



September 13, 2016

Public Safety Branch  
Ministry of Government and Consumer Services  
56 Wellesley Street, 6th Floor  
Toronto, Ontario  
M5S 2S3

RE: Ontario's Upholstered and Stuffed Articles (USA) Regulation (O. Reg. 218/01)

On behalf of the American Apparel & Footwear Association (AAFA), I am submitting the following comments in response to the proposal on Ontario's Upholstered and Stuffed Articles Regulation (O. Reg. 218/01).

AAFA is the national trade association representing apparel, footwear, and other sewn products companies, and their suppliers, which compete in the global market. Representing more than 1,000 world famous name brands, our membership includes 340 companies, drawn from throughout the supply chain. AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its four million U.S. workers, and its contribution of more than \$360 billion in annual U.S. retail sales.

This consultation was in part prompted by recommendations made by AAFA and our sister association the Canadian Apparel Federation (CAF). In our [joint submission](#) to the Regulatory Cooperation Council in 2013 we argued for the alignment of Canadian bedding/stuffing regulations with those maintained by U.S. state governments. As a result we are happy to see constructive progress being made to reform this regulation.

- AAFA supports the reform/ modernization of the USA Regulation.
- Either of the two main proposals, namely the elimination of the regulation in its entirety or the exemption of apparel from the USA Regulation would satisfy the requirements of our members.
- In the event that the government chooses to narrow the scope of the regulation, we agree with the list of and exemptions identified in Table 2 on page 14 of the Consultation Paper.
- Further information in support of our position is contained in Attachment A.

Thank you for your time and consideration in this matter. Please note that we also support the recommendations being made by the Canadian Apparel Federation.

Please contact Danielle Iverson at 202.853.9350 or by email at [diverson@aafaglobal.org](mailto:diverson@aafaglobal.org) if you have any questions or would like additional information.

Sincerely,



Steve Lamar  
AAFA Executive Vice President

## **Attachment A**

### **Costs of compliance**

- It is our view that this regulation was intended to regulate business practices that no longer exist – namely the manufacture of apparel and other sewn products from used or unclean materials. This is simply not a relevant concern in 2016. This regulation serves no necessary purpose as it relates to apparel and other sewn products.
- The USA Regulation is an unnecessary burden on the industry. AAFA members manufacture products according to accepted industry standards. The regulations do not affect the processes in place in the factories which produce our goods – either in the U.S. or in other countries. The products sold in Ontario are made in precisely the same factories and according to the exact same standards that are used to manufacture for Europe and the U.S. market. The only difference is the requirement to pay to license factories with the Technical Standards and Safety Act (TSSA) and apply an extra label to the garments. Any auditing done by the TSSA has to do with the presence or absence of the USA label (and the required information) – not the cleanliness of the stuffing/padding or anything else that has a material impact on the product's safety.

### **Compliance Issues**

There are currently many negative impacts of this regulation on AAFA members:

- It imposes extra costs that are ultimately passed along to customers. These costs can be substantial, especially where factories produce relatively small runs of product for the Ontario market.
- Not only is there an out of pocket expense associated with registering each factory, but to ensure compliance throughout a dynamic supply chain requires significant time and effort, especially in instances where AAFA members are required to change offshore factories within season.
- On an ongoing basis, monitoring the correct TSSA registration numbers for third party factories is challenging. In some instances factories allow their registration to lapse and this is only discovered many months or even years later during audits by TSSA. This is particularly disruptive when these products are on the store shelf.

- Finally, AAFA members that sell primarily in the U.S. must adopt factory licensing and extra labelling if they want to sell in Ontario. This is challenging for small to medium sized businesses. Some simply refuse to sell in the province.

### **Options for reform/modernization**

- Either of the two main proposals, namely the elimination of the regulation in its entirety or the exemption of apparel from the USA Regulation would reduce compliance costs (costs which are passed along to consumers), allow them to operate more efficiently and ultimately allow us to focus our efforts on producing high quality apparel for our retail partners and our end-consumers.
- Repealing the USA Regulation or excluding apparel from the scope of the regulation would have no negative impact on the safety of our product. Our members would continue to manufacture these products in precisely the same fashion that they do today. We would continue to comply with all labeling, product disclosure and product safety requirements of different government departments/agencies. The only difference would be that we could to reduce our administrative costs and those products would have one less label attached to them.
- Given the minimal risks associated with these products, there is absolutely no downside to Health Canada being the sole regulator of these products for product safety in Canada. Apparel products would continue to be subject product safety (Canada Consumer Product Safety Act) and product disclosure (Textile Labelling Act, Competition Act) laws/regulations in Canada.
- Furthermore, the United States and Canada have made a commitment to harmonize regulations between the two countries, where feasible. The USA regulation is a non-tariff barrier to trade and has been identified as such by the United States (in the USTR compendium of barriers to trade) and the European Union.

cc': Bob Kirke, Executive Director, Canadian Apparel Federation

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