



August 14, 2008

Mr. Donald S. Clark

Secretary, Federal Trade Commission

Room H-135 (Annex B)

600 Pennsylvania Avenue, NW

Washington, DC 20580

**RE: Comments to the FTC regarding the Green Building and Textiles Workshop –
Comment, Project No. PO84203.**

Dear Mr. Clark,

Thank you again for inviting Organic Exchange (OE) to present at the July 15, 2008 public workshop examining developments in green building and textile claims and consumer perception of such claims. We were honored to be part of the Commission's regulatory review of the Guides for the Use of Environmental Marketing Claims.

By way of background, OE is a US-based non-profit organization which catalyzes market forces to expand the global organic cotton fiber supply. We work closely with farmers, leading brands and retailers and their business partners throughout the supply chain to develop organic cotton programs, and increasingly, programs using other organic fibers such as organic wool, flax, and leather. OE has hosted numerous organic cotton conferences and trainings in supply chain centers around the world, including the United States, China, India, South Africa, Thailand, Turkey, and the United Kingdom. OE has held trainings in 2008 have been held in India (January), Brazil (April) and Uganda (June) as well as several US Tradeshows. OE has 267 members from 33 countries representing all parts of the supply chain, as well as service providers and other non-governmental organizations.

OE is in the perfect position not only to witness and understand the kinds of claims being made on textile products, but also to disseminate the FTC's labeling decisions domestically and internationally to many of the leaders in the organic textile supply chain, including the largest users of organic fiber. We are firmly committed to preserving the integrity of organic fiber products in a rapidly growing market.

Background Information

According to the “*Organic Exchange Organic Cotton Market Report 2007*,” global retail sales for organic cotton products increased 85% to \$1.1 billion in 2006, up from \$583 million in 2005, and were projected to increase 83% to \$1.9 billion by the end of 2007. OE projects the market will increase to \$3.5 billion in 2008, \$4.5 billion in 2009 and \$6.8 billion in 2010. (Preliminary findings from the 2007 report are attached and the 2008 report will be released this fall with updated figures.)

We see a fundamental shift in consumer buying patterns in the apparel, home textiles, and personal care markets as significantly more products made from organic cotton and other organic fibers are becoming available to consumers. With the growing market comes the increasing need for clarity as to what claims can be made on “green products”. The FTC’s attention to the organic textile market comes at such an influential and critical time.

The organic fiber community in the U.S. has been labeling organic fiber products over the past few years, with the intention of following as closely as possible the guidelines and regulations established for organic *food* products while respecting the needs of the fiber market. However, the exponential growth of the organic fiber industry has increased the need for greater clarity and guidance as to how organic fiber products in the U.S. marketplace should be labeled.

USDA NOP Fiber Guidelines

In late July, the U.S. Department of Agriculture’s (USDA) National Organic Program (NOP) issued guidelines for labeling organic fiber products¹ (overview is attached). The overview stated that:

- NOP standards only apply to the *production of the fiber*. Off-farm treatments, including processing, are *not* covered under the NOP regulations.
- Only textile products certified to the NOP production and *food* processing standards are eligible to be labeled as “100 percent organic” and “organic.”
- Companies may label their products as “Made with organic ...” (add name of the fiber). There is no minimum content percent, but all fibers identified in the products as “organic” must be grown and certified to NOP standards.

On behalf of Organic Exchange Members, I would like to thank FTC. It is through your leadership that companies will gain clarity on the kinds of claims that can be made so both the environment and the consumer benefit.

Regards, LaRhea Pepper, Executive Director, Organic Exchange

¹ <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5070818>

General Comments from Organic Exchange and comments regarding particular sections of the questions listed in the FTC’s announcement of the public workshop and request for public comment.²

Claims Regarding Organically Grown and Natural Textile Products

OE believes that while the FTC’s Green Guides have been very helpful in providing guidance regarding general environmental claims for a number of industry sectors, we have found limited guidance for terms used in the apparel and home textile-related sectors.

As a result, numerous claims such as “better,” “green,” “sustainable” and “renewable” are made on a range of products, without having a definition or third party independent verification process to support the claim.

While we believe companies mean well, they may be going too far in their eagerness to show today’s consumers they are taking steps to make their products in a more environmentally sound manner than in years past. There is also the opportunity for companies to deliberately deceive customers without third party verification.

OE believes use of these terms should require verification to third party standards or independent testing so as to protect against misstatements.

