



Full-Size Cribs and Non-Full-Size Cribs Standards Rule Review  
Final Contractor Technical Report <sup>1</sup>  
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The report titled, “Full-Size Cribs and Non-Full-Size Cribs Standards Rule Review,” presents the findings of research conducted by Industrial Economics, Inc. (IEc), under Contract CPSC-D-15-004, Task Order 61320619F1109. In 2019, CPSC staff issued this task order to interview crib suppliers about the burden on small businesses of the existing CPSC standards for full-size and non-full-size baby cribs, and to perform other supporting research. This task was in support of a CPSC review of the impact of these rules on small businesses, as required by section 610 of the Regulatory Flexibility Act.

The attached report presents and analyzes the interviews conducted by IEc to gather information from suppliers about the burden of the current crib standards on small businesses. It also uses market research conducted by CPSC staff, the published *Federal Register* final rules from 2010, and the regulatory flexibility analyses prepared by CPSC staff for the 2010 rules as part of the analysis.

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<sup>1</sup> This statement was prepared by CPSC staff, and the attached report was produced by IEc for CPSC staff. The statement and report have not been reviewed or approved by, and do not necessarily represent the views of, the Commission.



# Full-Size Cribs and Non-Full-Size Cribs Standards Rule Review

Summary Report

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## ACRONYMS AND ABBREVIATIONS

ASTM	ASTM International, formerly known as American Society for Testing and Materials
CFR	Code of Federal Regulations
CPSC	U.S. Consumer Product Safety Commission
CPSIA	Consumer Product Safety Improvement Act of 2008
EC	CPSC's Directorate for Economic Analysis
FRFA	Final Regulatory Flexibility Analysis
FS	Full-size
ICR	Information Collection Request
IEc	Industrial Economics, Incorporated
JPMA	Juvenile Products Manufacturers Association
NFS	Non-full-size
OMB	U.S. Office of Management and Budget
PRA	Paperwork Reduction Act
RFA	Regulatory Flexibility Act of 1980
SBA	U.S. Small Business Administration
U.S.C.	United States Code
XRF	X-ray fluorescence

## EXECUTIVE SUMMARY

Mandatory standards for full-size cribs (16 CFR 1219) and non-full-size cribs (16 CFR 1220) (hereafter, “crib rules”) were published on December 28, 2010 under the authority of the Danny Keysar Child Product Safety Notification Act, section 104 of the Consumer Product Safety Improvement Act of 2008 (CPSIA).<sup>2</sup> The Consumer Product Safety Commission (CPSC) found that both rules could have a significant economic impact on a substantial number of small entities. Therefore, under the Regulatory Flexibility Act (RFA), the CPSC must review these rules within 10 years of the publication of the final rule (i.e., by December 28, 2020) (5 U.S.C. § 610 (a)).

### PURPOSE OF THE ANALYSIS

The purpose of the rule review under the RFA is “to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities” (5. U.S.C. § 610 (a)). To assist CPSC with its rule review, this report summarizes information provided by full-size and non-full-size crib suppliers affected by the rulemaking.

The analysis summarized in this report revisits the findings of CPSC’s 2010 Final Regulatory Flexibility Analysis (FRFA) by identifying and interviewing current and former crib suppliers potentially affected by the crib rules. The objective of our effort is to improve our understanding of the actual impact the crib rules had on crib suppliers.

### METHODOLOGY

To accomplish the objective of this analysis, we undertook the following five basic steps:

1. Reviewed data collected by CPSC in 2010 and 2019 describing the universe of crib suppliers;
2. Developed an interview sampling strategy of current and former crib suppliers;
3. Developed questionnaires for use in the interviews;
4. Contacted crib suppliers; and
5. Reviewed and summarized our key findings from the interviews.

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<sup>2</sup> CPSC (2010). “Safety Standards for Full-Size Baby Cribs and Non-Full-Size Baby Cribs; Final Rule.” *Federal Register*, 75(81765). Published December 28, 2010. Available at: <https://www.federalregister.gov/documents/2010/12/28/2010-32178/safety-standards-for-full-size-baby-cribs-and-non-full-size-baby-cribs-final-rule>

## SUMMARY OF FINDINGS

Nine current (as of 2019) or former (exited market between 2010 and 2019) suppliers responded to our request for interviews or written information. They are largely small businesses and all self-categorize as manufacturers based on CPSC's definition. Together, these suppliers provided a useful perspective on the impacts of the crib rules on the regulated industry.

Overall, the suppliers point to increasing costs of doing business, which most crib suppliers have been able to pass on to consumers without experiencing a reduction in sales. Some of these increases in business costs are attributable to the crib rule (e.g., higher-cost materials to support slat requirements and increased level of effort for record-keeping processes) while others are attributable to other external factors (e.g., costs of insurance and testing requirements of other Federal rules). The fact that business and production costs for crib suppliers have increased for several reasons means that the overall increase in production costs and crib prices experienced by consumers cannot be attributed to the crib rules alone. We also note that one respondent believes crib prices have decreased overall as manufacturing has moved to lower-cost environments like Asia.

Similarly, the crib rule went into effect simultaneous to other major changes in the domestic market. For instance, the rise of internet shopping was already negatively impacting small and specialty retail shops, and other external conditions made manufacturing cribs in the United States costlier. So, while the crib rules were the main reason why some suppliers decided to exit the market, the crib rules were unlikely to have caused a widespread exit from the market. In fact, CPSC research finds that more crib suppliers have entered the market since 2010 than exited.

Immediately after the crib rules went in effect, some crib suppliers were significantly negatively impacted by the cost of inventory transition. At this point, nearly 10 years later, complying with the testing requirements of both the crib rules and testing and components rules has had the most significant impact on operations and costs for most crib suppliers. Indeed, most respondents described how the testing provisions – in particular the design and side testing requirements – have impacted their production costs far more than the design and other standards imposed by the crib rule. Respondents provided several suggestions for how testing requirements could be updated to reduce the burden on firms. Beyond testing requirements, respondents offered that the slat strength requirements and removal of drop-sides imposed the largest costs on suppliers.

Finally, several respondents noted the importance of having the crib standards in place and how the overall safety of cribs has likely improved for consumers as a result. While respondents offered recommendations for ways to reduce the burden of the regulations on the crib industry, they overall believed that the standards provide a necessary benefit for consumers.

## CHAPTER 1 | INTRODUCTION

This report provides information to support a review of two crib rule standards by the CPSC. It summarizes new information about how the crib rules may have affected crib suppliers, particularly small businesses, and compares those findings against the predictions of a 2010 FRFA prepared by CPSC. This report is not intended to fully characterize all impacts of the crib rules or make recommendations for updating CPSC's crib standards; instead, it provides a summary of findings from market research as well as a collection of interviews with crib suppliers as input into a review currently being prepared by CPSC.

**1.1 BACKGROUND AND PURPOSE OF THE ANALYSIS**

Mandatory standards for full-size cribs (16 CFR 1219) and non-full-size cribs (16 CFR 1220) (hereafter, “crib rules”) were published on December 28, 2010 under the authority of the Danny Keysar Child Product Safety Notification Act, section 104 of the CPSIA of 2008.<sup>3</sup> CPSC found that both rules could have a significant economic impact on a substantial number of small entities. Therefore, under the RFA, the CPSC must review these rules within 10 years of the publication of the final rule (i.e., by December 28, 2020) (5 U.S.C. § 610 (a)).

The purpose of the rule review under the RFA is “to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities” (5. U.S.C. § 610 (a)). Factors to be considered in a rule review include:

1. The continued need for the rule;
2. The nature of complaints or comments received concerning the rule from the public;
3. The complexity of the rule;
4. The extent to which the rule overlaps, duplicates, or conflicts with other Federal rules and, to the extent feasible, with State and local governmental rules; and

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<sup>3</sup> CPSC (2010). “Safety Standards for Full-Size Baby Cribs and Non-Full-Size Baby Cribs; Final Rule.” *Federal Register*, 75(81765). Published December 28, 2010. Available at: <https://www.federalregister.gov/documents/2010/12/28/2010-32178/safety-standards-for-full-size-baby-cribs-and-non-full-size-baby-cribs-final-rule>

5. The length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

The reviews of the full-size cribs and non-full-size cribs rules are somewhat bounded by section 104 of the CPSIA, which requires CPSC to issue mandatory rules that are at least as stringent as the voluntary standards. Therefore, the “continued need for the rule” (item 1 above) is already settled. The purpose of the review is to evaluate the other items (2 through 5) above and to provide a retrospective analysis of the impact of the rules on small entities and to determine whether the ongoing impact of the rules is significant for a substantial number of small entities.

The purpose of this report is to summarize information from full-size and non-full-size crib suppliers affected by the rulemaking in support of the crib rule review to be prepared by the Directorate for Economic Analysis (EC) staff at the CPSC.

## 1.2 FINDINGS FROM CPSC’S 2010 REGULATORY FLEXIBILITY ANALYSIS

The CPSC’s FRFA published in 2010 considered the potential impacts of the rule on both crib suppliers and institutional crib consumers (i.e., child-care centers and places of public accommodation, including hotels).<sup>4</sup> CPSC’s 2010 analysis suggested the potential for significant impacts on institutional crib consumers, given the need to fully transition their inventories to cribs compliant with the new standards. Because this transition represented a one-time cost for consumers, they are unaffected by the ongoing costs of these rules. Therefore, this analysis focuses on impacts on crib suppliers.

Exhibit 1-1 summarizes the number of crib suppliers identified by category in the FRFA. As shown in the exhibit, CPSC identified 68 suppliers of full-size cribs and 17 suppliers of non-full-size cribs in 2010, where a majority classified as manufacturers (72 percent of full-size suppliers and 59 percent of non-full-size crib suppliers) as opposed to importers. The analysis also found that a majority of crib suppliers qualified as small businesses under the definitions provided by the Small Business Administration (SBA), including 71 percent of full-size crib suppliers and 82 percent of non-full-size crib suppliers.<sup>5</sup> Finally, of the small businesses identified, a majority of full-size crib suppliers (63 percent) reported following the voluntary ASTM standard (either certified through the Juvenile Products Manufacturers Association [JPMA] or not certified but still compliant) while less than half of all non-full-size crib suppliers (43 percent) complied.

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<sup>4</sup> *Ibid*: CPSC (2010). “Final Regulatory Flexibility Analysis of Staff-Recommended Final Standard for Full-Size Cribs,” Memorandum from Jill L. Jenkins to Patricia L. Edwards dated November 1, 2010; and CPSC (2010). “Final Regulatory Flexibility Analysis of Staff-Recommended Final Standard for non-Full-Size Cribs,” Memorandum from Jill L. Jenkins to Patricia L. Edwards dated October 21, 2010

<sup>5</sup> SBA guidelines used in CPSC’s analysis consider a manufacturer to be small if has 500 or fewer employees and an importer to be small if it has 100 or fewer employees.

EXHIBIT 1-1. NUMBER OF CRIB SUPPLIERS BY CATEGORY IDENTIFIED IN THE 2010 FRFA

CATEGORY	FULL-SIZE CRIB SUPPLIERS	NON-FULL-SIZE CRIB SUPPLIERS
Number of manufacturers supplying cribs to the U.S. market	49	10
Number of importers supplying cribs to the U.S. market	12	5
<b>Total</b>	<b>68</b>	<b>17</b>
Number of manufacturers that qualify as a small business	36	9
Number of importers that qualify as a small business	10	5
<b>Total</b>	<b>48</b>	<b>14</b>
Number of small manufacturers already compliant with the voluntary ASTM standard (including both JPMA certified firms and non-certified firms)	24	5
Number of small importers already compliant with the voluntary ASTM standard (including both JPMA certified firms and non-certified firms)	6	1
<b>Total</b>	<b>30</b>	<b>6</b>
<p>Source: IEc summary of CPSC's FRFA that accompanied the final crib rules (CPSC. 2010. "Safety Standards for Full-Size Baby Cribs and Non-Full-Size Baby Cribs; Final Rule." <i>Federal Register</i>, 75(81765). Published December 28, 2010. Available at: <a href="https://www.federalregister.gov/documents/2010/12/28/2010-32178/safety-standards-for-full-size-baby-cribs-and-non-full-size-baby-cribs-final-rule">https://www.federalregister.gov/documents/2010/12/28/2010-32178/safety-standards-for-full-size-baby-cribs-and-non-full-size-baby-cribs-final-rule</a>).</p> <p>Notes:</p> <p>1/ Totals often do not sum across manufacturer and importer sub-categories because many firms could not be identified as either a manufacturer or importer. The total rows contain all identified businesses.</p> <p>2/ Small business status was determined based on definitions provided by the Small Business Administration (SBA) at the time the FRFA was published: manufacturers considered small if they have 500 or fewer employees while importers are considered small if they have 100 or fewer employees. SBA has since updated its size standards and currently considers a manufacturer to be small if it has fewer than 750 employees.</p>		

The 2010 analysis did not anticipate significant impacts on any of the identified businesses that were already compliant with the voluntary ASTM standard. CPSC expected some modifications and updates may be necessary among this group but that these impacts would not be significant overall. On the other hand, the analysis did suggest the potential for significant impacts on manufacturers that were not already compliant. Among small businesses, this would apply to an estimated 12 manufacturers of full-size cribs and 4 manufacturers of non-full-size cribs. The FRFA summarized the potential costs these manufacturers may incur:

“The costs associated with these modifications could include costs for product design, development and marketing staff time, and product testing. There may also be increased production costs, particularly if additional materials are required. The actual cost of such an effort is unknown, but could be significant, especially for the two firms that rely primarily or entirely on the production and

sale of full-size cribs and related products, such as accompanying furniture and bedding, and for a third firm that produces only one other product.”

