



# national bulk vendors association

## n e w s l e t t e r

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## State Legislation

There are numerous bills pending in many states that relate to toy safety – especially involving lower lead standards. Below is a partial list of the bills – but remember that it is likely that the pre-emption provisions in the Consumer Product Safety Modernization Act will prevail over these varying rules and standards.

may contain in excess of 300 ppm lead by weight. After July 1, 2011, reduced to 100 ppm and the Department of Consumer Protection may tighten the limit from 100 ppm to 40 ppm.

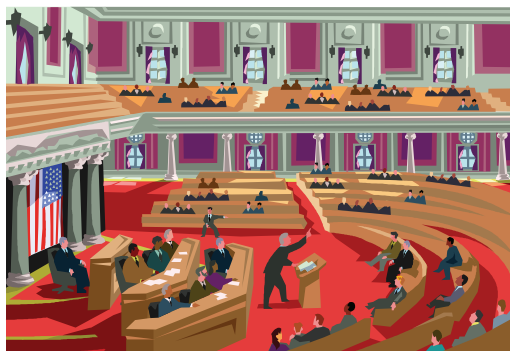
From July 1, 2009, paint may not contain lead in excess of 90 ppm.

H.B. 5601 – treats as a banned hazardous substance any child’s product that has (a) more than 600 ppm lead content by weight; (b) lead paint in a child’s product in excess of .009 milligrams per centimeter squared (90 ppm)

**California:**

A.B. 1770 – Sets up Childhood Lead Poisoning Prevention Fund.

A.B. 29901 – Until March 1, 2008, prohibits toy jewelry with lead in excess of 600 ppm.



**Connecticut:**

Public Act 08-106 enacted. From July 1, 2009 to June 30, 2011, no part of any children’s product (i.e., under 12 years)

H.B. 5789 – amends Lead Poisoning Prevention Act to reduce lead content to 0.004% (or 40 parts per million). Defeated. See story on page 5.

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## H.R. 4040 Legislative Status

Both the House of Representatives passed H.R. 4040 at the end of December 2007 and the Senate passed a similar version on March 7, 2008. As we go to press, the House has appointed conferees to meet with their Senate counterparts

to iron out the numerous differences. The Conference Report that will be published to show their work product in resolving differences will be the “Bible” in determining what changes were made and sometimes “why.”

Since our suppliers can live with the proposed lead standards, we reported previously that our goal is to insert commentary in this Conference Report that will be instructive to the CPSC. Our proposed

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United Effort for Individual Security

# Convention Report

Attendance at the 58<sup>th</sup> annual convention of the National Bulk Vendors Association in Las Vegas was down—like practically every other convention and trade show held this Spring. Total attendance was 359, compared to 518 last year at Caesar's Palace in Las Vegas. Yet exhibitors reported good sales, so the people who attended were serious about buying. A total of 10 new members joined at the convention.



The number of booths used by exhibitors dropped to 62 from the 87 booth level in 2007.

The Association is scheduled to return to the Caesars Palace Hotel in Las Vegas in 2009, the last year of its long term contract. Based upon strong sentiment expressed at the Saturday members' meeting about returning

to the east coast for a "change in scenery," a request has been submitted to Caesar's to cancel the contract for 2009, but that is far from a resolved issue. There were also discussions about co-locating with either AMOA in September or with AAMA for the ASI show in March, both in Las Vegas. Those discussions continue, along with ongoing discussions between the AMOA and AAMA about co-locating with each other for the good of the entire vending industry.

## Workshops

The Thursday and Friday workshops were chaired by **Steve Siegel** of Great American Vending Machine, Co., and featured

- Ask the Operators—Free Advice for Your Vending Machine Business, featuring **Mark Pogue** of MEPCO, Inc., **Dan Case** of Tejas Distributors; and **John**

**Honeycutt** of Great Dane Cranes.

- Big and Small Perspectives on Vending, featuring **Ken Recker** and **Bryan Deem** of Vendomatic; and **Carl Digerlamo**, of Roca Vending.
- How World Events Affect the Bulk Vending Industry and Your Business, featuring **Hank**

**Schlesinger**, of Vending Times.

- Merchandising Your Machines, featuring **Jason Glickman** of JG Vending for Bulk and Flat Vending and **Glenn Kitnick** of Atlas Vending for Cranes and Higher Price Points.

## State Legislation

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### Kentucky:

KRS 217.801 – no lead bearing substance in toys or jewelry may contain in excess of .5% lead by weight.

### Maine

H.B. 1435 – By July 1, 2009, no children's product may contain lead

in excess of 0.009% of the total weight and no paint or surface coating may contain in excess of 0.06% lead by weight.

### Maryland:

H.B. 62 – no children's product (age under 7) may be a "Lead-Containing Product" that contains in excess of 0.02% lead by weight.

### Vermont

VT S.B. 152 – enacted on June 7,

2008 – set lead limits of 0.06% as of October 1, 2008; then 0.03% as of July 1, 2009; and 0.1% as of January 1, 2010.

### Washington:

H.B. 2647 – no children's product (under 12 years) may contain more than .009% lead by weight (and possibly as low as .004%). In addition, phthalates cannot be in excess of 0.1% by weight.

## Scholarships

We invite further donations this year and will acknowledge the new benefactors when the Scholarships are rewarded. Send checks to the Association office.

The Scholarship Committee requires that all applications must be received at the Association office by July 31, 2008 in order to be eligible. Under this timetable, funds can be made available in time to pay tuition for this fall.

