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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

JOHN D. DINGELL, MICHIGAN
CHAIRMAN

October 30, 2007

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DENNIS B. FITZGIBBONS, CHIEF OF STAFF
GREGG A. ROTHSCHILD, CHIEF COUNSEL

Mr. Gene Kahn
Chief Executive Officer
Claire's Stores, Inc.
2400 W. Central Road
Hoffman Estates, IL 60192

Dear Mr. Kahn:

We are writing with reference to your letter of September 6, 2007, responding to a series of questions that we posed regarding Consumer Product Safety Commission (CPSC) recalls affecting some of your company's products. While most of the information provided by you and other respondents was complete and very helpful, in some instances answers were incomplete and therefore we are transmitting further requests for clarification about certain questions.

As you may know, on May 15, 2007, the Subcommittee on Commerce, Trade, and Consumer Protection held an oversight hearing on the performance of the CPSC in safeguarding consumers, especially children, from hazardous products. On June 6, 2007, the Subcommittee held a hearing on four child safety bills that subsequently passed the House by voice vote. That package included legislation to improve consumer notification of recalls and to raise the cap on civil penalties. The Subcommittee held 2 days of comprehensive hearings on September 19 and 20, 2007, on how to address the problem of lead-tainted children's products. We are now working to craft balanced, bipartisan legislation that will enhance the protection of consumers, especially children, from hazardous products and to reform the operations of the CPSC. Your input is an important part of this process.

Accordingly, we request that you respond to these follow-up questions by the close of business on Tuesday, November 6, 2007. Your written responses should be delivered to room 2125 Rayburn House Office Building, Washington, D.C. 20515 and faxed to 202-226-5577 to the attention of Ms. Valerie Baron. An electronic version of your response should also be sent by e-mail to Ms. Baron at valerie.baron@mail.house.gov in a single document.

Mr. Gene Khan

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1. In your September 6, 2007, letter to the Committee, you indicated that 12 of the 33 components of the recalled jewelry “contained excessive lead at varying levels.” Please provide specific information detailing the exact amount of lead detected in **each of the recalled products** that was tested. Provide all supporting documents, including test results.
2. According to your September 6, 2007, letter to the Committee, Claire’s Stores sells jewelry throughout the world. You indicate that in accordance with the California Assembly Bill No. 1681, Claire’s Stores has committed to producing only products that contain less than .06 percent lead. We understand that the European Union uses a different level for the trace amount of lead permitted in children’s products. When Claire’s sells products in both the U.S. and the European markets, how does it deal with the different standards?
3. You indicated in your response to the Committee that nearly “22,000 pieces [of jewelry containing excessive amounts of lead] were removed from our stores and destroyed.” Please provide detailed information on how Claire’s Stores has destroyed or disposed of all returned recalled items.
4. As detailed in your letter to the Committee, Claire’s Stores requires all jewelry to pass tests from an “independent accredited laboratory” before sale is permitted. Please provide information about the facilities your company uses to test products for excessive lead. Are they located in the United States or abroad? What organization, if any, grants accreditation for such testing facilities?
5. On August 4, 2006, Joshua M. Sharfstein, City of Baltimore Commissioner of Health, sent a letter (attached) to E. Bonnie Schaefer and Marla L. Schafer, Co-Chairmen and Co-Chief Executive Officers of Claire’s Stores, Inc., alerting your company that the Baltimore City Health Department found “a high level of lead” in a Claire’s Stores product. This product, a pearl ring, was sold as part of your “Princess Collection” from the “Claire’s Club Collection,” a line of products targeted at young children. This letter also indicated that in 2006, a local Baltimore news station discovered that a “Hilary Duff necklace,” sold exclusively in Claire’s Stores retail shops, contained over 41 percent lead. Please provide details about all actions taken by Claire’s Stores in response to these findings.
6. Did the findings that were noted in the August 4, 2006, letter from the Baltimore City Health Commissioner lead to any product testing by Claire’s Stores? If so, please provide a detailed account of the findings, including test results. If not, please explain why this was deemed unnecessary.

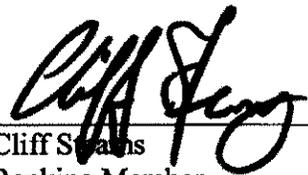
Mr. Gene Khan
Page 3

Thank you for your cooperation and attention to our request. We look forward to reviewing your responses, and wish to emphasize that we require complete responses to each question. If you need further information, please contact Judith Bailey or Andrew Woelfling with the Committee Majority staff at (202) 225-2927 or Brian McCullough or Shannon Weinberg with the Committee Minority staff at (202) 225-3641.