The 2010 analysis also identified potential impacts on the four importers of full-size cribs and four importers of non-full-size cribs that were not compliant with ASTM’s voluntary standard in 2010. For these importers, CPSC expected they would need to find alternate sources of cribs if their existing suppliers did not come into compliance or incur potential cost increases as their manufacturers came into compliance. CPSC’s analysis did not characterize the potential impacts on importers as potentially significant.

### 1.3 ANALYSIS METHODOLOGY

The analysis summarized in this report revisits the findings of the 2010 FRFA by identifying and interviewing current and former crib suppliers potentially affected by the crib rules. Through these interviews, the objective of our effort is to better understand the actual impact the crib rules had on crib suppliers and compare against the predictions of the 2010 FRFA. In this section, we discuss the methodology we employed to undertake the analysis.

#### 1.3.1 UPDATE UNDERSTANDING OF CHANGES IN CRIB SUPPLIER MARKET

First, we analyzed how the landscape of crib suppliers has changed since 2010. To accomplish this, we compared lists of current and former suppliers. Specifically, we relied on research conducted by CPSC in 2010 (before the rules went into effect) and 2019 (current, nearly 10 years after the crib rules were published), as well as follow up verification research on the present status of suppliers conducted by IEc in September and October 2019.

#### 1.3.2 DEVELOP AN INTERVIEW SAMPLING STRATEGY

Using the market research mentioned in Section 1.3.1, we categorized all firms into the following four categories that serve as the basis for our interview sampling strategy:

1. Full-size current suppliers;
2. Full-size former suppliers;
3. Non-full-size current suppliers; and
4. Non-full-size former suppliers.<sup>6</sup>

From the full population of suppliers, IEc and CPSC identified up to nine first-tier priority contacts in each of the four categories then a second-tier set of contacts for

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<sup>6</sup> In some cases, suppliers currently are or formerly were active in both the full-size crib and non-full-size crib markets. Our research identified which firms fell into more than one of the four categories identified in the main text, then randomly assigned them to one category for the purposes of sample selection.

potential outreach.<sup>7</sup> When assigning suppliers to first- and second-tier lists, we considered the following:

- For all suppliers, we selected firms for which we could identify contact information;<sup>8</sup>
- For all suppliers, we prioritized small businesses where possible, but also included a sample of larger businesses for comparison;
- For all suppliers, we prioritized manufacturers over importers given the findings of the 2010 FRFA (i.e., impacts on importers were not anticipated to be significant, see Section 1.2 for details);
- For current suppliers, we chose firms to ensure a mix of suppliers that were selling cribs in 2010 and new entrants between 2010 and 2019; and
- For current and former suppliers, we ensured the sample contained a mix of full-size-crib suppliers that also currently sell or previously sold non-full-size cribs, and vice versa.

### 1.3.3 DEVELOP QUESTIONNAIRES FOR CRIB SUPPLIER INTERVIEWS

In close collaboration with CPSC, IEc developed a questionnaire for each of the four categories of crib suppliers mentioned in Section 1.3.2. For current suppliers, the general categories of questions included: information about the company, questions about the impact of the CPSC's crib standards on the firm, questions about testing, questions about the crib market, and open-ended questions intended to capture information we may not have asked about. The questionnaires for former suppliers additionally sought to understand the role of the CPSC's crib standards in the firm's decision to leave the crib market.

### 1.3.4 PERFORM OUTREACH TO CRIB SUPPLIERS

Exhibit 1-2 summarizes the structured approach we used to contact potential respondents. In general, we attempted contact with all suppliers in the first-tier up to three times. For suppliers in the second-tier, we attempted contact up to two times.

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<sup>7</sup> Nine suppliers were assigned to the first-tier to mirror restrictions under the Paperwork Reduction Act (PRA). The PRA requires that no more than nine persons be asked to provide answers to identical questions unless otherwise approved as part of an Information Collection Request (ICR) by the U.S. Office of Management and Budget (OMB).

<sup>8</sup> Contact information comes from a variety of sources: contacts CPSC staff accumulated through participation in ASTM and other industry meetings, contacts IEc assembled from outreach under other analysis efforts for CPSC (i.e., changing tables interviews), and internet research from various websites and databases (i.e., D&B Hoovers, Reference USA, company websites, LinkedIn).

## EXHIBIT 1-2. APPROACH TO CRIB SUPPLIER OUTREACH

TIER	DATE RANGE	OUTREACH
First tier	Week of 2/3-2/7	First point of contact (generally email, LinkedIn message, or message through company website contact form)
First tier	Week of 2/10-2/14	Second point of contact (if first point of contact was an email, then second point of contact was email follow up; if first point of contact was LinkedIn message or company website, then second point of contact was another method)
First tier	Week of 2/17-2/21	Third point of contact (generally via phone)
Second tier	Week of 2/24-2/28	First point of contact (generally email, LinkedIn message, or message through company website contact form)
Second tier	Week of 3/2 - 3/6	Second point of contact (if first point of contact was an email, then second point of contact was email follow up; if first point of contact was LinkedIn message or company website, then second point of contact was another method)

The initial outreach message included information about the objectives of the project and the role of crib suppliers in our effort. This text was vetted by CPSC prior to commencing our outreach effort. When suppliers were contacted via email, our follow-up message also mentioned that suppliers could choose to provide information germane to the cribs rule review through the *Federal Register* instead of through interviews conducted by IEc if they preferred.

For those crib suppliers interested in being interviewed, IEc scheduled a phone interview that included the crib supplier, two staff members from IEc, and one staff member from CPSC.<sup>9</sup> All crib suppliers were provided the relevant questionnaires via email in advance of the call. For those crib suppliers interested in filling out the questionnaire but who preferred sending written responses instead of participating in a phone interview, IEc sent the questionnaire and followed up within approximately 2 to 3 weeks.

#### 1.3.5 PERFORM PRELIMINARY ANALYSIS OF IMPACTS OF CRIB RULE ON CRIB SUPPLIERS

Using the information provided by crib suppliers in the interviews and written responses to questionnaires described in Section 1.3.4, this report summarizes key findings and offers a preliminary assessment of the impacts of the crib rule on crib suppliers. However, correctly attributing incremental effects of the crib rule retrospectively presents challenges and is subject to substantial uncertainty. The key challenge is isolating the incremental effects of the rules. As with prospective analysis, identifying incremental effects requires comparing two scenarios: the world with the regulation (the “incremental

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<sup>9</sup> Crib suppliers could also request to be interviewed without CPSC staff present.

scenario”) and the world without the regulation (the “baseline, or counterfactual scenario”).<sup>10</sup> For this review of the crib rules, our analysis seeks to identify changes in the crib market that would have occurred in the absence of the crib rules (the counterfactual scenario) and impacts that result solely from the regulations. This analysis takes a qualitative approach and describes potential incremental effects based on the information provided by the crib suppliers who chose to participate in the data collection effort.

#### 1.4 REPORT ORGANIZATION

The analysis in the chapters that follow addresses each of the steps of our methodology described in Section 1.3. In Chapter 2, we provide a summary of the market research used to guide our sampling strategy as well as the final distribution of crib suppliers across the four categories. In Chapter 3, we summarize the main findings from our interviews and completed questionnaires. We also include summary call notes and written responses to the questionnaires in the Appendix.

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<sup>10</sup> The relevant comparison is the world with and without the regulation, not the world before and after the regulation is implemented.

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## CHAPTER 2 | POTENTIALLY AFFECTED CRIB SUPPLIERS

In this chapter, we first describe data on crib market participants collected by CPSC in 2010 and 2019. Then, we follow with a summary of IEc's characterization of potentially affected entities based on these data. The analysis presented in this chapter is used: (1) to compare with analogous findings from CPSC's 2010 FRFA; and (2) to inform the sampling strategy for interviews described in Chapter 3.

### 2.1 AVAILABLE DATA

CPSC cataloged all known crib suppliers to the U.S. market in 2010, before the rule went in effect, and in 2019, nearly 10 years into rule implementation.<sup>11</sup> IEc relied on CPSC's crib market research to separate firms into current (in 2019) and former (exited market between 2010 and 2019) crib suppliers, and we further delineate each group into full-size and non-full-size crib suppliers. For those firms that exited the market between 2010 and 2019 according to data from CPSC, IEc conducted follow up desk research to confirm they did not have active product listings online.<sup>12</sup> Among current suppliers, IEc also identified which suppliers were new entrants into the market between 2010 and 2019, signaling they would not have updated their products or processes to comply with the crib rules; instead, they entered the market when the crib rules were already in effect.

### 2.2 CHARACTERIZATION OF CURRENT AND FORMER SUPPLIERS

Exhibit 2-1 describes the categorization of firms identified through this process. CPSC's market research identifies 71 current suppliers of full-size cribs and 29 current suppliers of non-full-size cribs. When comparing to the number of firms identified as part of the 2010 FRFA (see Exhibit 1-1), the 2019 market research suggests that the market has increased in size for both full-size crib suppliers (68 in 2010 relative to 71 in 2019, representing a 4 percent increase) as well as non-full-size crib suppliers (17 in 2010 relative to 29 in 2019, representing a 71 percent increase).<sup>13</sup> Of the current suppliers, 11 firms supply both full-size and non-full-size cribs, suggesting that the total size of the larger market is currently 89 firms supplying either or both full-size and non-full-size cribs.

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<sup>11</sup> Market research conducted by CPSC was shared with IEc via email communication on September 13, 2019.

<sup>12</sup> IEc only verified the current (2019) market status for firms that exited the market according to research conducted by CPSC. For firms that entered the market between 2010 and 2019, we rely on research conducted by CPSC.

<sup>13</sup> CPSC did not provide the 2010 market status for two current non-full-size crib suppliers. It is possible that these suppliers were new entrants between 2010 and 2019 or that they were supplying cribs in 2010 but missed in the original market research conducted in 2010.

A comparison of the 2010 and 2019 list of firms also identifies 34 full-size crib suppliers and 7 non-full-size crib suppliers that exited the market. Two firms supplied both full-size cribs and non-full-size cribs, suggesting that 39 firms left the market between 2010 and 2019.

EXHIBIT 2-1. NUMBER OF FORMER AND CURRENT CRIB SUPPLIERS

CRIB SUPPLIER TYPE	CURRENT SUPPLIERS (IN 2019)	NEW ENTRANTS (ENTERED MARKET BETWEEN 2010 AND 2019)	FORMER SUPPLIERS (EXITED MARKET BETWEEN 2010 AND 2019)
Full-size cribs	71	37	34
Non-full-size cribs	29	17	7

Source: IEc analysis of CPSC's crib market research from 2010 and 2019, shared with IEc via email communication on September 16, 2019.

Note:

- 1/ Columns in grey define the categorization of crib suppliers used to inform our sampling strategy for interviews.
- 2/ IEc provided more detailed information from its review of CPSC's market research through deliverables sent to CPSC on October 10, 2019 and October 31, 2019.
- 3/ CPSC did not provide the 2010 market status for two current non-full-size crib suppliers. It is possible that these suppliers were new entrants between 2010 and 2019 or that they were supplying cribs in 2010 but missed in the original market research conducted in 2010.

