuracy of postings before they are published to the database and to the public.

The database is accompanied by a weak disclaimer stipulating that CPSC has not verified the accuracy of any report. Observers worry that the agency has not paid sufficient attention to legitimate issues of a manufacturer's goodwill and reputation, to the costs of unnecessary panic among product consumers, and the mischief that plaintiffs' lawyers might cause with unwarranted increase in litigation against manufacturers.

The bill just passed out of committee would cut CPSC's overall budget by about \$3.5 million—approximately the same amount needed for the database—from FY 2011 levels, and provides that no funds may be used to carry out any of the database activities. It appears the bill will be taken up on the House floor in July.

While consumer groups have opposed the funding cut-off, the majority on the committee agreed with the concern about the risks of unverifiable and inaccurate consumer comments that may be submitted. In the meantime, a 2011 continuing resolution requires the GAO to conduct an analysis of the database.