Sincerely,



Bobby L. Rush
Chairman
Subcommittee on Commerce, Trade,
and Consumer Protection



Cliff Stearns
Ranking Member
Subcommittee on Commerce, Trade,
and Consumer Protection

cc: The Honorable John D. Dingell, Chairman
Committee on Energy and Commerce

The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

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MARSHA BLACKBURN, TENNESSEE

October 30, 2007

Mr. David Bere
Chief Executive Officer
Dollar General Merchandising, Inc.
100 Mission Ridge
Goodlettsville, TN 37072

Dear Mr. Bere:

We are writing with reference to your letter of September 10, 2007, responding to a series of questions that we posed regarding Consumer Product Safety Commission (CPSC) recalls affecting some of your company's products. While most of the information provided by you and other respondents was complete and very helpful, in some instances answers were incomplete and therefore we are transmitting further requests for clarification about certain questions.

As you may know, on May 15, 2007, the Subcommittee on Commerce, Trade, and Consumer Protection held an oversight hearing on the performance of the CPSC in safeguarding consumers, especially children, from hazardous products. On June 6, 2007, the Subcommittee held a hearing on four child safety bills that subsequently passed the House by voice vote. That package included legislation to improve consumer notification of recalls and to raise the cap on civil penalties. The Subcommittee held two days of comprehensive hearings on September 19 and 20, 2007, on how to address the problem of lead-tainted children's products. We are now working to craft balanced, bipartisan legislation that will enhance the protection of consumers, especially children, from hazardous products and to reform the operations of the CPSC. Your input is an important part of this process.

Accordingly, we request that you respond to these follow-up questions by the close of business on Tuesday, November 6, 2007. Your written responses should be delivered to room 2125 Rayburn House Office Building, Washington, D.C. 20515 and faxed to 202-226-5577 to the attention of Ms. Valerie Baron. An electronic version of your response should also be sent by e-mail to Ms. Baron at valerie.baron@mail.house.gov in a single document.

1. In your September 10, 2007, letter to the Committee, you indicated that Dollar General had filed a Section 15(b) report related to additional metal key chains, which you expected to be recalled. In addition to these key chains, which were subsequently recalled on October 4, 2007, another Dollar General product, Frankenstein Tumblers, also was recalled on the same day. Did you also file a Section 15(b) report on these items, and if so, when? Please explain why the Frankenstein Tumblers were not mentioned in your response to the Committee.
2. How and when did your company discover the lead in the metal key chains and the Frankenstein Tumblers, which led to the recall announcement by the CPSC on October 4, 2007? Please provide specific dates for all contact with the CPSC about the lead in the metal key chains and the Frankenstein Tumblers and copies of any related correspondence with the CPSC.
3. In addition to the 396,000 key chains recalled in April 2007, and the 192,000 key chains and 63,000 tumblers recalled in October 2007, are there other children's products imported by your company with lead paint or lead content that exceed lawful safety standards that have not yet been recalled? If so, please provide details on what the product is, how and when you discovered the excessive lead, and the status of your contacts with the CPSC about any such products.
4. In your September 10, 2007, letter to the Committee, you supplied a range of lead levels detected in recalled products. Please provide specific information detailing the exact amount of lead detected in **each of the recalled products** tested. Provide all supporting documents, including test results.
5. Please expand upon your earlier response detailing how Dollar General became aware of unsafe lead levels in products that have been recalled, including specific dates when Dollar General first came to know about the excessive amounts of lead. Please supply copies of any correspondence with the CPSC related to this matter.
6. Please provide details on the consumer response to the recalls issued in both April and October 2007 through the present. Indicate how many items from each recall announcement have been returned for a refund or a replacement product, and the number and nature of consumer inquiries that your company has received. Also, provide detailed information on how Dollar General has destroyed or disposed of all returned recalled items.
7. Please provide information about the testing facilities your company used to test your products for lead content or contamination. Are they located in the United States or abroad? What organization, if any, certifies such testing facilities?

Mr. David Bere

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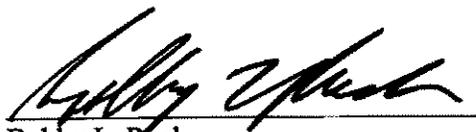
8. In your September 10, 2007, letter to the Committee, you state that "for years" Dollar General has used an independent laboratory to test products (including those intended for use by children) for lead. You also state "the CPSC contacted Dollar General and notified it [of lead contamination]." Did Dollar General's own testing also discover the excessive lead? If not, please explain to the best of your knowledge the reason your company's testing failed to discover the excessive lead.

9. Since last summer's recalls, has Dollar General made any efforts to improve the efficacy of its own testing procedures? If so, please provide a detailed description including, but not limited to, any requirements Dollar General has adopted regarding the types of testing facilities, testing methodologies, or certification of laboratories used to test products, and the number of batches of each product sampled. If Dollar General has not changed testing protocols, please provide a detailed explanation of why existing procedures have not been modified.

