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ONE HUNDRED TENTH CONGRESS

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

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October 30, 2007

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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