

SHOPBOP

1245 East Washington Avenue • Suite 300 • Madison, WI 53703

July 8, 2013

Federal Trade Commission

Donald S. Clark

Office of the Secretary

600 Pennsylvania Avenue, NW

Room H-113 (Annex G)

Washington, DC 20580

Re: Textile Rules, 16 CFR Part 303, Project No. P948404

Dear Mr. Clark:

On behalf of BOP, LLC (Shopbop.com), we would like to comment on one aspect of the Federal Trade Commission's (Commission) proposed revisions to the Textile Rules, namely the proposal to modify Section 303.37 to require annual renewal of a continuing guaranty. Currently, guaranties provided by a seller of textiles to a buyer remain in effect until revoked by the seller. The Commission is proposing revising the form of the guaranty to require the guarantor to renew the guaranty annually. We strongly recommend that the Commission not make this change.

We respectfully disagree with the Commission's assertion that "annual renewal should encourage guarantors to take regular steps to ensure that they remain in compliance with the Act and Rules over time and thereby increase the guaranties' reliability." We believe that the act of initially providing a guaranty to a buyer rightly alerts a textile seller to its obligations under the Textile Act. The act of merely signing the same form that has already been signed a year before, on the other hand, is unlikely to receive significant additional attention from a seller.

The Commission's proposed change would undercut the purpose of the continuing guaranty, which is to allow buyers to rely on guaranties provided by textile sellers. Between the buyer and the seller, the burden of compliance with the Textile Act should rightly fall on the seller, because the seller is in a better position to control the manufacturing and labeling of textile products. Furthermore, we respectfully disagree with the Commission's statement that the annual renewal requirement "would not likely impose significant costs." On the contrary, we believe that this change would impose significant costs on buyers who purchase textiles from a large number of sellers, such as most large retailers. Many buyers have already obtained continuing guaranties from their textile sellers, and the process of obtaining the guaranties can be extremely time-consuming and costly. A buyer can have thousands of sellers that sell one or more products covered by the Textile Act, and each seller must be contacted individually. It can take significant time and resources for a buyer to successfully obtain guaranties from all of its textile sellers. Nonetheless, buyers have been willing to invest in this effort on the assumption, supported by the current Textile Fiber Rules, that they would be able to confidently purchase

products compliant with the Textile Act from sellers that provide the guaranties. That confidence would be undermined by the proposed change.

Additionally, there is no basis in the record to support the Commission's proposed change to the guaranty process. None of the commenters urged the Commission to require annual renewals and the Commission has not pointed to any data in either its enforcement record or empirical studies that would substantiate such a change.

We appreciate the opportunity to provide comments on the proposed rule. We look forward to working with you to further the consumer protections in the Textile Rules.

Sincerely,

Kristina Herrmann
Senior Corporate Counsel
Shopbop.com