



February 2, 2012

Secretary Donald S. Clark  
Federal Trade Commission  
Room H-113 (Annex A)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Mr. Clark:

RE: Advance notice of proposed rulemaking; request for public Comment: Rules and Regulations Under the Textile Fiber Products Identification Act (16 CFR PART 303, No. P948404; November 7, 2011)

I am pleased to submit on behalf of the members of the Canadian Apparel Federation (CAF) the following comments regarding the Textile Fiber Products Identification Act as requested in the *Federal Register* of November 7, 2011.

The Canadian Apparel Federation (CAF) is the national industry association representing the Canadian apparel industry. In total we represent approximately 400 companies throughout the entire supply chain, including apparel manufacturers and distributors, vertically integrated retailers and suppliers of a wide range of goods and services. Many of our members sell over 50 percent of their production in the United States. For this reason alone, we have a keen interest in regulatory issues relating to this marketplace. We appreciate having the opportunity to share the concerns of our industry with the Commission.

### **Integration of the North American Apparel Marketplace**

Before responding to some of the questions raised by the Commission, it is important to underscore the growing degree of integration between the apparel markets in Canada and the United States. More than at any time in the past the North American market for apparel has become highly integrated. U.S. and Canadian brands and retailers, have increasingly recognized the potential for growth outside of their home markets. This is particularly true for U.S. retailers expanding internationally. Since 2009 there has been a rapid increase in the number of U.S. based retailers opening in Canada. These developments have literally reshaped the retail landscape in Canada, especially in apparel, over the last five years. In 2013 Target Stores will enter the Canadian market capping an intense period of change in Canada. At the same time Canadian retailers such as lululemon athletica have had unparalleled success in the US market.

Consumers in both Canada and US are now able to buy precisely the same products at the same retail stores. They have the same expectations for quality, fashionability, design and consumer information. It is logical that apparel manufacturers and retailers would expect to be able to meet the labeling requirements in a consistent fashion based on a high degree of harmonization between the regulations in the two countries.

## **Canada – U.S. Regulatory Cooperation**

One other consideration that is significant is the effort to bring regulations in Canada and the United States into closer alignment. In February 2011 leaders of Canada and the United States met and outlined an ambitious agenda for border cooperation / management and regulatory cooperation. We believe the agenda for regulatory cooperation offers an excellent opportunity to reinforce the benefits of this review of the Textile Fiber Products Identification Act. It is our view that the issues facing this industry need to be addressed through agency-to-agency bilateral cooperation and collaboration with industry.

### **Comments on Questions raised by the Commission**

Below please find our comments relating to the questions outlined in the Federal Register notice.

#### **Question (1) Is there a continuing need for the Rules as currently promulgated?**

We strongly support the continuation of the Textile Rules.

#### **Question (12) Are there foreign or international laws, regulations, or standards with respect to textile labeling or advertising that the Commission should consider as it reviews the Rules?**

To the greatest extent possible textile labeling rules which apply in the United States should take into account similar Canadian law, practice and guidance to industry. North American brands and retailers are increasingly global in their orientation and there are also clear benefits to aligning North American regulations with those in other jurisdictions. It benefits all parties if there is a clear set of common policies applied as broadly as possible.

#### **(13) Should the Commission modify Section 303.7 to address the development of ISO 2076: 2010, "Textiles—Man-made fibres—Generic names," an updated version of ISO 2076: 1999(E), "Textiles—Man-made fibres—Generic Names," referenced in Section 303.7?**

CAF strongly supports amendment of the Textile Fiber Rules to incorporate ISO 2076:2010. We also believe that Canada should adopt similar measures in a timely fashion.

#### **(14) Should the Commission modify Section 303.1(n), 303.10, or 303.12 to clarify the disclosure requirements relating to products containing elastic material?**

We agree that Section 303.12 and Section 303.26 are somewhat unclear. Our recommendation would be to work with Canadian officials to review terminology in the relevant sections of the Textile Labeling Act and Textile Labelling and Advertising Regulations.

#### **(16) Should the Commission modify Section 303.16(c) or consider any additional measures regarding non-required information such as the voluntary use of multilingual labels? In particular, do multilingual labels pose the potential to confuse consumers and, if so, how could such confusion be avoided while providing the benefits of disclosures in multiple languages?**

Canadian firms currently produce apparel with bilingual labels for our domestic market, and in many instances these garments are also sold in the United States. In other circumstances Canadian firms produce garments intended for international markets with multilingual labels. The ability to rationalize production and produce garments with a single labeling scheme appropriate for multiple markets offers benefits to producers, retailers and consumers. We see no evidence that having languages other than

English appearing on the label serves to confuse the consumer, and any effort to modify 303.16 to limit the use of other languages would be costly, and counter-productive.

**Question (21) Regarding the Textile Act requirement in 15 U.S.C. 70b(b)(3) that businesses identify themselves on labels using either their names or identifiers issued by the FTC, what are the benefits and costs of allowing businesses to use alternative identifiers, such as numbers issued by other nations?**

We strongly support mutual recognition of the CA and RN numbers.

Use of such identifiers provides easy access to information used by consumers, regulators and the trade.

Currently, many companies in either Canada or the United States have the ability to register for an identification number in their home market but do not meet the residency requirements to obtain the equivalent identification number in the second market. We recognize that there is the option of including a company name (name and address in Canada) to meet the disclosure requirements. However, companies attempt wherever possible to minimize the size of garment labels in view of the preferences of their consumers. In addition, a single identifier clearly cross-referenced on the websites of the Competition Bureau and the Federal Trade Commission can provide more information and there is a greater likelihood that the information contained on an online database will be current and accurate.

#### **Conclusion**

In conclusion, CAF supports measures to clarify and update the Textile Rules. We also believe that the Commission has done a commendable job in explaining these regulations to industry. Going forward, we believe that industry in both countries will be best served if regulations are more closely aligned between Canada and the United States, and that practical mechanisms are put in place to review and update guidance to industry, and specifically that industry be involved from the outset in those processes. I feel strongly that we can greatly assist regulators on both sides of the border in carrying out their important mandates. Once again, thank you for the opportunity to comment on these measures.

Sincerely yours,



Bob Kirke  
Executive Director