

To: Sen. Claire Ayers

Re: S.103

Date: January 23, 2018

Comments By: Michael Rainville, President Maple Landmark, Inc.

Maple Landmark is a wood products company founded in 1979 and located in Middlebury, VT. We produce small product - typically toys, games, gifts and custom work. We employ over 40 people and distribute nationally. We are one of the larger domestic-manufacturing toy companies.

It is not easy being a small manufacturer in the global marketplace. I take my business seriously and thoughtfully. In 2017, I was honored to be Vermont's SBA Small Business Person of the Year.

While, to the best of our knowledge, we are compliant, I see a number of flaws in the state's attempts to regulate chemicals in children's products. I understand the concern for child safety, I am in the child safety business every time we ship an order. However, the Act 188 process, especially as extended by S.103 has numerous shortcomings. It gives the public a false sense of security, in the name of "doing something," and it creates major headaches for small companies like mine in even trying to prove compliance. It would be very wise to let the existing law play out for a while and learn its lessons before pushing it further.

1) The effort is overly simplified and there are no guidelines for compliance.

Manufacturing materials often have a long supply chain. It can be difficult to ascertain every detail of the makeup of a product even when everyone is acting in good faith. Therefore there are times when the only assurance is to test for the existence of certain chemicals. Testing results can depend on the testing methodology. What is the correct method or are we leaving ourselves at risk by using the "wrong" test? The federal government has been blamed for being ponderous but at least they provide clear direction for us to follow.

For example: We have sometimes had problems sourcing glass marbles that are within federal lead limits. There are several ways to test the potential hazard. One of our suppliers

had traditionally followed one type of test that was reasonable on its face. When the federally approved “toy” method was used the parts were more likely to fail.

For the chemicals that Vermont adds to its list, what are the testing methods we should use? How can we know if we comply without this level of guidance? There is no “industry standard” in these cases. The feds define the chemical limits, define the conditions under which it is deemed a problem, define the testing methodology, and certify the labs that we can use to test. Without this we are guessing.

2) Regulating “children’s products” creates both exposure gaps and increases difficulty in compliance.

Vermont’s decision to exempt almost all consumer products from this law ignores the fact that large amounts of children’s’ chemical exposure come from unregulated everyday items – automobiles (new car smell), carpets, household paints and finishes (freshly decorated nurseries), etc. By my observation, cell phone protectors are as likely to be used for teething as actual baby teethers. *Please think about that.*

The relatively small amount of domestic children’s product manufacturing makes it hard for companies like us to get the attention of suppliers when we talk about getting assurances in avoiding listed chemicals. There is not some special supply chain for toys, we have to sort through the same finishes, inks and glues that other industries use. We are a small player so it is tough to get their attention to our specific needs. By critical mass of production, it is easier to comply in Chinese factories on behalf of large companies.

If there was real concern about these chemicals they would regulated in every use.

3) Chinese factories are now shipping directly to Vermont consumers.

If you have shopped on e-commerce platforms (Amazon, Ebay, etc.) lately, you probably have seen orders fulfilled from China. The US Post Office subsidizes the shipping of small parcels from China (their e-packet program), often delivered for under \$1 and arriving in days. This is a rapidly increasing method of doing business and there is no inspection. This means the factories in China are shipping directly to your house, with no assurance of any regulatory compliance. If these foreign companies happen to get caught with violations, they just re-emerge under a different name.

This is just the latest example of domestic companies being subjected to regulations and being directly hurt in the marketplace by companies that can easily skirt the rules because our government chooses to overlook the details and glance the other way.

4) The developing patchwork of chemical regs > advantage large international companies.

The effort to regulate chemicals on a state level came about because the federal government had not acted in decades. The federal government has started to act but state and local rules are proliferating. Small companies don't have the resources to keep up with this. We recently lost an account in New York because their county government put its own chemical list in place. We can't afford to monitor and check compliance with yet another list for small chunks of our business, yet our business is all about small chunks.

The only result is that the business goes to the large companies and by default this also means production in China. We know how that turned out in the lead scare of 2007.

5) There is no enforcement mechanism.

Nothing more to be said. The law that operates on the honor system.

In closing, I am not opposed to limiting potentially hazardous chemicals. I am trying really hard to be conscientious. However, I am not seeing a process that respects the complexity of the problem. If this is as important as it is claimed, it should be worth doing right, not just follow political expediency.

Thank you,
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