Among current suppliers, we also identified which firms appeared to be new entrants into the market between 2010 and 2019 based on CPSC's market research. Our analysis suggests that 37 of 71 full-size crib suppliers (52 percent) as well as 17 of 29 non-full-size crib suppliers (59 percent) are new entrants since 2010. This finding suggests that a minority of current suppliers were supplying the crib market in 2010, when the crib rules were passed. Finally, when comparing the number of new suppliers with the number of former suppliers between the same years, we find that more firms entered the market than exited, across both full-size and non-full-size crib suppliers.<sup>14</sup>

<sup>14</sup> CPSC's 2019 market research did not identify which suppliers were small businesses. Therefore, we are unable to comment on whether the distribution of suppliers across small and large businesses changed between 2010 and 2019.

## CHAPTER 3 | INTERVIEW PROCESS AND FINDINGS

In this chapter, we summarize the information collected during our interviews and summarize our conclusions regarding the impact of the 2010 regulations on small businesses. First, we characterize the firms that agreed to participate in interviews (Section 3.1). Next, we summarize their responses to our questions (Section 3.2). The chapter concludes (Section 3.3) with our assessment of the key findings from the interviews, considered in light of the data describing the change in the number of firms operating in the cribs market, as summarized earlier in Chapter 2.

### 3.1 FINAL SAMPLE OF CRIB SUPPLIERS

Exhibit 3-1 describes the outcome of the crib supplier outreach efforts described in Section 1.3. As presented, 46 crib supplier received invitations to answer the questionnaire via either a phone interview or written response. A total of 10 firms (22 percent) requested the questionnaire and 9 firms (20 percent) provided responses via the phone or email. A majority of the respondents elected to provide responses through a phone interview after reviewing the questionnaire (6 firms, 67 percent), while the remaining minority (3 firms, 33 percent) sent written responses via email.

EXHIBIT 3-1. FINAL SAMPLE OF PARTICIPATING CRIB SUPPLIERS

STATISTIC	FULL-SIZE SUPPLIERS		NON-FULL-SIZE SUPPLIERS		TOTAL
	CURRENT	FORMER	CURRENT	FORMER	
Number of firms IEC attempted to contact (first- and second-tiers)	14	15	13	4	46
Number of firms receiving questionnaires	2	1	5	2	10
Number of interviews conducted via phone	1	1	2	2	6
Number of questionnaire responses received via email	1	0	2	0	3
Total number of firms providing responses	2	1	4	2	9
Percent of total contacted firms providing responses	14.3%	6.7%	30.8%	50.0%	19.6%
Notes: See Section 1.3 for a description of the outreach methodology employed. In some cases, suppliers currently are or formerly were active in both the full-size crib and non-full-size crib markets. Our research identified which firms fell into more than one of the four categories identified in the main text, then randomly assigned them to one category for the purposes of sample selection. Five of the nine firms providing responses to our questions formerly supplied or currently supply both full-size and non-full-size cribs.					

The final sample of nine respondents included six current suppliers and three former suppliers. Former crib suppliers proved more challenging to track down for interviews. In some cases, the firm no longer existed, and we attempted to locate and contact former employees. In other cases, the company continued to exist without the crib line or was acquired by another company that did not sell cribs; however, the current staff did not have sufficient historic background about the crib rules to provide input.

Exhibit 3-2 provides additional characteristics of the nine participating crib suppliers.<sup>15</sup> While the sample was originally stratified into full-size and non-full-size suppliers, we found that many current and former suppliers offered both crib types and could provide perspective on both rules. Only one respondent entered the market after 2010; the remaining eight respondents supplied cribs in 2010 when the crib rules were passed. All respondents met CPSC's definition of a manufacturer. Given the information provided by the respondents (i.e., in most cases, the number of employees), we believe that eight respondents meet the SBA's threshold of a small business while one respondent is likely classified as a large business. The notes to Exhibit 3-2 provide more details on the definitions used for our various classifications.

<sup>15</sup> Respondents were assured anonymity of their input. Therefore, this report only provides non-identifying information for the nine respondents.

EXHIBIT 3-2. CHARACTERISTICS OF PARTICIPATING CRIB SUPPLIERS

SUPPLIER RESPONDENT	DESCRIPTION	SUPPLYING CRIBS IN 2010 <sup>1</sup>	MANUFACTURER OR IMPORTER <sup>2</sup>	SMALL BUSINESS OR LARGE BUSINESS <sup>3</sup>
1	NFS current	Yes	Manufacturer	Small business
2	NFS current (also FS current)	Yes	Manufacturer	Large business
3	NFS current (also FS current)	Yes	Manufacturer	Small business
4	NFS current (also FS current)	Yes	Manufacturer	Small business
5	FS current	No	Manufacturer	Small business
6	FS current	Yes	Manufacturer	Small business
7	NFS former (also FS former)	Yes	Manufacturer	Small business
8	NFS former (also FS former)	Yes	Manufacturer	Small business
9	FS former	Yes	Manufacturer	Small business
NFS = Non-full-size cribs FS = Full-size cribs  Notes: 1/ "No" responses in this column mean the respondent entered the crib market after the crib rules went into effect. 2/ CPSC classifies any supplier that participates in design decisions as a manufacturer. In some cases, the respondent self-classified as an importer but reassigned after hearing CPSC's definition. 3/ Some respondents self-classified. For firms that provided the number of employees instead, we classified based on the SBA's 2019 guidelines, which consider a manufacturer to be small if it has fewer than 750 employees. 4/ White rows identify current suppliers; grey rows identify former suppliers.				

### 3.2 INTERVIEW SUMMARY

The Appendix provides full summaries of phone interviews and written responses sent via email. Exhibit 3-3 further summarizes the main findings of the interviews and suggestions provided by the respondents for how to reduce the burden of the crib rules on businesses without measurably reducing safety. Below, we distill the overall findings from these interviews.

Note that in the exhibit, we attempt to isolate the changes that respondents believe would not have occurred but for CPSC's crib regulations. With regard to testing, separating costs resulting from the cribs rules (finalized in 2010) from costs resulting from a subsequent CPSC rules (finalized in 2011, 16 CFR 1107 and 1109) addressing the testing

and labeling of many different types of children’s products is challenging.<sup>16,17</sup> Essentially, the cribs regulations specified standardized testing procedures (e.g., required test equipment, required measurements, weights and force to be applied in the tests, etc.) that should be implemented by a third party laboratory. The rules also required manufacturers to keep records of the tests associated with specific product lots. The 2011 regulations addressed the frequency of testing (i.e., at least once per year), along with the number of samples that must be tested, and when an alteration of the product constitutes a material change requiring new testing. The 2011 regulations also clarified record-keeping requirements.<sup>18</sup> In our conversations with crib suppliers, it was often difficult for them to separately consider the impact of the 2010 and 2011 regulations. Additional information about the implications of the 2011 regulations can be found in the detailed interview responses provided in the Appendix.

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<sup>16</sup> CPSC (2011). “Testing and Labeling Pertaining to Product Certification; Final Rule.” *Federal Register*, 76(69482). Published November 8, 2011. Available at: [https://www.cpsc.gov/s3fs-public/pdfs/blk\\_pdf\\_certfinal.pdf](https://www.cpsc.gov/s3fs-public/pdfs/blk_pdf_certfinal.pdf)

<sup>17</sup> Respondents also mentioned other testing requirements, such as testing for phthalates and lead, as well as testing component parts.

<sup>18</sup> The summary distinction between these rules was provided via email communication with CPSC on March 9, 2020.

## EXHIBIT 3-3. CRIB SUPPLIER SUMMARY RESPONSES

SUPPLIER RESPONDENT	CHANGES IN THE CRIB MARKET SINCE 2010, ABSENT THE CRIB RULES	CHANGES TO CRIB DESIGN OR BUSINESS PROCESS	IMPACT OF THE CRIB RULES ON TESTING	IMPACTS OF THE CRIB RULES ON THE CRIB MARKET	SUGGESTIONS FOR REDUCING BURDEN ON BUSINESSES WITHOUT REDUCING SAFETY
1	Childcare centers switched from full-size to non-full-size cribs.	<p>Incurring large, one-time costs to implement design changes and ongoing costs associated with materials.</p> <p>New hardware, new molds, new wood parts to meet slat strength requirements, redesign to eliminate moveable parts including drop side features.</p> <p>Reduced number of models.</p>	Costs of testing increased.	Higher crib prices commensurate with increased cost of production (also due to increased costs associated with the 2011 testing rule).	Lengthen interval for third party testing; five-year or longer would make more sense where there are no material changes to crib designs.
2	<p>Internet shopping has become a tremendous sales force. It dictates the need for many more styles relative to when cribs were sold strictly in stores.</p> <p>Many companies have gone out of business. "Mom and pop" companies with intricate designs who sold to small retail shops have disappeared.</p>	<p>Hired 10 people for one year to update product line.</p> <p>Eliminated drop sides, updated slats and other design aspects (using heavier wood or laminated veneer lumber).</p> <p>Initially difficult to find components that were compliant, but more readily available over time.</p> <p>Moved production to China where costs were lower.</p> <p>Increased price of cribs.</p>	<p>Previously did most testing in house using own machines. Increased both in house testing and added third party testing.</p> <p>Wrote new software to meet record-keeping requirements.</p>	<p>Many fewer cribs made domestically.</p> <p>Daycare centers replacing institutional cribs with normal cribs. Hotels buying play-yards instead of traditional cribs.</p>	<p>Consider allowing certain types of machines that are cheaper for testing (e.g., XRF tester).</p> <p>Group multiple cribs together instead of testing every model.</p> <p>Reduce record saving requirements from 7 years.</p>

SUPPLIER RESPONDENT	CHANGES IN THE CRIB MARKET SINCE 2010, ABSENT THE CRIB RULES	CHANGES TO CRIB DESIGN OR BUSINESS PROCESS	IMPACT OF THE CRIB RULES ON TESTING	IMPACTS OF THE CRIB RULES ON THE CRIB MARKET	SUGGESTIONS FOR REDUCING BURDEN ON BUSINESSES WITHOUT REDUCING SAFETY
3	Play-yards have increased in popularity with both individual and institutional consumers, resulting in reduced sales of non-full-size cribs.	<p>Made changes to labels, but not a big burden.</p> <p>The most significant cost was the inventory transition to eliminate drop-side cribs. Because eliminating the drop-side made things simpler, over time, it may have reduced manufacturing costs.</p>	Testing environment has become more complex, which may be contributing to increased cost of testing.	None	<p>Make standards consistent with Canada.</p> <p>Provide templates for labels that meet rule requirements.</p>
4	<p>Full-size cribs no longer required in daycares, so non-full-size cribs have become more popular among these customers.</p> <p>Shift towards e-commerce dealers.</p>	<p>Addressed slat strength, mattress support strength, and label/warning requirements. Costs of cribs increased by \$12-\$13/crib. Sourcing materials had the biggest impact; labels and warnings were less costly.</p> <p>Added one model to their product line.</p> <p>Initial increase in crib sales for institutional consumers who needed to replace existing cribs; sales have since leveled off to normal.</p>	More frequent testing, overall increase in testing costs.	None	None
5	<p>Entered the market in 2014. Since that time, retail prices have decreased.</p> <p>More consumers purchasing cribs online.</p>	None	Dynamic structural tests and crib side test have the great impact on the cost of production due to need for specialized, computer-controlled testing equipment.	None	<p>Incorporate overload type tests in place of the life cycle tests.</p> <p>Harmonize labeling requirements with Canada.</p>

SUPPLIER RESPONDENT	CHANGES IN THE CRIB MARKET SINCE 2010, ABSENT THE CRIB RULES	CHANGES TO CRIB DESIGN OR BUSINESS PROCESS	IMPACT OF THE CRIB RULES ON TESTING	IMPACTS OF THE CRIB RULES ON THE CRIB MARKET	SUGGESTIONS FOR REDUCING BURDEN ON BUSINESSES WITHOUT REDUCING SAFETY
6	<p>Many independent retailers have gone out of business; consumers no longer prefer boutique specialty stores for crib purchases.</p> <p>Beginning in 2001, increasing demand for cribs made in the United States; increased again in 2008-2010 as parents became concerned about drop-sides. Information transmission through parenting blogs.</p> <p>Insurance costs increased significantly.</p> <p>Cribs are a loss leader; other types of furniture (case goods like dressers, nightstands) are more profitable.</p>	<p>Minor mechanical changes (i.e., friction device to bolts and tiny serrated lock washer) (\$100/year).</p> <p>Business reply mail aspect of record keeping has been the biggest change in business processes (\$500/year).</p> <p>Increased price of cribs.</p>	<p>More frequent testing, overall increase in testing costs.</p>	<p>Rule caused a decrease in U.S. crib manufacturers.</p>	<p>Reconsider some design requirements. Does not believe that either mechanical change they made to their cribs has increased safety.</p>
7	<p>Rise of internet shopping which has hurt small retailers, particularly "mom and pop" shops where were not prepared with an online presence.</p>	<p>Redesigned to remove drop sides. Also had to send a significant number of cribs to the trash that had already been produced with drop sides.</p> <p>Ultimately left the market because it was too difficult to keep up with the changing regulatory requirements for cribs and bedding.</p>	<p>Testing elements did not bother this firm.</p>	<p>Market now contains lower-quality and uniform-looking cribs. It's possible that consumer preferences have also changed absent the rule.</p>	<p>Include a safety video aimed at educating parents with the purchase of a crib.</p>
8	<p>Crib design is more modern.</p>	<p>None</p>	<p>Each crib model had to be tested. For unique custom-made cribs, this resulted in a significant testing burden.</p> <p>Testing costs caused this company to leave the crib market.</p>	<p>Estimates that only half of the small manufacturers producing in 2010 are still around. Hard to imagine that the rule didn't affect them.</p> <p>Despite that, the crib rule is really important and necessary.</p>	<p>None</p>