10. Since the recalls of this past summer, have you made changes to any contracts with vendors or manufacturers regarding requirements for compliance with U.S. product safety standards, including lead limits? If so, please provide details describing these changes. Additionally, please also detail how you monitor compliance with these standards.

Thank you for your cooperation and attention to our request. We look forward to reviewing your responses, and wish to emphasize that we require complete responses to each question. If you need further information, please contact Judith Bailey or Andrew Woelfling with the Committee Majority staff at (202) 225-2927 or Brian McCullough or Shannon Weinberg with the Committee Minority staff at (202) 225-3641.

Sincerely,



Bobby L. Rush
Chairman
Subcommittee on Commerce, Trade,
and Consumer Protection



Cliff Stearns
Ranking Member
Subcommittee on Commerce, Trade,
and Consumer Protection

cc: The Honorable John D. Dingell, Chairman
Committee on Energy and Commerce

The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

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MARSHA BLACKBURN, TENNESSEE

Ms. Elizabeth Bush
President
GeoCentral
3210 California Blvd
Napa, CA 94558

Dear Ms. Bush:

We are writing with reference to your letter of September 4, 2007, responding to a series of questions that we posed regarding Consumer Product Safety Commission (CPSC) recalls affecting some of your company's products. While most of the information provided by you and other respondents was complete and very helpful, in some instances answers were incomplete and therefore we are transmitting further requests for clarification about certain questions.

As you may know, on May 15, 2007, the Subcommittee on Commerce, Trade, and Consumer Protection held an oversight hearing on the performance of the CPSC in safeguarding consumers, especially children, from hazardous products. On June 6, 2007, the Subcommittee held a hearing on four child safety bills that subsequently passed the House by voice vote. That package included legislation to improve consumer notification of recalls and to raise the cap on civil penalties. The Subcommittee held two days of comprehensive hearings on September 19 and 20, 2007, on how to address the problem of lead-tainted children's products. We are now working to craft balanced, bipartisan legislation that will enhance the protection of consumers, especially children, from hazardous products and to reform the operations of the CPSC. Your input is an important part of this process.

Accordingly, we request that you respond to these follow-up questions by the close of business on Tuesday, November 6, 2007. Your written responses should be delivered to room 2125 Rayburn House Office Building, Washington, D.C. 20515 and faxed to 202-226-5577 to the attention of Ms. Valerie Baron. An electronic version of your response should also be sent by e-mail to Ms. Baron at valerie.baron@mail.house.gov in a single document.

1. In your September 4, 2007, letter to the Committee, you supplied an average level of lead detected in recalled products in response to Committee question number 2. Please provide specific information detailing the exact amount of lead detected in

Ms. Elizabeth Bush

Page 2

- each of the recalled products tested. Provide all supporting documents, including test results.**
2. Please elaborate upon your response in your September 4, 2007, letter to question number 4. Provide a detailed account of the provisions in your agreements with the Chinese and other manufacturers banning the use of lead and lead paint or limiting its use to lawful safety standards in the manufacture of the products your company imports. Include a copy of a typical agreement GeoCentral uses.
 3. In your September 4, 2007, letter, you state that "vendors are required to provide compliance certification for children's items that include metal or painted components to ensure products do not exceed lawful safety standards." Please explain, in detail, the certification required by your agreements. Specifically, what tests, if any, must products undergo before they are eligible for certification? Are certification facilities located in the United States or abroad? What organization, if any, grants accreditation for such certification facilities?
 4. According to your September 4, 2007, letter, the CPSC discovered that your products contained excessive amounts of lead. Were these products subject to your certification process? If so, did GeoCentral's certification process also discover the excessive lead? If not, please explain to the best of your knowledge the reason your company's compliance process failed to discover the excessive lead and prevent it from reaching consumers.
 5. Since the recall of this past summer, have you made changes to any contracts with vendors or manufacturers regarding requirements for compliance with U.S. product safety standards, including lead limits? If so, please provide details in describing these changes. Additionally, please detail how you monitor compliance with these standards.

Thank you for your cooperation and attention to our request. We look forward to reviewing your responses, and wish to emphasize that we require complete responses to each question. If you need further information, please contact Judith Bailey or Andrew Woelfling with the Committee Majority staff at (202) 225-2927 or Brian McCullough or Shannon Weinberg with the Committee Minority staff at (202) 225-3641.

