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Federal Trade Commission Office of the Secretary Room H-113 (Annex G) 600 Pennsylvania Avenue NW Washington, DC 20580

## Textile Rules, 16 CFR Part 303, Project No. P948404 76 Federal Register 68690 (November 7, 2011)

Dear Mr. Clark:

The United States Association of Importers of Textiles and Apparel ("USA-ITA") submits the following comments in response to the Commission's request for comments on the overall cost, benefits, necessity and regulatory and economic effects of rules issued under the Textile Fiber Products Identification Act, 16 USC § 70-70k (the "Act").

USA-ITA is a voluntary association of some 200 importers, distributors and retailers of textile products and wearing apparel, as well as related service industries such as international transportation concerns. The Commission specifically requests comments on whether it should: 1) modify the provisions found in 16 CFR Part 300 (the "Rules") addressing generic fiber names so that the reference to the international standard reflects the updated standards; 2) clarify the provisions addressing textile products containing elastic material and trimmings; 3) address use of multiple languages in making required disclosures; 4) clarify disclosure requirements applicable to written advertising, including internet advertising; and 5) clarify or revise the list of exclusions from the Act's coverage.

The Commission also asks what modifications, if any, should be made to the Rules; whether the Rules conflict with other federal, state, or local rules such as those enforced by Customs and Border Protection ("CBP") whether there are any foreign or international rules that the Commission should consider as it reviews the Rules and whether there would be any benefit in allowing distributors and retailers to use identifiers other than the RN number, for example the Canadian CA number, as an alternative to the RN number.

The members of USA-ITA, all of whom import apparel and many of whom market their products in markets outside the United States, are well versed in the requirements of the Rules and, in general, have not had serious problems in applying the Rules. However, they frequently experience difficulties in dealing with the different national and international labeling requirements. The following comments and suggestions reflect this experience:

- (11) There is an apparent conflict between the very detailed rules of origin as found in the trade laws, specifically 19 USC § 3592, and the more general rule of origin found in Section 303.33(d) of the Rules. USA-ITA understands that the Commission's policy is that the origin of imported products is as determined under the trade laws. An amendment to Section 303.33(d) formalizing the policy should be considered.
- (12) USA-ITA does not recommend that the Commission consider any international rules. However, USA-ITA suggests that the Commission seriously consider mutual recognition of differing approaches to

labeling requirements. The difficulty of meeting varied national labeling requirements inhibits the ability of United States producers and marketers to sell their products in international markets. The differences, many of which are insignificant, increase costs and severely limit the ability to shift inventory from one national market to another.

(13) USA-ITA strongly urges the Commission to modify Section 303.7 to address the development of ISO 2076-2010. Further, USA-ITA suggests that the revised provision be modified so that it applies to any new developments in the standard. This would relieve the Commission from being required to amend the regulations every time the standard is amended.

Permitting reference to the standard is a significant benefit to USA-ITA members, particularly those who participate in international markets. It makes it easier to develop labeling that satisfies the requirements of multiple jurisdictions.

- (15) USA-ITA members request clarification of the rules relating to the treatment of ornamentation and trim. There is confusion with respect to the definition and treatment of decorative trim. Some garments have embroidery or other decoration on the interior which are not visible when the garment is worn in a normal fashion. Some of the embroidery represents trademark or similar marketing information. USA-ITA requests the rule be revised to make it clear that this style of decoration may be ignored. There is also confusion as to the treatment of elastic as findings. Section 303.12 provides that certain elastic material may be treated as a finding where it does not exceed 20 percent of the surface area of the household textile article. The concern is whether elastic material is present in 20 percent of the surface area may not be treated as a finding. USA-ITA requests the Commission confirm that the elastic material itself must represent in excess of 20 percent of the surface area to be precluded from treatment as a finding. Adding the term "itself" after "material" and before "does not exceed" would eliminate this source of confusion.
- (16) USA-ITA members believe that there should be no prohibition against the use of multilingual labels. The ability to use multilingual labels creates efficiencies and lowers costs for those who market textile products in multiple national markets. For example, use of a multilingual label facilitates shifting distribution from one jurisdiction to another without relabeling, an expensive and time-consuming proposition.
- (21) USA-ITA urges the Commission to allow use of alternative identifiers, including numbers issued by other nations, for example CA numbers issued in Canada. This would make it easier to develop a label that meets the requirements of multiple jurisdictions. Obviously, the alternative numbers would have to be recorded with the Commission.
- USA-ITA estimates that more than 90 percent of apparel products are imported but has no reliable estimate of the percentage imported directly by retailers. Obviously, there have been very significant increases in both since the act and the Rules became effective.

  USA-ITA sees no basis for modifying the Rules simply because a greater proportion of textile products subject to the Act are imported.

USA-ITA also suggests that the Commission considered relaxing the rule relating to fiber performance related hangtags and other point—of-sale media containing a fiber trademark. Under current rules, specifically Section 303.17, statements referring to fiber performance must be accompanied by complete fiber content information, information that is stated elsewhere. This requirement creates a problem in that the fiber producer creating the hangtag may not be aware of the final composition of the fabric or textile article to which the hangtag will be attached. Typically, the hangtags provide information that describes the performance characteristics and attributes of the fiber. Consumers want and need this information.

This information includes; stretch characteristics, the use of recycled content, ultraviolet light protection, moisture management as well as antimicrobial properties. Requiring that fiber content be contained on the same hangtag severely inhibits the ability of fiber producers to provide this information. Fiber manufacturers want to make consumers aware of these properties, but as long as the hangtag or other media must recite the fiber content of the finished product, this is unnecessarily difficult if not impossible. In light of this concern, USA-ITA suggests that the Rule be relaxed to require that specific fiber information be provided only in a situation where there is the potential of deception. This relaxation would not alter the requirement that there be a factual basis for any claims made.

USA-ITA appreciates the opportunity to comment on this important matter.

With best regards,

Julia K. Hughes President USA-ITA