SUPPLIER RESPONDENT	CHANGES IN THE CRIB MARKET SINCE 2010, ABSENT THE CRIB RULES	CHANGES TO CRIB DESIGN OR BUSINESS PROCESS	IMPACT OF THE CRIB RULES ON TESTING	IMPACTS OF THE CRIB RULES ON THE CRIB MARKET	SUGGESTIONS FOR REDUCING BURDEN ON BUSINESSES WITHOUT REDUCING SAFETY
9	<p>Insurance costs increased alongside product recalls.</p> <p>Difficult to be a small business who wants to produce products domestically. More manufacturing operations based in Asia where costs are significantly lower.</p> <p>Consolidation of retailer base; more online retailers and fewer specialty stores.</p> <p>Consumers assume cribs should ship for free, which is difficult for retailers to accommodate.</p>	Added lock washers.	<p>Needed to re-test models that had already been tested recently.</p> <p>Testing requirements were a significant economic burden but not reason this firm left the crib market.</p>	None	<p>Update testing requirements to make “common sense” accommodations that reduce the need for unnecessary or duplicative testing.</p> <p>Consider mandating sliding scale for testing costs among small businesses to reduce testing burden.</p>
<p>Source: IEc summaries of responses provided by crib suppliers via phone interview or email. See Appendix for longer-form summaries of interviews.  Notes: White rows identify current suppliers; grey rows identify former suppliers.</p>					

### 3.2.1 COUNTERFACTUAL SCENARIO (WORLD WITHOUT THE CRIB RULES)

Respondents identified many aspects of the crib markets that have changed since 2010 that cannot be attributed to the crib rules. These conditions would be considered the “world without the rule” and therefore the counterfactual scenario in a retrospective analysis. As described in Exhibit 3-3, these changes include the rise of internet shopping and decline of small retailers and specialty shops, the increase in popularity of play-yards over non-full-size cribs, a switch from full-size to non-full-size cribs at daycare centers, suppliers relocating their manufacturing operations to lower-cost environments including Asia, an increase in insurance costs due to safety recalls in the early 2000s, the rise of parenting blogs as a means for sharing information, and a transition towards more modern aesthetic in crib design.

Specifically, small retailers and specialty shops were a primary point of sale for smaller manufacturers. The disappearance of these types of stores, combined price and cost pressures associated with the shift to lower-cost manufacturing overseas by larger manufacturers and higher insurance premiums, likely had a significant impact on the viability of small cribs suppliers. Similarly, smaller suppliers providing only a few models to retail shops would have found the emerging internet environment, where customers demand many options for customization, challenging. While the crib rules represented additional challenges in this changing environment, our interviews suggest that the 2010 rules are unlikely to be the sole or primary reason many small suppliers ultimately exited the market.

### 3.2.2 RESPONSES OF THE SUPPLIERS TO THE CRIB RULES

The crib suppliers also described how they altered their design and business processes in response to the new regulations. The crib design changes included eliminating drop side and other moveable features; updating hardware, molds, and materials to meet slat strength requirements; and making changes to the product labels. Respondents also described disposing of many non-compliant cribs that had already been manufactured and remained in their inventory when the rule went into effect. Business process changes included hiring additional staff (short term) to implement changes to product lines and writing software or developing a new system to meet the new record-keeping requirements. Respondents also described both adding and dropping specific crib lines and moving their production to lower-cost environments, such as China.

Among crib suppliers that remained in the crib market following the implementation of the crib rules, many respondents noted an increase in their production costs that they passed on to consumers by increasing their crib prices. Respondents also described how difficult it was to find components that were compliant with the rules shortly after they took effect, but that compliant components became more readily available over time. Some respondents were negatively impacted by the transition of their inventory from cribs that did not meet the new standards to compliant cribs. In terms of impact on sales, one respondent noted an initial increase in sales as institutional customers needed to replace their non-compliant cribs, but that sales have since leveled off to previous levels.

Among the crib suppliers that left the crib market after 2010, two respondents identified the crib rules as the main reason for their decision to leave the market. For one of these two respondents, the testing rules were too burdensome because almost every crib they supplied was unique. For the other of the two respondents, the design changes required to eliminate the drop-side component and the fact that the standards seemed to change frequently were reasons to exit the market. The one remaining former supplier respondent described the testing requirements as significantly burdensome, but not the reason for leaving the market.

### 3.2.3 IMPACTS OF THE CRIB RULES ON TESTING

The changes to the testing environment since 2010 were a major discussion point among respondents. These discussions generally encompassed the testing requirements in both the 2010 crib rules and the 2011 product testing regulations (16 CFR 1107 and 1109). However, as noted previously, crib suppliers are also subject to testing requirements related to component parts and chemical substances, such as lead and phthalates.

Some respondents consider the testing required by the crib rules and required by the other rules to be one in the same and had a difficult time distinguishing between the impacts of each. Therefore, many of the responses provided by crib suppliers describe a mix of impacts from the crib rules and separate testing rules; we are unable to isolate the extent to which these impacts can be ascribed to the crib rule in full or in part. Respondents identified various impacts of these rules, including an increase in overall testing costs, an increase in the amount and frequency of testing in general (both in-house and third-party testing), an increase in complexity in the testing environment, and increased complexity of record-keeping associated with test results and certifications. Overall, the testing requirements represent a significant increase in cost relative to prior testing programs, primarily due to the increase in frequency of testing and regulatory definitions guiding the identification of unique models requiring separate tests.

### 3.2.4 POST-2010 CHANGES IN THE CRIB MARKET

While recognizing that the cribs market has changed since 2010, four of the nine respondents indicated that the crib rules did not have a material impact on these changes. In other words, the forces at work in the counterfactual scenario were a significant driver in market changes, rather than the 2010 regulations.

One respondent suggested that crib rules caused a reduction in U.S. manufacturers of cribs. Two other respondents described changes in institutional buyers who switched to different products after 2010. For example, daycare centers switched from institutional cribs to normal cribs after the rule took effect (possibly because the regulation necessitated replacing their non-compliant cribs, the new standards improved the safety of normal cribs, and/or normal cribs are less expensive). Hotels, which were also required to replace their non-compliant cribs) transitioned from cribs to play-yards, presumably because they are more portable and/or less costly.

Two respondents suggested that the rules contributed to the reduction in U.S. manufacturers, and another noted that cribs have become more uniform and generic in

terms of style, possibly due in part to the loss of small, domestic manufacturers. The latter respondent noted, however, that this change may also reflect the preferences of newer parents for more modern, streamlined styles. One respondent noted that despite the reduction in U.S. suppliers, the requirements were necessary to improve the safety of cribs in the market.

### 3.2.5 SUGGESTIONS FOR CHANGES TO THE CRIB RULES

Respondents offered various suggestions for how to update the crib rules in ways that would reduce the burden on businesses without reducing safety. Many of the suggestions were specific to testing requirements. In particular, respondents recommended lengthening the required interval between third-party testing (e.g., 5 years instead of 1), considering other types of testing machines that would reduce the overall cost of testing (e.g., X-ray fluorescence [XRF] tester), reducing the needs for unnecessary duplicative testing (e.g., grouping multiple cribs together based on similar characteristics instead of testing each unique model), incorporating overload tests in place of life cycle tests, and mandating a sliding scale for testing costs to reduce the burden on small businesses. Again, because many respondents consider the crib rules and testing rules to be one in the same, it is possible that some of these suggestions may be more relevant to the testing and components rule instead.

On non-testing topics, respondents suggested reducing the length of record-keeping requirements, harmonizing standards and labeling requirements with Canada to reduce the burden of complying with different rules across markets, providing templates for labels that meet the rule requirements, reconsidering some of the mechanical design requirements, and providing a safety video with the purchase of a crib aimed at educating parents.

## 3.3 CONCLUSIONS

Nine current (as of 2019) or former (exited market between 2010 and 2019) suppliers responded to our request for interviews or written information. They are largely small businesses and all self-categorize as manufacturers based on CPSC's definition. Together, these suppliers provided a useful perspective on the impacts of the crib rules on the regulated industry.

Overall, the suppliers point to increasing costs of doing business, which most crib suppliers have been able to pass on to consumers without experiencing a reduction in sales. Some of these increases in business costs are attributable to the crib rule (e.g., higher-cost materials to support slat requirements and increased level of effort for record-keeping processes) while others are attributable to other external factors (e.g., costs of insurance and testing requirements from other Federal rules). The fact that business and production costs for crib suppliers have increased for several reasons means that the overall increase in production costs and crib prices experienced by consumers cannot be attributed to the crib rules alone. We also note that one respondent believes crib prices have decreased overall as manufacturing has moved to lower-cost environments like Asia.

Similarly, the crib rule went into effect in the midst of other major changes in the domestic market. For instance, the rise of internet shopping was already negatively impacting small and specialty retail shops, and other external conditions made manufacturing cribs in the United States costlier. So, while the crib rules were the main reason why some suppliers decided to exit the market, the crib rules were unlikely to have caused a widespread exit from the market. In fact, as demonstrated in Exhibit 2-1, CPSC's market research implies that more crib suppliers have entered the market since 2010 than exited.

Immediately after the crib rules went in effect, some crib suppliers were significantly negatively impacted by the cost of inventory transition. At this point, nearly 10 years later, complying with the testing requirements of both the crib rules and testing and components rules has had the most significant impact on operations and costs for most crib suppliers. Indeed, most respondents described how the testing provisions – in particular the design and side testing requirements – have impacted their production costs far more than the design and other standards imposed by the crib rule. Respondents provided several suggestions for how testing requirements could be updated to reduce the burden on firms. Beyond testing requirements, respondents offered that the slat strength requirements and removal of drop-sides imposed the largest costs on suppliers.

Finally, several respondents noted the importance of having the crib standards in place and how the overall safety of cribs has likely improved for consumers as a result. While respondents offered recommendations for ways to reduce the burden of the regulations on the crib industry, they overall believed that the standards provide a necessary benefit for consumers.

APPENDIX | SUMMARY RESPONSES TO QUESTIONNAIRES

## QUESTIONNAIRE FOR SUPPLIER 1 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply non-full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Correct.

2. Did you also supply non-full-size cribs in 2010?

Yes.

3. Do you currently or have you ever sold full-size cribs as well?

No.

4. Our research shows that you are a manufacturer. Is that correct?

Yes.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

N/A

5. Our research also indicates that your firm is large. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

Employs approximately 300 people.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC NON-FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling non-full-size cribs in 2010]** In 2010, did your non-full-size crib models pass the CPSC non-full-size crib rule, or were modifications required to come into compliance?

- a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your non-full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research and development? Are these costs on-going or were they one-time expenditures?

Complete and faster than normal redesign of the product was required. New hardware, new molds for injection molding, 50% new wood parts as well including thicker spindles for meeting the slat strength requirements. Also required a complex redesign of the moveable side to provide fixed attachment points to the ends, and eliminate drop-side features. Design and tooling are one-time costs. Some material costs are ongoing relative to the old model. Exact numbers are impossible to calculate (10 years ago). One-time costs likely exceeded \$150,000 with at least \$20,000 in lab testing and certification costs alone.

- b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your non-full-size cribs into compliance, or did you need to find an alternative supplier?

N/A

- i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.
  - ii. **[For importers]** Were the compliant non-full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?
2. **[For manufacturers]** Which requirements in the non-full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

The largest driver of cost by a large margin is the slat strength requirement. This drives cost in all the perimeter parts and slats, etc. Second would be hardware that requires “secondary means of attachment.” Other requirements and costs related to production are not significantly more than legacy products.

