

Product Recalls

The Problem

In the U.S., product recalls are regulated by the federal [Consumer Product Safety Commission](#) under the [Consumer Safety Act](#) enacted in 1972. However, manufacturers are only to report on a voluntary basis and retailers aren't required to remove dangerous products from store shelves. According to a [2020 Report](#) by the U.S. Government Accountability Office (GAO), the Consumer Product Safety Commission faced various challenges that impede its ability to monitor product safety including lack of staff, underfunding, and inconsistent procedures. Failure to hold manufacturers accountable for the cost of product disposal from recalls places an undue burden on local government who ultimately assume those costs

The Solution - Product Recall Safety & Protection Act

California passed [AB 1860 \(Huffman\): Unsafe products: recall or warning](#) which established the Product Recall Safety & Protection Act on September 29, 2009. The act prohibits any commercial dealer, manufacturer, importer, distributor, wholesaler, or retailer from manufacturing, remanufacturing, distributing, selling at wholesale or retail, contracting to sell or resell, leasing, or subletting, or otherwise placing into the stream of commerce, a product that is unsafe, knowing that the product is unsafe. This bill created a system to protect consumers from manufacture by requiring the manufacturer to provide for the safe return of the product to the manufacturer at no cost to the end consumer or retailer, and requiring the manufacturer to properly dispose of the product and not export the product for disposal in a manner that poses a significant risk to the public health or the environment.

Research & Relevant Articles

- [A Strategic Approach to Managing Product Recalls](#) – Harvard Business Review, 1996

Links

- [Report Unsafe Products](#)