The official Scholarship Application Form is attached. The guidelines for applying for a scholarship are as follows:

An applicant must either be a child, grandchild, niece or nephew of a member in good standing, or the applicant must be an employee or a child of an employee of a member in good standing. This relationship must be explained in the application.

In addition to submitting the Scholarship Application, the applicant must submit a letter explaining why he or she believes

the scholarship should be awarded to him or her. Only the applicant can sign the letter.

Accompanying the letter must be a transcript from the high school or college for the last year and if the transcript does not reflect extra-curricular activities, the applicant is encouraged to provide that information.

The scholarship will be awarded not merely on the basis of scholastic achievement, but will also



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## Thomas Toy Settlement

A few newsletters ago we discussed the high cost of lead litigation – especially class action suits.

We now have preliminary results of the RC2 settlement of the Thomas toy trains made in China that were contaminated with high levels of lead.

The initial settlement could be \$30 million with payments to about

400,000 consumers. The toy company initially offered to exchange toys – but about 1.7 million of the replacements were found to have excessive lead levels as well.

Purchasers will be entitled to receive a new toy and a bonus item or full refund. Under certain circumstances, the company may

have to pay up to \$75 for a blood test to see if a child has elevated lead levels in his or her blood.

Court approval of the final settlement is expected in August, 2008.

## H.R. 4040 Legislative Status

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language to address the tracking and labeling mandates is as follows:

The legislation provides the Commission (i.e., the CPSC) with limited flexibility if the requirements of this section

are not practicable. In some cases, such as the bulk vending industry, product identification is not practicable due to the size of the tiny toys, which are placed in clear plastic capsules to be vended through bulk vending machines. The toys are too

small to be imprinted at the factory and are imported in bulk quantities without individual packaging.

We will continue to monitor and will provide a detailed report on the final version of this comprehensive bill that will guide our industry for many years to come.

## List of Directors

Our Board of Directors are elected on a staggered basis. Each term is for 3 years, so each year about one-third of the Directors terms expire.

Attached is the List of Directors with the year in which their respective term expires.

## Officers Slated

A new slate of officers was elected for a year. The President is Randy Chilton of Coinstar Entertainment Services in Louisville, Colorado; the Vice President is Steve Siegel of Great American Vending Machine Company in Hauppauge, New York; the Secretary is Mark Pogue of MEPCO., Inc. in Fresno, California and the Treasurer is Bernie Schwarzli of Beaver Machine Corporation in Newmarket, Ontario, Canada.

## Amended Constitution and By-Laws

The Association amended its Constitution and By-Laws to reduce the number of Directors from 39 to 21 and to enable the Association to

enforce compliance by the members to the Voluntary Toy Safety Standard adopted by the Association in 2004 and to comply

with all applicable toy safety laws and regulations. Attached is a copy of the Amended Constitution and By-Laws for your information.

## 2008-2009 Updated Membership List

The 2008-2009 updated Membership List was recently sent to all Members in good standing by email, where applicable, or by U.S.

Mail. If you haven't received your copy, please contact the Association either by email at [nbva@muchshelist.com](mailto:nbva@muchshelist.com) or by phone

at (312) 521-2400.

## Scholarships

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take into account need, character, extra-curricular activities, goals and other factors that the Scholarship Committee determines to be important.

The deadline for the Association to receive the application is July 31,

2008. The Scholarship Committee expects to make a decision by August 15, 2008.

Any amounts awarded will not be paid directly to the applicant, but instead will be paid by check to the school the applicant attends in order to pay tuition, room and/or board.

## Illinois Lead Labeling Bill Defeated: TIA President Speaks Out

The proposed Lead poisoning Prevent Act failed to pass the Senate after passing the House by a whopping 105-1 vote. There are two possible reasons for the stunning defeat. One relates to lobbying by toy industry groups typified by the letter wrote by the President of the Toy Industry Association to the Chicago Tribune. Quick background.

The Chicago Tribune published several major articles on the dangers involved with tainted products with high lead content, culminating in proposed lead legislation in Illinois reported in the current and in earlier issues of the newsletter. So a Letter to the Editor in response to the proposed legislation by Carter Keithley, the current President of the Toy Industry Association, was entirely appropriate and was published by the Tribune on June 4, 2008. His letter accurately states the reasons why the proposed legislation is not terribly helpful. Here is part of what he said:

"The so-called Lead Poisoning Prevention Act will do very little to

prevent lead poisoning. Instead the bill would mandate the use of confusing warning labels for the very toys that fully meet the most recent and most stringent state and federal lead limits ever adopted.

The trouble with the legislation pending in the Illinois House of Representatives is that it does nothing to keep products that violate the standards out of homes. Slapping warning labels on products that fully meet Illinois' strict lead standards would needlessly frighten parents away from toys that are, in fact, safe.

There is a better alternative. Congress is now working on legislation that would toughen federal standards and strengthen the inspection process. Both steps would make a difference in keeping dangerous products out of stores in the first place."

Well said! But did that persuade the

Illinois Senate to stifle the Bill in the Rule Committee so it could not come out for a vote? No — this is Illinois politics. The Bill was promoted by Illinois Attorney General Lisa Madigan. Her father is House Speaker Michael Madigan, but Senate President Emil Jones is not a fan of House Speaker Madigan. These are the games that men play — but at least Illinois does not have an oppressive lead labeling bill on the books — at least for now.