3. **[For manufacturers]** Are there any requirements of the non-full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

One way to reduce the cost of the crib requirements would be to lengthen the interval for third party testing. We do serial production (not batched) so have a robust quality control system. Required third party destructive testing of products every year tells me nothing about my quality system and is a waste of resources. A five-year (or longer) interval would make more sense where there are no material changes to the design.

4. **[For firms selling non-full-size cribs in 2010]** Did the non-full-size crib rule have an impact on the number of non-full-size crib models that you supply to the U.S. market?

Yes, initially as all childcare centers were required to replace their existing products. We added some new models but have since reduced our offering to below pre-2010 levels.

5. **[For firms selling non-full-size cribs in 2010]** Are you selling more or fewer non-full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?

Initially more, but has levelled off to a similar proportion of our overall business. Our sense was that money spent on cribs was money not spent on our other products so did not help us – any gains were off-set by reductions in other lines.

6. **[For firms selling non-full-size cribs in 2010]** Did you raise the price of your non-full-size cribs to cover the cost of bringing them into compliance with the non-full-size crib standard?

Yes.

7. **[For firms NOT selling non-full-size cribs in 2010]** As a new entrant to the non-full-size crib market after the non-full-size crib standard was passed, did the standard present any specific challenges for you?

N/A

8. Are you selling non-full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's non-full-size crib standard and the other countries' standards?

Not selling internationally.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the non-full-size crib standard or do you rely upon third party test results provided by your supplier?
2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the non-full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the non-full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

We test every crib on the line for certain key parameters as well as doing a full quality inspection of each unit. The cost of this additional labor is around \$50.00 per unit. Third party testing as required by the CPSIA takes several hours to arrange and ship, and costs an average of \$2,000 per test, not including the actual material cost of the destroyed product (\$375.00 per unit).

3. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?

Yes, by several thousand dollars per year.

4. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?

Most, or all of ongoing compliance testing. Design qualification testing is done in-house.

5. **[For manufacturers and any importers who test for compliance themselves]** How frequently do you submit samples of your non-full-size cribs to third party conformity assessment bodies for testing for compliance with the non-full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the non-full-size crib rule?

Varies based on design cycle. Biannual is typical.

6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?

We use component testing as much as possible. We did this from the start, so cannot estimate what the cost savings (if any) might be. It requires a great deal of logistics to implement.

7. **[For manufacturers and any importers who test for compliance themselves]** Keeping in mind that CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the non-full-size crib standard?

We do serial production (not batched) so have a robust quality control system with testing of every item on the line. Required third party destructive testing of products every year tells me nothing about my quality system and is a waste of resources. A five-year (or longer) interval would make more sense where there are no material changes to the design.

8. Are the recordkeeping requirements associated with third party testing for conformance with the non-full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to non-full-size cribs as a product class that would still be consistent with statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

No.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

Childcare operators use non-full-size cribs almost exclusively. There has been little change relative to pre-2010 in this regard. We are a direct sale company so do not have an insight on dealers or imports.

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

Not aware.

3. Do you sell any non-full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of non-full-size cribs demanded by these customers?

To daycare centers. See #1 above.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC's non-full-size crib standard?

Higher prices across the board commensurate with the increased cost of production.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the non-full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

See discussion on testing above. That would be the largest burden reduction for small producers. Cribs is a small percentage of our business but takes an inordinate amount of compliance resources.

2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?
3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?

The CPSC should consider specifically exempting non-full-size crib mattresses / pads from the federal flammability requirements of 16 CFR 1632 and 16 CFR 1633. These are unnecessary for such products and compromise health by requiring flame retardants be included in certain designs.

## QUESTIONNAIRE FOR SUPPLIER 2 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply non-full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Did you also supply non-full-size cribs in 2010?

Yes.

3. Do you currently or have you ever sold full-size cribs as well?

Yes, have always sold both.

4. Our research shows that you are a manufacturer. Is that correct?

Initial answer: Importer; do not manufacture cribs

Revised answer based on discussion with CPSC about their definition of manufacturer. We provide design specifications and outsources the manufacturing overseas. Per CPSC, we qualify as a manufacturer.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

Provide extensive design input. We just outsource manufacturing.

5. Our research also indicates that your firm is large. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

Larger than \$10 million annual revenue, therefore likely a large business.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC NON-FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling non-full-size cribs in 2010]** In 2010, did your non-full-size crib models pass the CPSC non-full-size crib rule, or were modifications required to come into compliance?

Respondent was deeply involved in writing of the standards (as part of ASTM). Knew in advance before the standards were promulgated, which allowed us to bring their products into compliance in advance. Yes, we made modifications, but in advance.

- a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your non-full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research and development? Are these costs on-going or were they one-time expenditures?

First, we eliminated drop sides. This was done a year in advance because the respondent knew the rules were changing. Then, we updated slats and other design requirements.

Costs to make the modifications:

- We hired 10 people for a year to update product line (update drawings, update standards, work with factories). This was a one-time expense.

We maintain a team to make sure we are always in compliance. Would probably be doing that regardless of the crib rules because we feel compliance and safety is important.

- b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your non-full-size cribs into compliance, or did you need to find an alternative supplier?

Supplier = manufacturer. We worked with existing supplier base (overseas importer) at the time to make the updates.

- i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.
  - ii. **[For importers]** Were the compliant non-full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?
2. **[For manufacturers]** Which requirements in the non-full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

Slat and spindle testing had the greatest impact in terms of design, cost, and construction. CPSC's standard requires way more than the European standard. We were able to convince CPSC of 80 instead of 100 (Europe is 60). We accomplished the design updates by using a heavier wood or LVL (laminated veneer lumber); both are more rigid. LVL is used where structural strength is needed. A majority of cribs in the United States use LVL slats. Another cost was "lead in substrate." We pay more for hardware as a result. Coatings went from 600 down to 90. Also, phthalates removal affected cost of finishing.

3. **[For manufacturers]** Are there any requirements of the non-full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

Each part added a portion. Nothing especially burdensome.

Initially, the most difficult aspect was finding component parts that were compliant with the crib rules. As time went on, parts became more readily available. For example, phthalate-free paint was nearly impossible to find at first whereas now it is available and easy to source.

4. **[For firms selling non-full-size cribs in 2010]** Did the non-full-size crib rule have an impact on the number of non-full-size crib models that you supply to the U.S. market?

The rule did not affect the number of models we supply.

5. **[For firms selling non-full-size cribs in 2010]** Are you selling more or fewer non-full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?

We are selling more styles and more quantity. Across both full-size and non-full-size, we sell approximately 400,000 to 500,000 cribs per year.

6. **[For firms selling non-full-size cribs in 2010]** Did you raise the price of your non-full-size cribs to cover the cost of bringing them into compliance with the non-full-size crib standard?

Yes, we increased our prices, but moderately. Most of the price increases were absorbed by us while some were absorbed by the factory.

Respondent was unsure of the change in unit cost. Pre-crib rule, we were producing outside of China; currently, we are producing inside of China. Costs outside of China would have gone up by about ten percent. The decision to move to China, where costs were lower, was influenced by the crib rule.

7. **[For firms NOT selling non-full-size cribs in 2010]** As a new entrant to the non-full-size crib market after the non-full-size crib standard was passed, did the standard present any specific challenges for you?

8. Are you selling non-full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's non-full-size crib standard and the other countries' standards?

We sell cribs in the United States and some in Canada. Not doing anything right now in Europe (the designs, styles, even standards are very different; not worth it). Even Canada has additional standards that make it difficult to send some models without modification. Standards are very different across countries which makes it difficult to supply to multiple markets simultaneously.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the non-full-size crib standard or do you rely upon third party test results provided by your supplier?

2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the non-full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the non-full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

For annual testing, we use a third-party, as mandated by rule. In addition, we have six sets of testing equipment in Asia and the United States to randomly pull product off the line and test them.

Third party testing generally costs between \$1,000-1,500 per model per year depending on components (e.g., whether already tested for phthalates).

Before the standard, a lot of it was self-tested. We would use our own machines. We also had an XRS-testing gun to test for heavy metals (we own 14 today). We use that at the factory level to spot check on production for coating. Chemical testing (lead, heavy metals, etc.) is biggest component.

3. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?
4. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?

Testing at home has increased too, so third-party testing has not displaced it.

5. **[For manufacturers and any importers who test for compliance themselves]** How frequently do you submit samples of your non-full-size cribs to third party conformity assessment bodies for testing for compliance with the non-full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the non-full-size crib rule?

At least 50-100 samples/year (same number of models). When you send a crib for testing, you need to send two samples.

6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?

Not easy to use component parts rule because amount of paperwork is extremely onerous. Tracking every individual lot of paint against every production run is almost impossible. It is not a good rule because it is not useable.

7. **[For manufacturers and any importers who test for compliance themselves]** Keeping in mind that CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the non-full-size crib standard?

Component testing rule could be improved.

If they could rely on tools like the XRF tester, that would help. CPSC and some of the labs have them.

8. Are the recordkeeping requirements associated with third party testing for conformance with the non-full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to non-full-size cribs as a product class that would still be consistent with statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

Burdensome, but they are doing it. Requirement to save records for 7 years could be reduced, but currently dictated by rule.

Cost \$500,000 - \$700,000 over the last 10 years to write software that allows them to keep all the recordkeeping. No off-the-shelf software enables us to meet the requirement of needing information within days or less from a particular lot in a particular year. Not a simple matter to do the recordkeeping.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

A lot of companies have gone out of business. We are one of only two left still under the same ownership.

The internet has become a tremendous force sales-wise. It dictates the need for many more styles than when it was strictly a retail item.

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

The respondent has not seen anything recently.

The biggest issue is not the largest manufacturers. The issue is the “mom and pop” companies with more intricate design and who sell their products in small retail shops. Have not seen these in a long time.

Secondhand product still on the market (e.g., via Craigslist) and needs to be monitored.

3. Do you sell any non-full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of non-full-size cribs demanded by these customers?

Not directly.

We did for a short while after 2010 (daycares). These institutional customers started to buy normal cribs, not institutional cribs, because they were more robust. Respondent believes that hotels mostly transitioned to play-yards. Shortly after the crib rule went into effect, institutions needed to show certificate showing cribs were compliant. So, we had to provide those certificates, request after request after request.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC's non-full-size crib standard?

Market has definitely changed, but not sure all changes can be attributed to the standard.

Many fewer cribs made domestically. Not sure if this is economics or the standard itself.

A few manufacturers were very negatively impacted at the initial standard because their inventory was mostly non-compliant cribs and the standard was retroactive (this was the only standard to ever be retroactive).

Because we were at the forefront and were able to plan for the rule, we had eliminated non-compliant product by the time the rule went into effect.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the non-full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

Any small batch domestic manufacturer (e.g., 100 cribs only) would feel the burden of this rule. Testing costs in the United States are probably double what we pay in Asia (\$2,000-3,000 total, spread over 100 cribs that means an additional cost of \$30/crib). Testing costs must be very high for these small firms.

One of the biggest impacts when it came to testing for cribs was when CPSC defined "accessibility" as "touch" for chemicals (i.e., things licked but could not go in the mouth were treated the same). That put a huge burden on testing every component.

Ideas for reducing burden of testing:

- Accept testing done by certain machines that are cheaper could reduce costs (despite the loss in some accuracy). Loss of accuracy should not be a problem because the safety checks are performed so often and at different levels.

- Find a way to group multiple cribs together for testing instead of needing to test each model. Not sure how (not colors, but maybe headboards, finials, etc.), but would definitely reduce costs.
2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?  
**No.**
  3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?  
**No.**

## QUESTIONNAIRE FOR SUPPLIER 3 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply non-full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Yes, and full-size cribs as well.

2. Did you also supply non-full-size cribs in 2010?

Yes, and full-size cribs as well.

3. Do you currently or have you ever sold full-size cribs as well?

Yes, see above.

4. Our research shows that you are a manufacturer. Is that correct?

Manufacturer: Domestically we only produce mattresses. All wood products made overseas (China).

Heavily involved in design, quality control, have a lot of direct input into manufacturing.

Most of the factories we work with also produce for other clients. Most of our input is related to design.

We send products to testing labs independently and do not rely on manufacturers' testing results.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

5. Our research also indicates that your firm is small. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

100 employees.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC NON-FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling non-full-size cribs in 2010]** In 2010, did your non-full-size crib models pass the CPSC non-full-size crib rule, or were modifications required to come into compliance?