Sincerely,



Bobby L. Rush
Chairman
Subcommittee on Commerce, Trade,
and Consumer Protection



Cliff Stearns
Ranking Member
Subcommittee on Commerce, Trade,
and Consumer Protection

Ms. Elizabeth Bush
Page 3

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The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

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MARSHA BLACKBURN, TENNESSEE

Mr. Curt Stoelting
Chief Executive Officer
RC2 Corporation
1111 W. 22nd Street, Suite 320
Oak Brook, IL 60523

Dear Mr. Stoelting:

We are writing with reference to your letter of September 6, 2007, responding to a series of questions that we posed regarding Consumer Product Safety Commission (CPSC) recalls affecting some of your company's products. While most of the information provided by you and other respondents was complete and very helpful, in some instances answers were incomplete and therefore we are transmitting further requests for clarification about certain questions.

As you may know, on May 15, 2007, the Subcommittee on Commerce, Trade, and Consumer Protection held an oversight hearing on the performance of the CPSC in safeguarding consumers, especially children, from hazardous products. On June 6, 2007, the Subcommittee held a hearing on four child safety bills that subsequently passed the House by voice vote. That package included legislation to improve consumer notification of recalls and to raise the cap on civil penalties. The Subcommittee held two days of comprehensive hearings on September 19 and 20, 2007, on how to address the problem of lead-tainted children's products. We are now working hard to craft balanced, bipartisan legislation that will enhance the protection of consumers, especially children, from hazardous products and to reform the operations of the CPSC. Your input is an important part of this process.

Accordingly, we request that you respond to these follow-up questions by the close of business on Tuesday, November 6, 2007. Your written responses should be delivered to room 2125 Rayburn House Office Building, Washington, D.C. 20515 and faxed to 202-226-5577 to the attention of Ms. Valerie Baron. An electronic version of your response should also be sent by e-mail to Ms. Baron at valerie.baron@mail.house.gov in a single document.

1. In your September 6, 2007, letter to the Committee, you indicated that RC2 has "undertaken a comprehensive internal review, including continued precautionary testing and reviews of past test results, on hundreds of the Thomas toy styles...".

Have you tested, or do you plan to test, items in addition to Thomas toys? Please identify the products that RC2 has examined and the products that RC2 intends to examine.

2. Through general testing or the comprehensive internal review, has RC2 discovered any other products that contain excessive amounts of lead? Were any of these items sold after testing revealed the presence of excessive lead? Please provide details for any instance in which excessive amounts of lead were discovered in a product. Indicate what actions you took with respect to these products, including whether sales were stopped and items recalled. Include also the specific amount of lead discovered in each product. Provide test results and other supporting documentation.
3. On September 26, 2007, the CPSC announced two recalls of RC2 products -- 200,000 additional Thomas and Friends toys and 800 Knights of the Sword toys. Please explain why these items were not mentioned in your September 6, 2007, response to the Committee under question number 1.
4. How and when did your company discover lead in the Thomas and Friends and Knights of the Sword toys that led to the recall announcement by the CPSC on September 26, 2007? Please provide specific dates for all contact with the CPSC about these products, as well as copies of any related correspondence with the CPSC.
5. In the September 6, 2007, response from RC2 to Committee question number 2, you failed to disclose the amount of lead discovered in recalled toys. For the recalls that occurred in June and September 2007, provide specific information detailing the exact amount of lead detected in **each of the recalled products** that was tested. Please provide all supporting documents, such as test results and correspondence with the CPSC that are related to this matter.
6. According to the September 6, 2007, response from RC2 to the Committee, the excessive lead in recalled toys was linked to a specific supplier, Hansheng Wood Products. Are the products recalled on September 26, 2007, also linked to paint from Hansheng Wood Products? If not, please detail what you have discovered about the source of lead in the items recalled in September.
7. Have you discovered any suppliers who were the source of excessive lead in your products in addition to Hansheng Wood Products? If so, please detail your findings.
8. According to your September 6, 2007, letter, "contract manufacturers are required to complete lead testing at certified laboratories and obtain from their paint suppliers certification...". What organization, if any, certifies such facilities? Please provide details about the certification of the compliance of the paint.

Mr. Curt Stoelting
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9. Please provide details on the consumer response to the recalls issued, in both June and September 2007, through the present. Indicate how many items from each recall announcement have been returned for a refund or a replacement product, and the number and nature of consumer inquiries that your company has received. Also, provide detailed information on how RC2 has destroyed or disposed of all returned recalled items.

Thank you for your cooperation and attention to our request. We look forward to reviewing your responses, and want to emphasize that the committee requires a complete response to each question. If you need further information, please contact Judith Bailey or Andrew Woelfling with the Committee Majority staff at (202) 225-2927 or Brian McCullough or Shannon Weinberg with the Committee Minority staff at (202) 225-3641.

Sincerely,



Bobby L. Rush
Chairman
Subcommittee on Commerce, Trade,
and Consumer Protection



Cliff Stearns
Ranking Member
Subcommittee on Commerce, Trade,
and Consumer Protection

cc: The Honorable John D. Dingell, Chairman
Committee on Energy and Commerce

The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce