



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
600 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20580

Division of Enforcement
Bureau of Consumer Protection

August 5, 2002

John S. Rode
Rode & Qualey
295 Madison Avenue
New York, New York 10017

Dear Mr. Rode:

I am writing in response to your request for an advisory opinion on behalf of Amicale Industries. I apologize for the delay in response.

Your letter describes in detail Amicale's quality control procedures in the manufacture of cashmere and cashmere/wool blend fabrics. The letter then asks whether these procedures constitute "due care" as the term is used in the Wool Products Labeling Act. The relevant language of the statute reads as follows:

Provided, That deviation of the fiber contents of the wool product from percentages stated on the stamp, tag, label, or other means of identification, shall not be misbranding under this section if the person charged with misbranding proves such deviation resulted from unavoidable variations in manufacture and despite the exercise of due care to make accurate the statements on such stamp, tag, label, or other means of identification.

15 U.S.C. § 68b(4)(a)(2)(A).

The Commission's Rules of Practice, 16 C.F.R. § 1.1(a) state: "Any person, partnership, or corporation may request advice from the Commission with respect to a course of action which the requesting party proposes to pursue." The Rules further state: "Hypothetical questions will not be answered, . . ."

Amicale's quality control procedures, as described in your letter, appear to be exemplary. Indeed, such procedures should ensure that fabrics manufactured by Amicale are accurately labeled with respect to fiber content.

However, your letter does not set forth a proposed course of action for which an advisory opinion would be relevant or appropriate. The procedures described are Amicale's general business practices, which presumably have been in effect for some time. We are aware of no allegation or suggestion that any of Amicale's products are improperly labeled. Therefore, there is no question for which a Commission or Commission staff advisory opinion would be appropriate.

We do appreciate Amicale's high level of concern and attention to labeling issues and its care in adhering to manufacturing and testing procedures designed to ensure accurate labels.

Pursuant to Section 1.4 of the Commission's Rules of Practice, 16 C.F.R. § 1.4, your letter, together with this response, will be placed on the public record.

Sincerely yours,

A handwritten signature in cursive script that reads "Carol J. Jennings".

Carol J. Jennings

RODE & QUALEY

JOHN S. RODE
MICHAEL S. O'ROURKE
PATRICK D. GILL
R. BRIAN BURKE
WILLIAM J. MALONEY

ELEANORE KELLY-KOBAYASHI

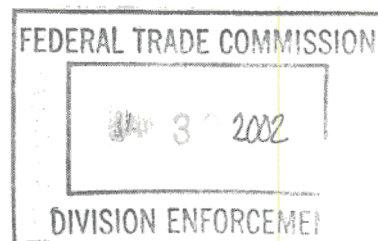
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December 6, 2001



Division of Enforcement
Bureau of Consumer Protection
United States Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re Labeling of Woven Fabrics Produced From 100% Cashmere Yarns
and From Blended Cashmere and Wool Yarns

Dear Sir:

Amicale Industries, Inc., with headquarters at 1375 Broadway, New York, N.Y. 10018, is a leading maker of cashmere fabrics in the United States and is the largest cashmere merchant in Europe; Amicale has asked us to seek your advice with respect to the labeling of the woven fabrics they produce from yarns spun by Amicale from cashmere and wool fibers at Amicale's fabric division in the United States. All of these fabrics fall within two general categories: fabrics produced from yarn spun from 100% cashmere fibers, and fabrics made from blended yarn spun from cashmere and wool fibers. The blended yarns used to produce the latter category are most frequently spun from 50% (by weight) cashmere and 50% (by weight) of wool fibers, although Amicale often spins blended yarns to the order of

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their customers, in which the proportion of cashmere to wool is other than 50/50, e.g., 80% cashmere, 20% wool

Amicale, established over fifty years ago, follows the Rules and Regulations issued under the Textile Fiber Products Identification Act and the Wool Products Labeling Act, as well as the dictates of the commercial market for 100% cashmere and cashmere/wool blended products, and has accordingly devoted substantial time and resources to ensure that the articles produced by Amicale meet or exceed all applicable legal and commercial requirements. To that end, upon which their worldwide reputation depends, Amicale rigorously controls all phases of their production from raw material procurement through finished goods. Our client is able to exercise such control because their production is vertically integrated, unlike some of their competitors, who must relinquish control over their materials and intermediate products at various stages of production, and send such materials and intermediate products to unrelated mills for the performance of manufacturing operations which they cannot conduct in their own facilities.

Consequently, and perhaps uniquely, when Amicale delivers a finished fabric to one of its customers, our client is in a position to represent, accurately, that every step in the manufacture of that product was accomplished within the facilities owned, operated, and supervised directly by Amicale

Cashmere and Wool Fiber Procurement

Amicale purchases cashmere fibers from three principal sources:

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1. Amicale obtains Mongolian cashmere from its joint venture with the government of Mongolia, Mongol-Amicale, which was established in 1990. Mongol-Amicale purchases the raw cashmere directly from the herdsman through a chain of over twenty regional warehouses; this fiber is transported from those warehouses to the Mongol-Amicale factory in Ulaan Baatar, where every kilogram of raw fiber is hand-sorted and examined, tested in the joint venture's laboratory, scoured, dehaired, baled, and then shipped to Amicale's wholly-owned subsidiary, W. Fein & Sons Limited, in Bradford, U.K.

2. Amicale has an office in Inner Mongolia, China, which is supervised by the former head of the Export Section of the Cashmere Department of Inner Mongolia. This office of Amicale draws samples from every lot of Chinese cashmere which is offered for purchase, and forwards those samples to the laboratory of W. Fein & Sons Limited for testing. If a sample meets Amicale's quality standard, the office in Inner Mongolia is then authorized to purchase the lot from which that sample was drawn, and arrange for delivery of the approved lot to Amicale in Inner Mongolia, where the fibers are again inspected before shipment of the Chinese cashmere to W. Fein & Sons Limited in the United Kingdom.

3. Amicale also acquires cashmere fibers from other sources, principally raw cashmere offered on the "spot" market in Europe; samples of these shipments are tested at the laboratories of W. Fein & Sons Limited, and fibers purchased on the spot market are usually shipped to W. Fein & Sons although, on occasion, such fibers may be shipped directly to Amicale in the United States.

Amicale also purchases wool fibers for their use in blending; as with cashmere fiber purchases, the wool is inspected, sampled, and tested by Amicale,

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and, as is done with Amicale's cashmere fiber, all lots of fiber are segregated by lot number until withdrawn from inventory for further manufacture. When such fibers are shipped to Amicale's fabric division in Charlotte, North Carolina, whether shipped by W. Fein & Sons or from other sources, each fiber lot is inspected and tested by the Quality Control Laboratory at Amicale North Carolina and is then placed in inventory until required for production. Amicale maintains records of all examination, sampling, and testing, whether performed in Mongolia, in China, at W. Fein & Sons, or in North Carolina, and maintains lot number integrity throughout its manufacturing processes.

Fabric Production

Production in the United States of 100% cashmere fabrics and of blended cashmere/wool fabrics begins with the withdrawal from Amicale's inventory in North Carolina of selected lots of cashmere and, in the case of blended cashmere/wool fabrics, wool fibers. If the desired end product is, for example, a 50/50 cashmere/wool fabric, equal quantities of each fiber will be selected from our client's inventory, typically 1,000 pounds of cashmere fiber and 1,000 pounds of wool fiber. The lot numbers of the selected cashmere or cashmere and wool fibers are recorded, and these fibers are then blended after a mixture of oil and water equal to approximately 6% of the total weight of fibers has been added. The oil in this mixture lubricates the individual fibers so that they will be evenly mixed, and the water provides moisture which minimizes breakage of the individual fibers during the mechanical blending process. When the cashmere or cashmere and wool fibers have been blended to the satisfaction of the Amicale North Carolina Quality Control Laboratory, the resultant blend is carded into the form of a web, the web is converted to sliver form, and the yarn is then spun. The finished yarn is then

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tested to ensure that the yarn is uniform throughout, that is, that the different length cashmere or cashmere and wool fibers are evenly distributed throughout the full length of the yarn which has been produced; if the yarn contains both cashmere and wool fibers, it is further tested to ensure that the two fibers are evenly distributed in the 50/50 or other specified proportions, as appropriate, at all points.