Respondent was not around in 2010 and is not familiar with the changes. Most people at the company are too new to have this history. Respondent was told by staff that were around that the crib rule did not significantly affect them, both for full-size and non-full-size cribs. They had to make labeling changes, but that was not a big burden.

- a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your non-full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research

and development? Are these costs on-going or were they one-time expenditures?

We had to make changes to deal with the ban on drop side. We recognize that this change made cribs safer for children. The respondent's understanding is that the drop side change made things simpler, may have cut the costs over time. The most significant cost was the inventory transition.

- b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your non-full-size cribs into compliance, or did you need to find an alternative supplier?

Yes, able to work with current suppliers overseas to make changes.

- i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.
- ii. **[For importers]** Were the compliant non-full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?

2. **[For manufacturers]** Which requirements in the non-full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

Drop side component change was most significant.

3. **[For manufacturers]** Are there any requirements of the non-full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

Nothing especially burdensome.

4. **[For firms selling non-full-size cribs in 2010]** Did the non-full-size crib rule have an impact on the number of non-full-size crib models that you supply to the U.S. market?

No.

5. **[For firms selling non-full-size cribs in 2010]** Are you selling more or fewer non-full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?

Sales have increased since 2010. Market share has also increased. This is because of company marketing and relationships. Respondent did not believe that the standard impacted sales.

6. **[For firms selling non-full-size cribs in 2010]** Did you raise the price of your non-full-size cribs to cover the cost of bringing them into compliance with the non-full-size crib standard?

No.

7. **[For firms NOT selling non-full-size cribs in 2010]** As a new entrant to the non-full-size crib market after the non-full-size crib standard was passed, did the standard present any specific challenges for you?
8. Are you selling non-full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's non-full-size crib standard and the other countries' standards?

We do business in Canada and very little in South America. Having to comply with two sets of testing and labeling requirements from two countries significantly increases their costs. Would be nice to have consistency across countries.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the non-full-size crib standard or do you rely upon third party test results provided by your supplier?

Yes, we use a third party. We do not rely on results from the supplier.

2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the non-full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the non-full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

Testing costs \$1,000-2,000 per model. They provide three samples per model. Not sure how many models they have. They do test every six months or any time there is a change in component.

3. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?

Respondent suspects the cost has gone up because the testing is more complicated but not sure by how much.

4. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?

*We have never done in-house testing.*

5. **[For manufacturers and any importers who test for compliance themselves]** How frequently do you submit samples of your non-full-size cribs to third party conformity assessment bodies for testing for compliance with the non-full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the non-full-size crib rule?
6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?
7. **[For manufacturers and any importers who test for compliance themselves]** Keeping in mind that CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the non-full-size crib standard?
8. Are the recordkeeping requirements associated with third party testing for conformance with the non-full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to non-full-size cribs as a product class that would still be consistent with statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

*Recordkeeping requirements seem adequate. No modifications to suggest.*

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

*The biggest thing to impact the market for non-full-size cribs has been play-yards. They have become the most popular sleep environment on the market, both for individuals and institutions due to their price, convenience, and portability. An increase in preference for play-yards has resulted in reduced sales of non-full-size cribs. They also have different mattress standards.*

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

No.

3. Do you sell any non-full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of non-full-size cribs demanded by these customers?

We sell to distributors that sell to hotels and daycares, for both full-size and non-full-size cribs. They have not noticed a change in demand from customers.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC's non-full-size crib standard?

No.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the non-full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

No.

2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?

No.

3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?

Two suggestions:

- 1- Make the standards consistent between the United States and Canada.
- 2- For any labeling requirements, provide a pdf template that companies could insert specific information into. Currently, we need to read and understand the standards in order to draft the language ourselves, then figure out if the language is compliant (specific to mechanical requirements, not the language requirements).

## QUESTIONNAIRE FOR SUPPLIER 4 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply non-full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Did you also supply non-full-size cribs in 2010?

Yes.

3. Do you currently or have you ever sold full-size cribs as well?

Yes.

4. Our research shows that you are manufacturer. Is that correct?

Yes.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

5. Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues? Do you know if your firm qualifies as a small business?

27 employees.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC NON-FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling non-full-size cribs in 2010]** In 2010, did your non-full-size crib models pass the CPSC non-full-size crib rule, or were modifications required to come into compliance?

Modifications were required.

- a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your non-full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research and development? Are these costs on-going or were they one-time expenditures?

We had to address slat strength, mattress support strength and labels/warnings.

Cost of cribs increased \$12-\$13 each.

These were ongoing expenditures.

- b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your non-full-size cribs into compliance, or did you need to find an alternative supplier?

- i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.

ii. **[For importers]** Were the compliant non-full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?

2. **[For manufacturers]** Which requirements in the non-full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

Sourcing of mattress supports and other materials had greatest impact on cost of production.

Labels and warnings had lowest impact on cost of production and required the least amount of time to comply with.

3. **[For manufacturers]** Are there any requirements of the non-full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

No especially costly or burdensome requirements.

No ways to reduce cost or burden without reducing safety.

4. **[For firms selling non-full-size cribs in 2010]** Did the non-full-size crib rule have an impact on the number of non-full-size crib models that you supply to the U.S. market?

The new crib rule did not impact the number of models we offered except for the addition of one model which addressed the users that liked drop sides.

5. **[For firms selling non-full-size cribs in 2010]** Are you selling more or fewer non-full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?

Initially we were selling more cribs as places of public accommodation had to replace their existing cribs. In 2013 and 2014 the sales decreased and we were primarily supplying new center openings. In 2015 and 2016 the sales started to increase again and then leveled off to "normal".

We believe our market share has increased.

6. **[For firms selling non-full-size cribs in 2010]** Did you raise the price of your non-full-size cribs to cover the cost of bringing them into compliance with the non-full-size crib standard?

Yes.

7. **[For firms NOT selling non-full-size cribs in 2010]** As a new entrant to the non-full-size crib market after the non-full-size crib standard was passed, did the standard present any specific challenges for you?

8. Are you selling non-full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's non-full-size crib standard and the other countries' standards?

Yes, we sell in multiple countries.

Cribs compliant with European Union standards cannot have labels on the top rails while the United States requires this. That has been a challenge. Canada is

perhaps the closest to the United States with regards to required standards. Their side height is different than ours and they only have one standard, as opposed to one for full-size and one for non-full-size like the United States.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the non-full-size crib standard or do you rely upon third party test results provided by your supplier?

We obtain our own third-party test reports.

2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the non-full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the non-full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

Time and cost vary but on average it takes 2-3 weeks to get through initial testing of a crib and it costs anywhere from \$500-\$900 depending on where we are performing the testing. These amounts are all with regards to testing conducted by a third party.

3. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?

Yes, the cost of testing increased.

We began an annual testing cycle for all mandatory crib testing and additional testing within that year for any material changes. This amounts to thousands of dollars a year across all of our different crib models.

4. **[For manufacturers and any importers who test for compliance themselves if they were selling non-full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?

The testing was the same but it became more frequent.

5. **[For manufacturers and any importers who test for compliance themselves]** How frequently do you submit samples of your non-full-size cribs to third party

conformity assessment bodies for testing for compliance with the non-full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the non-full-size crib rule?

Annually as long as they are in production.

One sample submitted per model.

Testing costs \$500-\$900 depending on where we test.

No duplicative testing requirements.

6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?

We have always used component testing with the cooperation of the third-party labs so we did not experience a great savings. We use a variety of sources for our products so we cannot use component testing all the time or for all of our products.

7. **[For manufacturers and any importers who test for compliance themselves]** Keeping in mind that CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the non-full-size crib standard?

Not really.

8. Are the recordkeeping requirements associated with third party testing for conformance with the non-full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to non-full-size cribs as a product class that would still be consistent with statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

Record-keeping requirements are adequate.

No modification to suggest.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

Full-size cribs used to be required in day cares and they are no longer.

Therefore, non-full-size have become more popular to purchase. Also, there has been a large shift from traditional school supply dealers to e-commerce dealers.

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

Yes, there are companies that do not meet the non-full-size standard. Companies most likely to not be compliant or those outside of the United States. They are most often for sale online. The online distributors may not even know they are not compliant as they may not be aware of the requirements.

3. Do you sell any non-full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of non-full-size cribs demanded by these customers?

Yes, we sell to institutional customers. Hotels are traditionally not monitored by licensing agents like day cares are. However, we have seen hotels become more diligent with providing safe products to their guests. They are establishing crib specifications and safety protocols. Chains are requiring their locations to be compliant to these safety protocols. They are more concerned with inspecting products and replacing when they are past their useful life. They are taking a new approach to maintaining a safe sleep surface for their guests. In addition to cribs, they are also taking more notice of safe bedding. Day cares remain diligent to regulations with the oversight of licensing. They have not changed a great deal since the new standard as they were having regular inspections (for the most part) already.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC's non-full-size crib standard?

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the non-full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

Yes, small entities disproportionately burdened. The cost for places of public accommodation to replace all of their existing cribs (even those they had purchased within months of the deadline) put a large amount of financial strain on these businesses. At the time of the new standard going into effect, a rebate or coupon for day cares to use to purchase new cribs would have been a big help. This expense is no longer an issue as day cares are back to just buying cribs when they need new ones and they are all compliant anyhow.

2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?

The time frame provided for manufacturers to design compliant cribs, test and produce them was far too short. We had approximately six months to do so. Additionally, these same six months allotted for manufacturers to sell through old, non-compliant cribs was hardly long enough. Besides that, no one wanted non-compliant cribs once the new standard was released.

3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?

## QUESTIONNAIRE FOR SUPPLIER 5 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Did you also supply full-size cribs in 2010?

No.

3. Do you currently or have you ever sold non-full-size cribs as well?

No.

4. Our research shows that you are a manufacturer. Is that correct?

Correct, we are a manufacturer. However, we contract our manufacturing and therefore are also listed as the importer of record.

- a. If you are an importer, to what extent do you provide input into the design of your full-size cribs?

We provide the design and product specifications.

5. Our research also indicates that your firm is not a small business. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

We presently have 230 employees.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling full-size cribs in 2010]** In 2010, did your full-size crib models pass the CPSC full-size crib rule, or were modifications required to come into compliance?
  - a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research and development? Are these costs on-going or were they one-time expenditures?
  - b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your full-size cribs into compliance, or did you need to find an alternative supplier?
    - i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.
    - ii. **[For importers]** Were the compliant full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?

2. **[For manufacturers]** Which requirements in the full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

The dynamic structural tests (7.2) and crib side tests (7.6) have the greatest impact on the cost of production. The labels and instructions have the lowest impact on cost of production.

The tests that take the most amount of time to ensure compliance are also the dynamic structural and crib side tests. The labels and instructions take the least amount of time to ensure compliance.

3. **[For manufacturers]** Are there any requirements of the full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

The machines required for the dynamic structural tests and the side tests are not commonly available and are expensive because they must be custom built. Thus, it is more difficult for smaller manufacturers to incorporate these into their internal test labs. If the standard incorporated overload type tests in place of the life cycle tests, that yielded an equal level of safety to that provided by the present standard, the apparatus for overload tests would likely be more commonly available, and manufacturers could more easily add these to their internal test labs. This would allow the manufacturers to lower their testing-related costs without reducing the safety provided by the standard or making the standard less stringent.

4. **[For firms selling full-size cribs in 2010]** Did the full-size crib rule have an impact on the number of full-size crib models that you supply to the U.S. market?
5. **[For firms selling full-size cribs in 2010]** Are you selling more or fewer full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?
6. **[For firms selling full-size cribs in 2010]** Did you raise the price of your full-size cribs to cover the cost of bringing them into compliance with the full-size crib standard?
7. **[For firms NOT selling full-size cribs in 2010]** As a new entrant to the full-size crib market after the full-size crib standard was passed, did the standard present any specific challenges for you?

No. We are experienced with manufacturing products that comply with mandatory standards.

8. Are you selling full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's full-size crib standard and the other countries' standards?

We also sell our full-size cribs to Canadian retailers. There are no particular challenges. It would be easier on manufacturers if the labeling requirements of

the United States and Canada were the same for specific products. The slight differences in the mandatory language required by the regulations leads to slightly repetitive labelling and increased costs to the manufacturer.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the full-size crib standard or do you rely upon third party test results provided by your supplier?

We obtain our own third-party tests.

2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

Our full-sized crib testing is performed by outside, independent, third-party labs. Each test takes approximately two weeks. There are several hundred dollars of costs associated with each third-party test of a full-size crib. This includes not only testing to the full-size crib standard, but also CPSIA testing. It also includes the cost of the cribs and the attendant mailing costs to the lab of each crib. In general, the dynamic and crib side tests have the greatest impact on the testing costs – these require specialized, computer-controlled testing equipment that is more complex.

