



Office of Commissioner
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UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

PREPARED REMARKS OF COMMISSIONER ROHIT CHOPRA

Regarding the Proposed Repeal of the Care Labeling Rule

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Small businesses across the country were slammed last spring, unable to make ends meet due to the spread of COVID-19. Hundreds of thousands of local businesses shuttered for good, and millions feared that they wouldn't survive over the long term.

Even early on in the pandemic, the FTC began to hear from local restaurant owners about abuses by food delivery apps, from pharmacists and medical providers about unfair practices by pharmacy benefits managers, from farmers and ranchers about monopolistic practices by meat conglomerates, from franchisees faced with onerous requirements imposed by franchisors, and from so many other independent businesses.

The FTC was also hearing an uptick in reports about a wide range of other frauds facing families, including fake products sold on e-commerce marketplaces and new concerns about surveillance and privacy in e-learning and remote work.

So of all the things that the Federal Trade Commission would prioritize during the pandemic, I am completely puzzled that the removal of required laundry labels somehow made the list. The proposal seemed to come out of nowhere, given the extensive comments collected about updating the Care Labeling Rule to reflect market changes. But repealing the rule altogether created immediate panic among small businesses in the laundry and dry cleaning sector.

Local laundry establishments were already on the brink of collapse, as the need for professional care plummeted with Americans working from home and canceling special events. Repealing the rule would simply shift more risk and liability from clothing manufacturers, mostly located overseas, to small dry cleaning shops.

Laundry professionals had repeatedly made clear that they rely on these care labels, since they often face fierce competition and must serve their customers well.¹ Many establishments in the

¹ See, e.g., Summary of Ex Parte Communications between the Office of Commissioner Chopra and the Dry Cleaning & Laundry Institute (DLI), Fed. Trade Comm'n, Docket No. FTC-2020-0058 (Oct. 30, 2020), <https://www.regulations.gov/document/FTC-2020-0058-0224>; Summary of Ex Parte Communications between the Office of Commissioner Chopra and the Coin Laundry Association (CLA), Fed. Trade Comm'n, Docket No. FTC-2020-0058 (Oct. 30, 2020), <https://www.regulations.gov/document/FTC-2020-0058-0223>.

dry cleaning and laundry industry are owned by immigrants who speak English as a second language, yet there didn't seem to be any attempt to meaningfully engage those communities during the comment period.

The CDC had previously issued guidance recommending that people pay attention to care labels to reduce the likelihood of spreading sickness.

And repealing the Care Labeling Rule wouldn't necessarily mean that clothing makers could eliminate a label, since care labeling instructions are often combined with requirements to disclose the fabric content and country of origin.

Unsurprisingly, the Commission's sudden proposal to repeal received virtually no support. In my view, the most responsible thing that the Commission can do right now is make it abundantly clear that we will not be finalizing this repeal effort.

The Commission should always think about ways to update its rules to ensure they are effective and I am open to these suggestions.

But more broadly, I am concerned that for years and years, the Commission's record has shown the agency is out of touch with problems facing small and independent businesses. This has to change.

There are so many abuses that they are facing today and so many things they are looking to the Commission to act on. Removing the required care labels on our clothing is just not one of them.

Thank you, Madame Chair.