



United States of America
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Office of Commissioner
Rohit Chopra

To: April Tabor

From: Maria Bazan

Date: September 24, 2020

Re: Care Labeling Rule NPRM: Comments to be placed on the public record

On September 17, 2020, Commissioner Chopra, Erie Meyer, and I met with Brian Wallace, CEO of the Coin Laundry Association (CLA) regarding the Federal Trade Commission's Notice of Proposed Rulemaking regarding the repeal of the Care Labeling Rule.

During the meeting, Mr. Wallace informed us that there are approximately 30,000 laundries across the United States. Ownership in this industry is largely fragmented; most industry participants are small mom-and-pop businesses and only a handful of companies own more than 50 stores.

The majority of the CLA's members fall into one of two categories: self-service laundromats and full-service laundries, each of which would face different constraints if the FTC repealed the Care Labeling rule. Full-service laundries, which make up just over half of the CLA's members, rely heavily on care labels to determine how they should treat the garments that customers entrust to their care. Textiles are becoming more complex and often contain a blend of various types of fibers or dyes. Without the instructions from the manufacturer, it is difficult to know the appropriate temperatures or detergents to use or avoid when cleaning a garment.

When items are damaged in the wash, upset consumers often turn to the launderers because they are the last people to handle the garment. These disputes are usually resolved by looking at the care labels to determine whether the employee followed its instructions properly. In such cases, care labels shield businesses from liability when they are able to show that they followed the correct procedure.

Care labels also help full-service laundries minimize the damage to their relationship with customers who may otherwise lose trust in their services when one of their belongings is damaged. While losing one client may not seem eventful, Mr. Wallace noted that almost one third of the CLA's full-service laundry members cater to commercial accounts, such as restaurants, gyms, or local first responders. For businesses who serve a limited number of large accounts, losing one contract could have a substantial impact on their profits for that year.

Self-service laundromats would not be affected in the same way as full-service laundries because their employees are usually not involved in helping customers wash their clothes. However, Mr.

Wallace warned that the FTC's decision to repeal the Care Labeling Rule would affect their clients disproportionately. Self-service laundromats typically serve consumers who are unable to purchase or afford in-unit washers and driers, many of whom are renters or low-income households who earn less than \$40,000 per year. These customers may not have the disposable income to continue replacing items when they are damaged in the wash, so they rely on care labels to extend the life of their clothes.

The CLA opposes the FTC's proposal to repeal the Care Labeling rule and believes this decision would hurt consumers.