

October 14, 2010

Dr. Kerry Hansford
Secretary, ISAC
Australian Wool Exchange (AWEX)
691 Geelong Road
Brooklyn, VIC 3025
AUSTRALIA

Re: Stakeholder Submission on the National Wool Declaration

Dear Dr. Hansford:

On behalf of our member companies - apparel retailers, brands, manufacturers and importers in the United States – our associations offer the following submission in response to the request by AWEX on September 28, 2010, for stakeholder comment on the National Wool Declaration (NWD). This submission follows on and reiterates the points on the NWD in our prior letter of June 11, 2010, to AWEX CEO, Mark Grave, which included our industry position paper on mulesing.

Our associations strongly support broad use of the NWD by the Australian wool industry. As stated in our previous letter, we believe that the NWD can play a critical role in helping the Australian wool industry's transition toward alternatives to mulesing sheep as an animal-husbandry technique against blow-fly strike. In this regard, the NWD is an important tool to provide better and more accurate market information and supply-chain traceability. This information will assist retailers and brands in making informed sourcing decisions, and give wool growers the pricing signals they need. However, these goals can only be accomplished if most growers use the NWD to report the status of their wool fully and accurately.

To that end, we recognize that the Australian wool industry is self-regulated, and that approximately 85 percent of Australian wool is sold through the auction system overseen and regulated by AWEX. Therefore, in order to achieve broader industry participation in the NWD, AWEX and brokers clearly play a central role in educating, encouraging, and promoting its use among Australian woolgrowers. We also recommended that if voluntary efforts are not successful in achieving higher industry participation rates, then AWEX should require, by December 31, 2010, that wool growers report through the NWD as a condition to participating in the wool auction system. As we have previously stated, we are convinced that filing the NWD does not pose an onerous administrative burden, and there is no convincing reason why growers should not complete and submit a declaration.

We also recommended that, in addition to the current categories for "mulesed," "mulesed with pain relief," "ceased-mulesed," and "non-mulesed," the NWD also include an additional category for wool from sheep, on which clips have been used as a preventative measure against fly-strike. We understand the concern of some in the wool industry regarding the

addition of this category on a form intended to report mulesing status. We also acknowledge data and research showing the efficacy of clips as a less stressful preventative measure against fly-strike. However, we do not comment on the question whether clips constitute another form of mulesing equivalent to the surgical procedure. Rather, with a number of retailers and brands having already publicly stated that they do not intend to source wool from clipped animals, we simply view the addition of this category on the NWD as useful information for supply chain visibility and management.

Finally, we note the importance of the NWD – Integrity Program (NWD-IP) that AWEX is developing in cooperation with the Australian Government to audit information reported on the NWD and ensure its accuracy. We encourage further expansion of this program, and look forward to future reports from AWEX on its progress.

American Apparel and Footwear Association (AAFA)

National Retail Federation (NRF)

Outdoor Industry Association (OIA)

Retail Industry Leaders Association (RILA)

US Association of Importers of Textiles and Apparel (USA-ITA)

Wool Working Group