Claims Regarding Organically Grown and Natural Textile Products

OE believes the Guides³, Calling it Cotton: Labeling and Advertising Cotton Products⁴, Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts,⁵ and similar items should all be revised to provide business guidance, by addressing and permitting the truthful labeling of:

Fiber Content Claims: Products with organic fiber content (including organic cotton, wool, linen, etc.) of any amount should be able to make a fiber content claim as long as the organic content has been certified organic by a third party. For example, the “OE Blended Standard” requires verification by a third party that the claim of “x” percent organic fiber in the product is truthful. Similarly, use of the “OE 100 Standard” requires verification that all the fiber in the product is organic. Examples of a content claim could be in a sewn in label stating: 100% Organic Cotton, or 60% Recycled Polyester/40% Organic Cotton, or 10% Linen and 90% Organic Cotton. Communication on the hang-tags or placement on the outside of a garment

² www.ftc.gov/os/2008/06/P084203ggfrn.pdf

³ <http://www.ftc.gov/bcp/grnrule/guides980427.htm#260.7>

⁴ <http://www.ftc.gov/bcp/online/pubs/buspubs/cotton.shtm>

⁵ <http://www.ftc.gov/bcp/online/pubs/buspubs/thread.shtm>

could include such examples of “Made with 100% Organic Cotton”, or “100% Organically Grown Cotton”.

Organic Fiber plus Processing: While NOP addresses the production of organic fiber as an agricultural product certification for processing to make an “organic product” claim is, at this time, voluntary. Equal consideration needs to be given to independent standards that support environmental stewardship for product processing. Examples of processing standards that should be considered are Bluesign technologies, Oeko-Tex and the Global Organic Textile Standard (GOTS) or other such verifiable standards that cover post-harvest processing. These standards include strong provisions restricting the types of processing agents that may be used on an organic textile product, providing assurance to the end-consumer regarding the processing of the fiber into a garment or product.

“Transitional Organic”: This is fiber that is grown organically according to the USDA NOP, but has not yet received “organic certification” which only occurs 3 years after the last prohibited substance. The proof for such a claim would be that the farm has applied for organic certification; an initial on-site inspection has been conducted and the farm has an organic system plan which includes the last date of use of prohibited substances.

There is need for a label that would truthfully represent the use of these fibers. Such a label would enable the organic fiber marketplace to grow while supporting the farmer during the three-year transition period. OE requests that FTC and USDA NOP discuss an acceptable label and guidance for use of such a label. Examples that should be considered: “100% Transitional Organic Cotton (or other organic fiber)” or, “Transition to Organic”.

Blending Organic and Conventional Fiber: OE believes that it is important for brands and manufacturers to be able to claim whatever percent organic fiber they use in a product, as long the percentage is 5 percent or more and the claim is truthful and verified. Blended programs are an important transition that helps build consumer awareness of organic fiber and the efforts companies are going through to stimulate and convert the marketplace to more sustainable and environmentally responsible solutions.

Organic Certification as “Reasonable Basis” of Proof of an Environmental Claim

OE believes the FTC should recognize third party organic certification as a “reasonable basis” of proof of an environmental claim. Certification to organic standards is practiced worldwide, and is included in existing laws and regulations implemented by government authorities. The USDA NOP has a strong accreditation program to verify reputable certifiers that enforce the law governing the word “organic”. NOP undertakes strict audits of certifiers and those that do not meet the standards lose their accreditation.

Third Party Certification and Seals

As noted in previous comments, as long as organic textiles are not specifically addressed in the Guides, *Calling it Cotton* and other such overviews, the documents will not be as effective as they could be in limiting misleading claims.

We believe the organic certification process must have verification at both the farm gate level and beyond. Organic certification groups are accredited by the International Federation of Organic Farming Movements (IFOAM), USDA, and other reputable organizations and subject to stringent audits.

We are not aware of any misleading environmental claims for textiles using third-party certifications and seals at this time.

Green Building and Textile Claims Currently Not Addressed by the Green Guides

OE believes the guides should be revised to include guidance regarding “sustainable” or “renewable” claims for textiles products. For example, is bamboo production sustainable if delicate forests are cleared to grown a monoculture of the crop, or the processing uses toxic chemicals that end up as effluent flowing into rivers? Similarly, with hemp, the public is given to understand its production is “sustainable,” but there are no guidelines for the term.

In addition, if the product is grown and sourced sustainably, but not processed to verifiable standards, the labeling should have to reflect that fact.

According to a recent *Sustainable Food News* article, the Leopold Academy, announced in July that it had chosen a broad-based committee including several of organic leaders to develop a national sustainable agriculture standard. The Leopold Academy is a third-party ANSI-accredited organization and the standard is “intended to be applicable to all agricultural crops marketed in the United States, addressing both the product and its packing, and includes measures such as the phase-out of dangerous agrochemicals, establishment of a path for transition to organic practices, and establishment of targets for energy efficiency, greenhouse gas emission reductions, and soil carbon storage.”⁶

Such a standard could be one that the FTC acknowledges when addressing the term “sustainability” in the Guides.

Conclusion

We look forward to helping you in any way as you develop your final guidance and in disseminating your decisions once the guides have been revised. In the meantime, we have attached several items that you may find helpful.

Regards,

LaRhea Pepper

Executive Director, Organic Exchange

Attachments: OE Blended Standard and OE 100 Standard

⁶ www.sustainablefoodnews.com/story/php?news_id=4383, July 30, 2008.