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Monday, June 16, 2008

Representative Joe Knollenberg
U.S. House of Representatives
2349 Rayburn House Office Building
Washington DC 205150001
Fax: (202) 226-2356

RE: Consumer Product Safety Commission

Dear Representative Knollenberg;

Please contact the leadership of the Senate Commerce and the House Energy and Commerce Committees regarding the pending Conference on the Consumer Product Safety Commission Reform Act (HR 4040).

My understanding is the Conference may complete its work any day now.

Please bring to their attention an important issue for my company, which is a warehouse-based third-party logistics provider (3PL).

As a 3PL, my company plays a very specific role as transportation intermediaries in the supply chain. A 3PL contracts with manufacturers, distributors and retailers to arrange for the physical transportation and distribution of product. A logistics provider receives, stores and ships product at the direction of its customers. A logistics provider never takes title to the product, nor does he have the legal authority to make decisions about the purchase, sale or distribution of the product.

While I understand and support the need for strengthened consumer product safety laws, I am concerned that HR 4040 completely overlooks the role of the 3PL. The result is that a 3PL will by default be included in the definition of a distributor, with all the responsibilities that adhere to an entity that owns the product and is the decision maker for the purchase, sale or distribution of a product. Yet, given the 3PL`s narrow role as a transportation intermediary, this label is wholly inappropriate.

We are not the beneficial owner of the product. A 3PL does not have the necessary knowledge, legal control or authority over the product to initiate action with respect to a recalled product. In fact, a 3PL`s contractual relationship with the customer prohibits such independent control of the customer`s product.

A 3PL is similar in function to a common carrier, contract carrier and a freight forwarder - all of whom perform similar transport and logistics functions. Importantly, the CPSC law specifically and appropriately

excludes common carriers, contract carriers and freight forwarders from the definition of manufacturer, distributor or retailer when receiving or transporting product in the ordinary course of its business. This provision recognizes that intermediaries in the supply chain should not be held to the same standard as the principals who direct and control the movement of the product. This current definition, however, was written over thirty years ago - before the 3PL became an important and recognized intermediary in the supply chain.

Please urge conferees to remedy this omission by addressing the role of 3PLs in HR 4040.

Thank you for your assistance.

Sincerely,

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