

we wear our mission

November 16, 2012

Secretary Donald S. Clark Federal Trade Commission Office of the Secretary Room H–113 (Annex O) 600 Pennsylvania Avenue NW Washington, DC 20580

RE: Notice of Proposed Rulemaking; Request for comment – Regulations Under the Fur Products Labeling Act, 16 CFR Part 301 (77 FR 180, p. 57043 – 57055; September 17, 2012)

Dear Secretary Clark,

On behalf of the American Apparel & Footwear Association (AAFA), I am submitting the following comments in response to the notice of proposed rulemaking and request for comments by the Federal Trade Commission(FTC) concerning the proposed amendments to its Regulations under the Fur Products Labeling Act (Fur Act), updates of its Fur Products Name Guide, and efforts to provide more labeling flexibility, incorporate recently enacted Truth in Fur Labeling Act (TFLA) provisions, and eliminate unnecessary requirements.

AAFA is the national trade association representing apparel, footwear, and other sewn products companies, and their suppliers, which compete in the global market. Our membership consists of 380 American companies which represent one of the largest consumer segments in the United States. The apparel and footwear industry overall represents \$360 billion in annual domestic sales and sustains more than four million American jobs.

Thank you for this opportunity to submit comments. AAFA's mission is to promote and enhance our members' competitiveness, productivity, and profitability in the global market by minimizing regulatory, legal, commercial, political, and trade restraints. While we do understand the benefits of using labels as a means to communicate to consumers, the current regulations set out under the Fur Act are overly burdensome and serve as a barrier to trade and a barrier to growth for American companies. For this reason, we were pleased to see the FTC's proposed revisions to the Fur Act in a way which may lessen this burden for AAFA's members.

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(703) 524-1864 (800) 520-2262 (703) 522-6741 fax www.wewear.org Below please find comments from AAFA on the proposed amendments, as well as our additional thoughts on current practices:

A) Name Guide

The Name Guide is a useful tool for manufacturers and importers looking to properly identify types of fur for labeling purposes. AAFA participated in the hearing held in 2011 for public input on updating the guide and appreciates the FTC's efforts to correct typographical errors and species misidentification. In response to the suggestions to update the Name Guide which were rejected by the FTC, we ask that the FTC consider updating the Guide, accepting comments, and holding public hearings more often and at regular intervals – ideally annually – to allow these commenters a chance to continue and provide evidence for their suggestions and allow the guide to evolve in a way that is beneficial for all parties involved. Doing so is a relatively simple task which would keep the rules under the Fur Act, and the FTC in general, up-to-date where necessary.

B) Labeling Amendments

AAFA agrees with the statements made by other commenters as stated in the Federal Register notice: the Fur Act labeling requirements are unnecessarily complex and inconsistent with the FTC textile labeling requirements. The requirements impose significant costs on manufacturers and importers – which are passed down to consumers – as well as taking up valuable time and resources for companies who want to comply with the rules, but are overwhelmed with the technical details such as size of the font and size of the label itself. AAFA appreciates the efforts by the FTC to alleviate some of this stress in relation to the following sections:

1) Required Information

The Commission has proposed eliminating disclosure requirement 301.20(a). We support this move. The requirement to list the "other things" of which the fur might consist, such as "sides" and "flanks," is unnecessary as it does not provide the consumer with information that is significant to the make-up of the product. We urge the FTC to go further and eliminate the disclosure requirement of "paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces, or waste fur" for fur-trim product labels as all of these parts either fall into the above category of not providing meaningful information to consumers or the disclosure would be redundant as these parts will already be evident to the consumer.

2) Label Specifications

AAFA agrees with all of the proposed changes to the Fur Rules' labeling specifications including the elimination of requirements that the labels be a certain size; that disclosures be of a certain font size, in a set order, and limited to FTC-required information on the front; and that items sold in pairs must have separate labels or be physically attached to each other. It is sufficient to translate the same expectations from the textile labeling rules to fur products as well in which labels must be legible to a consumer, conspicuous, and in a location that is readily available to the consumer at the point of sale.

a. Deleting Label Size Requirements

AAFA supports the FTC proposal to remove the size requirement for labels. Again, this is a requirement that is unnecessary as it in no way influences the amount of or the way information is relayed to consumers. In one particular case, an AAFA member planned to market a small piece of jewelry which contained calf hair, and thus was subject to the Fur Rules, in the end the label – to the specifications of the size requirements – was larger than the product itself and distracted from the product.

b. Deleting Label Text Requirements

AAFA supports the elimination of sections 301.29 and 301.30 for the reasons stated by the FTC in that these requirements create substantial burdens, such as forcing marketers to use multiple labels to comply with FTC, state, and international fur regulations. The size of the font – as long as it is legible as we have established is necessary – or what order in which certain disclosures appear does not increase the effectiveness of the labels intent to communicate important information to consumers.

c. Revising Requirements for Labels for Items Sold in Pairs or Groups

AAFA supports the elimination of section 301.31. For products which would not be sold except in a pair, there is no reason to require labels on both items in the pair or require the items be attached at the time of purchase. This is particularly onerous in the case of footwear where, in almost all cases, footwear is sold in a pair, there is no benefit of having the label on both products and requiring the products to be attached is actually inconvenient to consumers who are unable to test out the product before purchasing. We are especially grateful to the FTC for allowing items sold in pairs, multi-product sets, or ensembles to be able to use only one label following the implementation of these rules.

D) Proposed Amendments Eliminating Unnecessary Provisions

AAFA supports the elimination of sections 301.19 (l) (1-7) and 301.28 as they are unnecessary and only serve to lengthen an already robust set of regulations. Even more so, we support and welcome the elimination of section 301.40 which requires manufacturers or importers to assign and disclose a lot number to furs. This information is not meaningful to consumers and, in full disclosure, many apparel and footwear companies either did not know this was a requirement under the Fur Act or did not know how to comply correctly.

This leads into a very important point we would like to make which does not exactly fit within the parameters of the Federal Register notice. As we discuss current rules, such as the label size, font size, disclosure order, and lot number, which have been deemed completely unnecessary by manufacturers, importers, retailers, consumers, and now the FTC itself, AAFA encourages the FTC to show leniency in the remaining time before the proposed amendments are implemented. The confusion surrounding these requirements has developed an environment in which companies want to be in compliance but are unable to decipher the requirements and are tentative to ask the FTC for clarification for fear of being found guilty of not meeting one of the requirements they are trying so desperately to understand. Compounding the issue further, the FTC has been reluctant to provide guidance or clarification on this issue for quite some time as the guidelines have been under internal FTC review.

On a final note, we once again encourage the FTC to work with organizations on the state level and internationally to harmonize requirements. With an increasingly globalized supply chain, it is important for companies to be able to comply with regulations in many different regions, and conflicting regulations continue to serve as a barrier to trade.

Overall, AAFA hopes to establish rules for fur labeling and for all apparel and footwear related marketing claims which provide valuable information to consumers while allowing for flexibility and growth within the industry. I hope we may be able to continue to work with the U.S. Government and specifically the FTC on these shared goals.

Thank you for your time and consideration in this matter. Please do not hesitate to contact AAFA if we can be of any help to you. Please feel free to contact me or Marie D'Avignon of my staff at <u>703-797-9038</u> or by e-mail at <u>mdavignon@wewear.org</u> if you have any questions or would like additional information.

Sincerely,

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Kevin M. Burke President & CEO American Apparel & Footwear Association