The lowest impact on testing costs are the one time, overload type tests (e.g. slat spacing, bottom rail overload), as well as things such as label regulations.

3. **[For manufacturers and any importers who test for compliance themselves if they were selling full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?
4. **[For manufacturers and any importers who test for compliance themselves if they were selling full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?

5. **[For manufacturers and any importers who test for compliance themselves]**  
How frequently do you submit samples of your full-size cribs to third party conformity assessment bodies for testing for compliance with the full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the full-size crib rule?

We have annual testing of each model to verify compliance to the full-size crib standard. We also submit samples several times per year to verify continued compliance. Test labs typically require a minimum of one of each model be submitted unless they differ in ways that do not affect performance (e.g. stain color). The cost of a single test to the 16 CFR 1219 regulation is typically three hundred dollars (excluding the cost of the sample(s) and attendant shipping costs).

6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?

While we have been able to utilize the component part rule in testing for other products we manufacture, we have not been able to take advantage of 16 CFR 1109 with the required testing on our full-size cribs pursuant to 16 CFR 1219.

7. **[For manufacturers and any importers who test for compliance themselves]**  
Keeping in mind that the CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the full-size crib standard?

None.

8. Are the recordkeeping requirements associated with third party testing for conformance with the full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to full-size cribs as a product class that would still be consistent with the statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

The record keeping requirements associated with 16 CFR 1219 are adequate.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC full-size crib rule, how has the full-size crib market changed since 2010? Possible things to consider: the popularity of full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

Since we were not in the market until approximately 2014, we cannot articulate any changes that occurred prior to that time. Since 2014, the retail prices for

full-sized cribs have been driven down and consumers are purchasing more of these products online.

2. Are you aware of any full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

We are not aware of any full-size cribs available that do not comply with 16 CFR 1219.

3. Do you sell any full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of full-size cribs demanded by these customers?

No.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. full-size crib market that are a result of the CPSC's full-size crib standard?

We do not have specific information in response to this question.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

We do not have information to answer this question.

2. Are there any additional effects (direct or indirect) that the full-size crib rule had on your firm that you would like to share?

No.

3. Would you like to share any other information or suggestions about CPSC's full-size crib standard?

No.

## QUESTIONNAIRE FOR SUPPLIER 6 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you currently supply full-size cribs; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Did you also supply full-size cribs in 2010?

Yes.

3. Do you currently or have you ever sold non-full-size cribs as well?

Never sold non-full-size cribs.

4. Our research shows that you are a manufacturer. Is that correct?

Yes, manufacturer.

- a. If you are an importer, to what extent do you provide input into the design of your full-size cribs? No imports

5. Our research also indicates that your firm is small. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

18 people, small business. Last year, we sold 541 cribs.

## QUESTIONS ABOUT THE IMPACT OF THE CPSC FULL-SIZE CRIB STANDARD ON THE FIRM

1. **[For firms selling full-size cribs in 2010]** In 2010, did your full-size crib models pass the CPSC full-size crib rule, or were modifications required to come into compliance?

- a. **[If modifications were required and the firm is a manufacturer]** What modifications did you have to make to your full-size crib models to comply with the requirements of CPSC's crib standard? What was the cost of these modifications in terms of labor, materials, and research and development? Are these costs on-going or were they one-time expenditures?

Already compliant with ASTM voluntary standards when rule went into effect.

The business reply mail aspect of record keeping was a big change for us.

We made one tiny mechanical change: friction device to bolts. We do not think this change improves safety or quality because people assemble and disassemble cribs many times over the course of the crib's life. Our product had a robust joint prior to the rule. This change involved replacing a tiny serrated lock washer and has not been an economic burden.

Annual testing rule has a broader impact on the industry. This is a different rule but we consider them as one in the same.

We are a supplier that does everything from purchase rough lumber to create the finished product. If we had not been producing their own cribs, the rule would have been a problem.

The recordkeeping aspects of the rule scared people; most companies didn't have anyone in-house to do this recordkeeping.

We were in a fortunate position in 2010-2011: very strong in terms of handle on regulations and standards relative to competitors. Lots of colleagues felt like they needed engineers and others to meet standards.

We were producing cribs for other manufacturers of furniture companies previously. Started to shift away from that model in 2010. Moved to a single retailer by 2010. Rule did not inform our choice. Cribs were a loss leader; that is why this supplier was making that shift. The other parts of the collection include dressers, nightstands, etc.

- b. **[If modifications were required and the firm is an importer]** In 2010, were you able to work with your supplier to bring your full-size cribs into compliance, or did you need to find an alternative supplier?
  - i. **[If the importer found another supplier in 2010]** How long did it take to find a new supplier? Please describe the process.
  - ii. **[For importers]** Were the compliant full-size cribs more expensive, less expensive, or the same price? If the price was different, what was the price change?

2. **[For manufacturers]** Which requirements in the full-size crib standard have the greatest impact on cost of production? The lowest impact on cost of production? Which take the most (and least) amount of time to comply with?

Business reply mail aspect of rule costs about \$500/year.

Increase in hardware costs under \$100/year.

Most significant expense is product liability insurance, which costs about \$30,000/year. This increase over time became a major economic incentive for others to get out of crib market.

Only other significant expense is annual cost of testing each individual model, which costs about \$12,000/year for the company (includes bunk beds, but the cost is higher for cribs).

Absent the crib rule, they would still have to test against the annual testing rule although maybe not as often as we do now. Separate "annual" rule requires testing more frequently (annually). The firm was already in compliance with the voluntary standard. ASTM did not have annual testing requirements. ASTM standard did not have retail value for customers. Complying with the standard also did not reduce insurance premiums or provide any other insurance benefit.

3. **[For manufacturers]** Are there any requirements of the full-size crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?
4. **[For firms selling full-size cribs in 2010]** Did the full-size crib rule have an impact on the number of full-size crib models that you supply to the U.S. market?

No.

5. **[For firms selling full-size cribs in 2010]** Are you selling more or fewer full-size cribs since the federal regulation went into effect? Do you believe that your overall market share has increased, decreased, or remained the same?

We are selling fewer cribs and have a smaller market share than before 2010, but this is not a function of the rule. We are broadening the types of furniture we make and sell, and have reduced our production of cribs by 50 percent. The respondent did not think the overall crib market has gotten smaller.

6. **[For firms selling full-size cribs in 2010]** Did you raise the price of your full-size cribs to cover the cost of bringing them into compliance with the full-size crib standard?

We were told by private label customer to pass the increased production costs to consumers.

7. **[For firms NOT selling full-size cribs in 2010]** As a new entrant to the full-size crib market after the full-size crib standard was passed, did the standard present any specific challenges for you?

8. Are you selling full-size cribs to multiple countries? If so, are there any particular challenges that you have found when complying with both CPSC's full-size crib standard and the other countries' standards?

We currently do not sell outside of the United States. We formerly sold to a retail customer who sold in Canada, so we were already in compliance with the Canadian standard.

#### QUESTIONS ABOUT TESTING

The Consumer Product Safety Improvement Act of 2008 (CPSIA) requires suppliers of certain children's products, including cribs, to demonstrate compliance with safety standards using third party testing by accredited assessment bodies. Therefore, the CPSC must continue to require third party testing for conformity to the standard. Given the statutory requirements to continue third party testing, we are interested in your views on whether there are any details of the third-party testing requirements that could be made less burdensome on small suppliers, while still assuring compliance with the crib standard. The following questions are about the impact of the requirements in the CPSIA that children's products must be certified as complying with all safety rules, based on third party testing.

We have always used a third party for testing, mostly Bureau Veritas but also Intertek less frequently.

We do not meet the small batch provision. Cannot have small batch for durable children's products.

1. **[For importers]** Do you obtain your own third-party tests for compliance with the full-size crib standard or do you rely upon third party test results provided by your supplier?
2. **[For manufacturers and any importers who test for compliance themselves]** What is the time required and the cost of testing for compliance with the full-size crib standard? How much of that testing is conducted by a third party and how much is additional, internal testing conducted by your firm? Which requirements in the full-size crib standard have the greatest impact on testing costs? The lowest impact on testing costs?

Testing against CFR costs about \$1,800/model/year.

Testing against CPSIA (lead, tracking label, phthalates) costs another \$480/model/year.

For comparison, total bunk bed testing costs about \$1,100/model/year. The testing for cribs is more intensive and costlier.

3. **[For manufacturers and any importers who test for compliance themselves if they were selling full-size cribs in 2010]** Did the cost of testing for conformance with the standard (whether third party, internal, or both) increase after the rules became mandatory? If so, by how much?

Probably not much. Unit costs same (maybe except for phthalate testing), quantity of tests changed.

4. **[For manufacturers and any importers who test for compliance themselves if they were selling full-size cribs in 2010]** To what extent did the third-party testing requirements replace other testing that you were already conducting?
5. **[For manufacturers and any importers who test for compliance themselves]** How frequently do you submit samples of your full-size cribs to third party conformity assessment bodies for testing for compliance with the full-size crib standard? How many samples of each model are submitted for testing to assure compliance? What is the cost of the testing? Is there any testing performed that you believe overlaps, duplicates, or conflicts with the full-size crib rule?
6. **[For manufacturers and any importers who test for compliance themselves]** To what extent have you been able to make use of the flexibilities provided in the component part rule (16 CFR 1109) to reduce your cost of third-party testing (e.g., relying on third party testing of a component used in more than one model for certification purposes)? If so, in what way? Can you provide estimates of the cost savings provided by the component part testing rule?
7. **[For manufacturers and any importers who test for compliance themselves]** Keeping in mind that the CPSIA requires third party testing of children products, are there changes that could be made in the third-party testing procedures or the third-party testing rules that would reduce your burden and still be consistent with assuring compliance with the full-size crib standard?

8. Are the recordkeeping requirements associated with third party testing for conformance with the full-size crib standard adequate, inadequate, or overly burdensome? Are there modifications that could be made to the recordkeeping requirements that could be applied to full-size cribs as a product class that would still be consistent with the statutory requirements in the CPSIA and that would reduce your recordkeeping cost without reducing safety?

Not overly burdensome because we set up a good system. We hired someone to make the business reply mail document. Once that was complete, the rest was easy. We developed a Google form that has been very reliable. We reprint cards as needed, but far greater number come through website.

However, other firms exited the crib market because of the record-keeping requirements.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC full-size crib rule, how has the full-size crib market changed since 2010? Possible things to consider: the popularity of full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

Lots of things changed in and since 2011. Many independent retailers had closed their doors anyways (landscape changed).

Starting in 2001, there was an increasing demand for American-made cribs. Between 2008-2010 saw another increase in demand. We had already stopped using drop-sides before the rule went into effect and as parents started to become concerned about the safety of drop-sides. We did not notice an uptick in crib sales in 2010-2011 with the rule passage. We were trending upwards anyways.

Blogs became a reality in this period; prospective parents became alarmed. People became more interested in American-made products because those products felt more trustworthy.

People used to go to boutique specialty stores to buy their nursery furniture, but this is no longer popular.

The overall height of cribs has decreased by about two inches with the drop side ban.

2. Are you aware of any full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

No.

3. Do you sell any full-size cribs to institutional customers, such as hotels or day care centers? If so, have you noticed any change in the type or quantity of full-size cribs demanded by these customers?

No.

4. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. full-size crib market that are a result of the CPSC's full-size crib standard?

Rule is accountable for the fact that there are so few American manufacturers of cribs.

## OTHER QUESTIONS

1. Do you believe that any of the requirements in the full-size crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

No.

2. Are there any additional effects (direct or indirect) that the full-size crib rule had on your firm that you would like to share?

No.

5. Would you like to share any other information or suggestions about CPSC's full-size crib standard?

No.

## QUESTIONNAIRE FOR SUPPLIER 7 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you supplied non-full-size cribs in 2010 but do not today; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Do you currently or have you ever sold full-size cribs as well?

Yes, also sold full-size cribs in 2010, in addition to other types of coordinating furniture (armoire, changing tables, cribs that converted to toddler beds – unique sets all painted to match, often custom for celebrities).

3. Our research shows that you were a manufacturer. Is that correct?

Yes.

Imported parts from overseas then finalized them at a plant in the United States according to the designs.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

4. Our research also indicates that your firm was small. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

Yes, \$1 million/year, 6-10 employees. Our cribs sold for about \$6,000 - \$7,000 each.