Amicale notes that the different characteristics of cashmere and wool fibers, particularly the fiber diameter which, in the case of cashmere, ranges from 14.5 to 16.5 microns, with a maximum of 17 microns, in contrast to the diameter of wool fibers which exceeds 18 microns, requires particular care in the mixing of these fibers to yield a uniform blend throughout the yarn run, and necessitates laboratory testing of the finished yarn to ensure that, whether it is a 50/50 or other blended yarn, the total variation over the run does not exceed 1-2%.

After spinning the 100% cashmere or blended cashmere and wool fibers into yarn, and upon completion of testing to ensure that every finished blended yarn does not deviate significantly from the specified proportions, the 100% cashmere or blended cashmere/wool yarns are then woven into fabrics within the facilities of Amicale North Carolina. As a consequence, Amicale is able to maintain complete control over this final stage in the production of 100% cashmere and cashmere/wool blended fabrics, and, as in each of the preceding production stages, Amicale is able to ensure that no materials other than the tested yarns spun by Amicale are introduced into the finished fabrics. The finished fabrics are, in fact, made from and composed solely of the yarn spun by Amicale from the cashmere and wool fibers maintained in our client's inventory; our client's strict control over all phases of manufacturing eliminates any possibility of the introduction of any other non-specification yarns or fibers.

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Amicale's Laboratory Equipment and Personnel

The quantity of cashmere fibers purchased by Amicale, coupled with the volume of production at our client's integrated facilities, has led Amicale to conclude that they cannot depend upon outside laboratories to conduct the quantitative and qualitative testing and analyses at each of the stages of procurement and manufacture of these high-quality luxury fabrics which our client has determined are necessary for the production of 100% cashmere and blended cashmere/wool fabrics which will meet the standards of Amicale and its customers. While Amicale does use outside laboratories for some purposes, the scale and volume of Amicale's manufacturing operations are viewed by our client as sufficiently great enough to warrant the investment in appropriate equipment and qualified personnel at their facilities in Mongolia, the United Kingdom, and North Carolina.

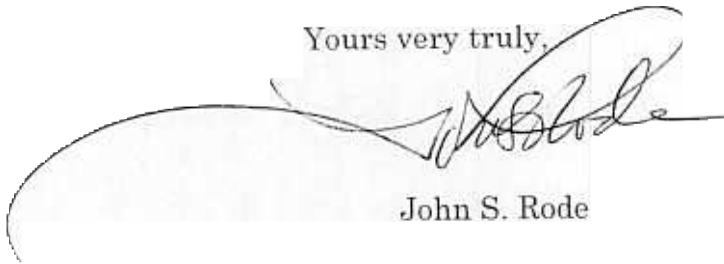
The testing performed in Amicale's laboratories is conducted in accordance with the standards and methods used by accredited independent laboratories; in particular, Amicale's laboratories follow all applicable Standards and Procedures approved by ASTM and the Cashmere and Camel Hair Manufacturers Institute, of which latter organization the President of Amicale, Boris Shlomm, is one of the two co-founders. Attached to this letter, as **Exhibit A**, are lists of the equipment maintained in each of Amicale's laboratories, as well as lists of the personnel employed in each of those laboratories, with a summary of their experience and qualifications.

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Conclusion

Amicale believes, based upon over fifty years of experience in the production of 100% cashmere and cashmere/wool blended yarns and fabrics, that they take appropriate steps to ensure that all of their cashmere and cashmere/wool yarns and fabrics will not vary from their stated fiber content for any reason other than "a small amount of unintended inconsistency in the manufacturing process," for purposes of the Textile Fiber Products Identification Act, or "unavoidable variation in manufacture despite the exercise of due care to make accurate the statements" on their labels, for purposes of the Wool Products Labeling Act. We would very much appreciate your advising us whether, on the basis of the information set forth above in this letter and the material included in **Exhibit A**, you would agree that the procedures followed by Amicale constitute "due care" to ensure the accuracy of the labels applied by Amicale to their finished 100% cashmere and blended cashmere/wool fabrics. In the event you need additional information about the yarns and fabrics produced by our client, please do not hesitate to call me at your convenience.

Yours very truly,

A handwritten signature in black ink, appearing to read "John S. Rode", is written over a light gray rectangular background. The signature is fluid and cursive, with a long horizontal flourish extending to the left.

John S. Rode

JSR/cps
Enclosure

Quality Control Personnel & Equipment/Procedures at Mongol-Amicale JV

QC Operatives:-

Tumendemberel – Raw Materials Manager

1. Bulgan – Sorting
2. Badamsetseg – Sorting
3. Munkhzul – Sorting
4. Otto Suren – Scouring
5. Horol Suren – Scouring
6. Bolortuya – Scouring
7. Algirmaa – QC Manager/Dehairing/Press Control
8. Enkhtungalag – Dehairing/Press Control
9. Urunchimig – Carding/Spinning
10. Zoltuya – Caring/Spinning

Equipment Used in Laboratory:-

Micron – Projectina Microscope

Micron _ Summa Sketch 3

Scouring – WIRA Grease Extractor

Scouring – Soxhlet Apparatus

Scouring - Precision Economy Oven

Scouring – AND Moisture Determining Balance

Dehairing – Alfred Suter Co. Length Tester

Carding/Spinning – Henry L Scott Strength Tester

Carding/Spinning – Twist Tester

Carding/Spinning – Brown & Sharpe Count Tester

Carding/Spinning – James H Heal Strength Tester

Carding/Spinning – CCV Tester

Carding/Spinning – Uster Tester 3

Carding/Spinning – WIRA Graphing Balance

Carding/Spinning – Uster Roving Sensor

Electronic Balance x 3

Quality Control Laboratory

W. FEIN & SONS LIMITED

Laboratory Equipment

WIRA Rapid oil content tester
Heal's wrap reel
Black boards / white boards / velvet board
Uster Automatic Dynamometer (Strength and Elongation)
Uster Evenness tester
Heal's Two-fold twist tester
Suter comb sorter
WIRA Fibre fineness meter
Torsion balance
Digital balance
Heal's conditioning oven
Heal's Gyrowash
Bausch and Lomb projection microscope
Sample card
Sample spinner
Streat electronic moisture meter
Electronic moisture probe
Light cabinet
Fume cupboard
Hot plate
Various chemicals (for oil extraction, dye stripping, scouring)
Matsuya 12 gauge knitting machine
Tritex LT101 5 gauge circular knitting machine
10 gauge strap knitting machine
Air conditioned laboratory
Computer

Julie Ann Smith**Quality Control Manager****Responsibilities**

- Organisation and day-to-day running of the Quality Control Laboratory
- Monitoring of dehaired cashmere and yarn quality to ensure that the required standards are met.

Education and Qualifications**1983-1990 Longsands Community College, St. Neots, Cambs.**

Three A' levels (advanced level), one O' level (ordinary level) and Eight GCSE's (General certificate of secondary education)

1990-1994 The University of Huddersfield, Huddersfield, West Yorks.

BEng. (Bachelor of Engineering) in Textile Manufacture with Clothing Studies
Upper second class honours degree

(subjects incorporated - yarn and fabric manufacture, computing, engineering, instrumentation and control, management, materials science, product evaluation, textile manufacturing and developments, industrial training).

Work Experience**Feb.-Sept. 1993 J. H. Walker Limited, Ravensthorpe, West Yorks.**

Industrial training as part of the BEng. Textile Manufacture degree course.
Quality Control Assistant responsible for the daily monitoring of weft knitted fleece and leisure wear fabrics. Other duties involved colour matching, compiling fabric reports, assisting with product development, producing fabric performance standards and product specifications.

March 1995-Present day W. Fein & Sons Limited, Bradford, West Yorks.

Quality Control Manager - Organisation and running of the Quality Control Laboratory. Monitoring of quality standards, dehaired fibre purchases and assisting in the assessment of greasy and scoured material.

Training**Oct. 1995 Yocom-McColl Testing Laboratories (Denver, USA)**

One week training to use The Suter Comb Sorter (fibre length) and fibre identification and measurement using a projection microscope, OFDA and Laserscan

Nov. 2001 Yorkshire Post Training, Leeds, West Yorks.

"Insight to Management" Management training course.

Claire Louise Armitage**Job Title**

Quality Control Laboratory Technician

Responsibilities

- Daily monitoring of dehaired cashmere quality.
- Routine testing of cashmere fibre to ensure required standards are met
- Perform tests to ensure that yarn processed by commission dyers and spinners meets required standards.

Education Details**1986-1994 Honley High School & Sixth Form Centre**

One A' Level (advanced level), ten GCSE's (General certificate of secondary education), City & Guilds (Information Technology) and RSA (Royal Society of Arts) (Desk top publishing).

1997-2000 Modern Apprenticeship

BTEC (Business Technical Education Council) National Certificate in Textile Technology

BTEC Higher National Certificate in Textile Technology

NVQ (National Vocational Qualification) in Manufacturing Textiles (Textile Laboratory Technician)

NEBS (National Examination Board) Management

Trainee of the Year BTEC National Certificate Year 2 - 1998

Trainee of the Year BTEC Higher National Certificate Year 1 - 1999

John S Dryer Cup for Innovation of Raw Material - 1999 & 2000.

Work Experience

Oct 1990

R. Butterworth & Sons (Huddersfield W Yorks)

School work experience - Observed and took part in various practices around the spinning mill, concentrating mainly on the twisting operation.

Oct 1994-Mar 1996 Patons RTN (Huddersfield W Yorks)

Trained as a yarn colour matcher at the carding and spinning mill.

Mar 1996-Present Day W. Fein & Sons (Bradford W Yorks)

Trained as a Quality Control Laboratory Technician at the Cashmere Dehairers.

AMICALE North Carolina Fax

Equipment List

Light Microscope (Projectina)

Uster Evenness Tester (UTA)

Forte' Moisture An

Portable Strength and Elongation Tester (Splice Scanner II)

Oven

Dessicator

Solxlet Oil Extractor and Scales

Large and Small Circular Knitting Machines

Twist Tester

Precision Balance and Electronic Scales

Sample Carder and Spinner Machines (on order)

Shadow Scale

Humidigraph

Yarn Reelers

Computers and Printers

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AMICALE North Carolina Fax

Q.C. Test Methods and Standards.

Quantitative Analysis	ASTM D629 - 88
Fibre Diameter (Micron - Light Microscope)	ASTM D629 - 88
Fibre Length (Hand Method)	Method approved by CCMI
Dark Hair Count	Method approved by CCMI
White Hair Count	Method approved by CCMI
Nep / Scale Count	Method approved by CCMI
Twist Test	ASTM D1423 - 92
Yarn Count	ASTM D1907 - 89
Uster Evenness Test	ASTM D1425 - 89
Strength and Elong.	ASTM D1445 - 90
Non - Protein Test	ASTM D1574 - 87
Extractable Matter	ASTM D 1113 - 90
Variation Across C	

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 e-mail: szornus94@earthlink.net

AMICALE North Carolina Fax

To : Mr. B. Shlomm
From : Anne Gisbourne
Date : 11/12/01
Subject : Federal Trade Commission.
Pages : 4, including this

Number of people in Quality Control : 3

Manager : An Associate of the Textile Institute and Chartered Textile Technologist with 30yrs experience with specialty fibres, namely Cashmere and Camel hair.

Oversees all aspects of QC testing on the yarn division.

Reports test results on raw material and yarn to Mr. A. Shlomm, and results on fabric to Mr. D. Shlomm.

A microscopist for 20 yrs, hands on at Amicale North Carolina.

Organizes correlation tests with sister company in England and also monitors Quality of Mongol - Amicale yarn.

Participates in round trials when available.

Knitting room : checks weight of knitted fabric, stitch length, count, CF etc.

Keeps data - base of all test results on raw material, spun yarn and all tests carried out in QC lab.

Now being involved with fabric inspection, on the fabric finishing division.

Supervisor : 38 yrs experience at Amicale. Starting as a spinner with the last 15 yrs in QC.

Duties : Raw material testing, including - fibre analysis, fibre diameter, hair counts, nep/scale counts, fibre length (hand method), extractable matter (VM) oil tests, NP tests.

Yarn : oil tests, checking RPM on cards, variation across cards, spinning count and TPI, ends down, strength and elongation. Uster evenness testing. Winding / Twisting : TPI, strength of splices to yarn. Moisture content on finished package, and shipping when required.

QC Technician : 28 yrs experience at Amicale, including spinning and sample room, the last 3 yrs in QC.

Duties : Raw material testing, hair counts, nep/scale counts, fibre length (hand method), extractable matter (VM), oil tests, NP tests.

Yarn : oil tests, checking RPM on cards, variation across cards, spinning count and TPI, ends down, strength and elongation. Uster evenness testing.

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