We had a manufacturing plant when we first started with about 26 employees but reduced in size over time to focus on niche specialty products.

## QUESTIONS ABOUT EFFECTS OF THE CPSC'S NON-FULL-SIZE CRIB STANDARD

1. What role, if any, did the crib standard have in your leaving the non-full-size crib market? If so, which requirements were the most burdensome? Why?

Crib rule was 100 percent the reason we left the market.

The rules and requirements were ever-changing and difficult to keep up with.

The standards also took a lot of time for CPSC to finalize, so a lot of uncertainty as we had to make decisions.

We imported a lot of crib components from overseas (legs, sides, etc. – but furniture was made/assembled in the United States), and the standards would change as soon as we placed an order.

We also had to comply with Canada's standard, which is different from the standards in the United States.

We redesign to remove the drop side, but as soon as that change was complete, the rule changed for bedding requirements. All of these changes forced us to leave the market in 2010.

2. Did the non-full-size crib rule impact any of your other product lines? For example, did sales of alternative sleep products in your product line change or did sales of complimentary products like crib bedding change?

We had to do a complete change around, which was extremely expensive. We also sent about 700 high-end cribs to the dump because they had already been manufactured with drop-sides. Our cribs were 100 percent steel.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

The crib rule took the heart out of the business. Lots of high-end crib suppliers could not survive. Now everything on the market is lower quality and uniform looking. A lot of the changes necessary were really on account of stupid people having kids (e.g., people using duct tape to secure side of cribs, people asking for cages to go over the top of crib).

The respondent also believed the internet also had a huge impact on specialty stores, particularly “mom and pop” shops who were not prepared with an online presence and way for people to purchase online.

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

No.

3. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC’s non-full-size crib standard?

Cribs have become cheaper and plainer over time. Not sure if this is the result of the crib rules or if millennial preferences have changed.

#### QUESTIONS FOR MANUFACTURERS ONLY

1. Are there any requirements of the crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

Testing did not bother us. Removal of drop side was a big deal for us. It also seemed like the standards were changing all of the time and impossible to keep up with.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

Any changes were burdensome for small businesses. The respondent believed that getting rid of drop-sides was unnecessary.

Making any changes to the rules now will not help those who were forced to exist the market in 2010.

2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?

No.

3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?

Instead of forcing manufacturers to change, one idea would be to train parents better. For example, cribs could come with a safety video for parents.

Previously, high-end stores used to take the time to explain safety to parents.

Big box stores are unable to do that now, and parents often do not put in the time to learn about safety.

## QUESTIONNAIRE FOR SUPPLIER 8 (RESPONSES IN RED)

## QUESTIONS ABOUT YOUR COMPANY

1. We understand that you supplied non-full-size cribs in 2010 but do not today; is that correct? **[If no, please request different questionnaire.]**

Yes, supplied cribs in 2010 but not today. Currently sells store fixtures, like clothing racks. As part of our store displays, we have sold cribs that are only used as displays.

2. Do you currently or have you ever sold full-size cribs as well?

Yes, also formerly sold full-size cribs as well.

Our customers were designers. The cribs were solid wood and made in Mexico then later in China. We went “overboard” in terms of design to make cribs better than anyone else; wanted them to look fancy and expensive.

3. Our research shows that you were a crib manufacturer. Is that correct?

Manufacturer: made standard wood cribs in Mexico then in China.

- a. If you are an importer, to what extent do you provide input into the design of your non-full-size cribs?

4. Our research also indicates that your firm is small. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

Yes, was a small business then and still a small business now. At our prime, we had \$1 million sales/year (for comparison, we have not made more than \$30,000 yet this year).

## QUESTIONS ABOUT EFFECTS OF THE CPSC’S NON-FULL-SIZE CRIB STANDARD

1. What role, if any, did the crib standard have in your leaving the non-full-size crib market? If so, which requirements were the most burdensome? Why?

Inspection was \$2,500 per crib model through JPMA. Each crib we sold was unique (all mechanisms the same) and had a different item number, so each required its own inspection. These testing costs were too expensive, definitely the most burdensome part of the rule, and pushed us out of business. CPSC visited them and confirmed cribs were high quality, but of course this was not a substitute for inspection paperwork.

2. Did the non-full-size crib rule impact any of your other product lines? For example, did sales of alternative sleep products in your product line change or did sales of complimentary products like crib bedding change?

No, did not affect other product lines. We also sold strollers, chandeliers, other nursery furniture (e.g., dressers), etc.

## QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC non-full-size crib rule, how has the non-full-size crib market changed since 2010? Possible things to consider: the popularity of non-full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

We have not kept up with the crib market. The respondent does know that fashion trends have changed, and that cribs are much more modern now. The crib designs provided by our company are completely out of style now.

2. Are you aware of any non-full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

Not doing the show circuit anymore so not aware of any cribs.

3. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. non-full-size crib market that are a result of the CPSC's non-full-size crib standard?

No.

#### QUESTIONS FOR MANUFACTURERS ONLY

1. Are there any requirements of the crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

We did not make any changes to our products. It was only the testing costs that were burdensome.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

The crib standard definitely had an impact on small businesses. We estimate that only half of the small manufacturers that were producing in 2010 are still around. It is hard to imagine how the rule did not affect businesses.

The respondent thinks the crib standard is really important and necessary. Remembers being at a conference and seeing a particle board crib that fell apart. CPSC definitely needs to be involved. The stationary rail requirement was also important.

No suggestions for how to improve the rule.

2. Are there any additional effects (direct or indirect) that the non-full-size crib rule had on your firm that you would like to share?

No.

3. Would you like to share any other information or suggestions about CPSC's non-full-size crib standard?

No.

#### QUESTIONNAIRE FOR SUPPLIER 9 (RESPONSES IN RED)

##### QUESTIONS ABOUT YOUR COMPANY

1. We understand that you supplied full-size cribs in 2010 but do not today; is that correct? **[If no, please request different questionnaire.]**

Yes.

2. Do you currently or have you ever sold non-full-size cribs as well?

No.

3. Our research shows that you were a manufacturer. Is that correct? Yes

We did the design and subcontracted manufacturing to facilities here in the United States. Per CPSC's definition, we qualify as a manufacturer.

- a. If you were an importer, to what extent did you provide input into the design of your full-size cribs?

4. Our research also indicates that your firm was small. Is that correct? Can you briefly describe the size of your company in terms of number of employees and/or annual sales/revenues?

Yes, small business.

Estimated annual revenue was \$500,000 to \$3 million (closer to \$500,000 most years). About 60 percent of this was cribs, so maybe \$300,000 for cribs. We sold a couple thousand cribs per year.

##### QUESTIONS ABOUT EFFECTS OF THE CPSC'S FULL-SIZE CRIB STANDARD

1. What role, if any, did the crib standard have in your leaving the full-size crib market? If so, which requirements were the most burdensome? Why?

Standards were not a material factor in decision to leave market but did place an economic burden on us. We opened in 2008 or 2009, then having to go back for testing just two years later was going to be a big cost.

Made very few changes:

- Drop-side ban was not relevant to them because their cribs did not have drop-sides;
- Changed to lock washers, which were inexpensive ("ten for a penny"); and
- Testing cost far outstripped additional cost of lock washers. For example, thousands of dollars annually, probably around \$10,000 across the three product lines. That is a lot of money for a small business trying to get off the ground; this supplier's manufacturer was involved with going back and forth with Bureau Veritas (shipping products back and forth) to ensure testing was completed.

Decision to leave the market:

- Exited the market because of the challenge of working with manufacturers; hard to be a small business who wants to produce products domestically. Products can be produced for one-third of price in China. Almost all of products that were recalled were made someplace other than North America (largely Asia, some Eastern Europe). Partially from design flaws; partially quality control problems (lead paint, screws not long enough).
  - Being a domestic manufacturer of cribs is hard because so many cribs are produced overseas. As product recalls occurred, insurance costs for all crib producers were going up. When you have a lot of product recalls, even if it is not your product, insurance carriers get nervous (insurance broker jokingly said that only other riskier business was amusement park rides).
  - Large firms producing cribs overseas handle risk differently (have a different willingness to accept risk). If 100,000 cribs are recalled, a big manufacturer can change name and begin producing under the new name. Foreign producers produced cribs for 1/3 of cost and could tolerate a higher defect rate. There was some benefit to being American made, but these benefits were outweighed by firms that can factor in a high-defect rate and absorb that cost (margin is so much greater and volume is so much greater).
2. Did the full-size crib rule impact any of your other product lines? For example, did sales of alternative sleep products in your product line change or did sales of complimentary products like crib bedding change?

Also produced case goods (dressers, nightstands, twin bed, play chest). Other products were unaffected by the crib rule.

All cribs were designed so that one side could be removed to install a toddler rail; had to test toddler bed as well.

#### QUESTIONS ABOUT THE CRIB MARKET

1. Independent of the CPSC full-size crib rule, how has the full-size crib market changed since 2010? Possible things to consider: the popularity of full-size cribs versus other sleeping products; changes in overseas competition; and changes in the proportion of sales to wholesalers versus independent stores.

The market has become more dominated by Asian suppliers, where it costs about 1/3 as much to manufacturer cribs.

Another big change has been the consolidation of the retailer base and a movement online among retailers.

We sold to a couple of specialty chains, higher-end boutique retailers, and independently owned retailers. There has been a huge consolidation in specialty markets. Specialty stores do not exist anymore, and sales have gone to larger retailers.

Also, consumers have an assumption that things should ship for free (also impacts smaller retailers). They do not understand that it still costs \$100 to ship a large item like a crib; the presumption that shipping should be free created more pricing pressure on the crib industry.

2. Are you aware of any full-size cribs still available for sale that do not meet the CPSC standard? If so, what types of companies are most likely to supply them and where are they most likely to be found for sale?

No.

3. From your perspective, are there any additional effects (direct or indirect) that have occurred in the U.S. full-size crib market that are a result of the CPSC's full-size crib standard?

No, but glad they do not make drop side cribs anymore.

At the end of the day, people need to feel like they can put their kid down in a crib that feels like it is not going to fall apart.

This supplier could not sleep at night thinking they would make something that could kill a little kid.

#### QUESTIONS FOR MANUFACTURERS ONLY

1. Are there any requirements of the crib standard that are especially costly and/or burdensome? Which ones? Is there a way to reduce the cost or burden without reducing the safety provided by the standard or making the standard less stringent?

There are common sense things people could do to streamline testing, but no one does them and instead defaults to over-testing because they are all afraid of getting sued.

We had graphic panels on our cribs that were decorative and could be customized (UV, digitally printed). Because it was "paint," the graphics had to be tested. Because they had 80 designs, each one had to be tested separately. We asked if we could instead just have the CMYK ink tested because all colors were a blend of the ink. This resulted in two months of back and forth, and we ended up sending samples of all the colors. A long and expensive process.

#### OTHER QUESTIONS

1. Do you believe that any of the requirements in the crib standard lead to a disproportionate burden on small entities? If so, which requirements lead to a disproportionate burden, and how? Is there any way that CPSC might reduce the burden on small businesses without reducing the safety provided by the standard or making it less stringent?

Yes, see above. Since it generally was not the small U.S.-based manufacturers making products that were recalled, yes. Was the rule material? Yes. Is it the reason we left the market? No. Very few small companies are doing physical production. None have a physical plant; all outsourced to contract manufactured.

- Can sometimes piggyback on solutions developed by contract manufacturers for larger clients.
- Those larger companies do not necessarily have an in-house industrial designer; they rely on their manufacturer to help with solutions.
- If you used a manufacturer who did not produce for other companies, then it was harder. Some went to manufacturers who did a lot of case work, but not cribs. Harder for them.

Not sure if there is a way for CPSC to reduce burden on small businesses. Hard to see how you

could issue a waiver. Some ideas:

- Reach out to existing manufacturers and involve them in the process of updating rules. Small companies may not pay to be members of trade groups, so reach out to them individually – don't just go to trade group. Would be interesting to talk with small retailers as well. They have a unique perspective and generally interact with the customers themselves.
  - Require testing labs to offer sliding scale testing fee for small businesses.
2. Are there any additional effects (direct or indirect) that the full-size crib rule had on your firm that you would like to share?

No.

3. Would you like to share any other information or suggestions about CPSC's full-size crib standard?

No, have been out of the market for 6-7 years.

Had a CPSC agent come visit us unannounced. Very pleasant and looked through our books. They were very thorough. Wanted CPSC to know that its staff in the field are doing a good job. It is important to have these regulations, but it would help to lower testing costs for small businesses.