

Position paper on options for harmonisation of rules or regulatory cooperation in TTIP

Background

This paper outlines options for harmonisation of rules or regulatory cooperation in the context of the TTIP negotiations from the point of view of the branded clothing industry. We focus on labelling and product safety requirements.

Preface

Modern business practices normally involve the use of regional centralized distribution centres in the EU and U.S. to enable efficient distribution of products to all markets in each region. Product is labelled during manufacturing then held in inventory in the distribution centres until orders are placed against it from the various countries or states within the region. It is not known where a product will need to go until the orders are placed. The product therefore must be ready to sell in any country which orders, including with respect to labelling and languages.

Modern business practices also require the ability to transfer products between regions as market conditions dictate. If a product is not selling well in Europe, it should be possible to transfer that product to the U.S. and vice-versa ensuring that the product finds the best market. The product therefore must be ready to sell in either jurisdiction including with respect to labelling and languages.

TTIP should seek to enable efficient cross-regional trade by simplifying labelling requirements and languages, thereby reducing label length, waste, cost, and consumer confusion resulting from excessive amounts of information.

Specific issues

Animal Origin Disclosure: Currently the EU requires disclosure of animal content. The U.S. requires disclosure of faux leather and faux fur. Such statements require a great deal of space in labels especially when factoring in translations. From our point of view it would be sufficient that content labels in both the EU and the U.S. disclose the presence of real leather in the material content listing just like fibres such as polyester or cotton. This could read for example “cow leather” or “sheep leather” + % on a label. It both signals the presence of content of animal origin (indeed it even specifies the animal) and the absence of leather in the content label signals that all other materials are of non-animal origin. To enable consumers to know if even small amount of animal content are present, there should be no de minimis. Any amount of animal content should be disclosed.

Care symbol IP: Ginetex continues to enjoy exclusive IP rights to care labels and in some countries there continues to be a fee for using them which is often coupled with requirements to buy additional services, which may be unwanted or unnecessary. The cost will ultimately have to be borne by the customer. In the rest of the world, the care symbols are free. This should be universal.

Care symbols: The U.S. still does not recognize ISO EN care symbols despite very minor differences between the U.S. and EU care symbol systems. The result is that inter-regional labels must have two sets of care symbols on them. Further, the U.S. imposes a requirement to supply written words in addition to care symbols while the EU only requires written words in the event that a care symbol with the corresponding meaning does

not exist. Care symbols should be aligned on the basis of ISO standards. Such harmonisation between the two major economic blocks will demonstrate leadership and potentially encourage other jurisdictions in Asia which maintain their own care symbols to gravitate around the same set of care symbols used in the U.S. and EU.

Material content: The EU and U.S. each maintain their own fibre name conventions. Many of the fibre terms are common; however there are some differences which prevent the possibility of intra-regional labelling. Regulatory cooperation on new fibre names should be ensured and existing fibre names should be harmonised on the basis of ISO standards.

Languages: Ideally products should be capable of shipping anywhere in the U.S. and Europe. This necessitates, especially for Europe, the use of 27 languages. The high number of languages causes very long labels which are difficult for consumers to read and wasteful. Consumers cut them off. To enable the free trade and transfer of products within and between regions, it would be helpful to reduce the number of languages using risk-based criteria and language demographics to arrive at a reasonable set languages that the majority of citizens in the U.S. and EU will understand either as a first, second, or third language.

Chemical disclosure and warnings: Some U.S. States either have or are considering legislation that requires the disclosure of certain chemical substances on labels. The EU is considering implementing disclosure of allergens on labels. This increases substantially the difficulty, when factoring in language translations, of facilitating reasonably sized labels and inter-regional product transfers. Both sides should seek to reign in individual State and Member State disclosure requirements in favour of federal requirements which can be more easily harmonised between the two regions. Instead of a label, an e-platform to declare any chemical disclosure could be considered to facilitate consumer information without adding to labelling requirements.

Country of Origin: The U.S. and EU should harmonise their approach to country of origin labelling and in consideration of language translation requirements, both regions should adopt symbols to represent “made in” thereby reducing the length of labels. They should also consider reducing the language translations to a reasonable number as described above.

Flammability warnings: The U.S. and EU both require the use of flammability warnings for certain product types and materials. These must be presented in words. The regions should cooperate to develop a common pictogram to represent the phrase “keep away from fire” to avoid the need for language translations.

Exclusive of Decoration/Exclusive of elastic: The EU does not require an “exclusive of decoration/Exclusive of elastic” statement since the decoration and elastic bands on socks, boxers, or others is normally such a small percentage of a garment as to be inconsequential for the consumer. The U.S., in contrast, requires the statement in most circumstances. The statement at best doesn’t add meaningful information for the consumer and at worse, is not understood. Removing it would enable facilitate cross-regional labelling and reduce the burden of language translations in cross-regional commerce.

Recycled content: The U.S. allows recycled content designations in the material content listing. The EU only allows statements about recycled content to be distinctly separate from the content listing which increases label lengths. A better approach may be to allow recycled content to be indicated in the material content listing using symbols to avoid the need for translations.

Content labelling of component parts: In both regions, the material content of component parts must be called out separately. Thus a product made entirely of polyester would need to call out the body and lining separately even both are made of the same material. A better approach would be to allow for a single fibre callout when all components of the garment are made of one fibre.

Hangtags fibre disclosures: In the U.S., hangtags which highlight a particular fibre for marketing purposes, must either list the entire fibre content or contain a statement “see label” for the product’s full fibre content. This is unnecessary as consumers know the sewn-in labels contain the full fibre listing. Such statement would require translation in cross-regional trade adding further to label length.

Harmonisation of regulations and requirements on product safety and test methods

We strongly support the intention to harmonise technical regulations and approaches to guarantee product safety and consumer protection. Ideally, the EU and the U.S. should work to remove unnecessary and duplicative testing by expanding of acceptance of conformity assessment bodies and moving towards a single international standard test method.

Flammability: U.S. Consumer Product Safety Improvement Act (CPSIA) requires certification of adult garments which are otherwise exempt from testing on the basis of fibre type or weight. This is burdensome and doesn’t add value.

Flammability: Certain product types such as hats and gloves are exempt from flammability testing in the U.S., but not in Europe. Such products should be evaluated to determine whether they pose a risk and legislation should be harmonised pending the result.

Personal Protective Equipment: The EU is trending toward including ordinary products for private use under the PPE Directive. For example, daily wear products that provide a little UV protection or reflectivity may be regarded as PPE requiring extensive testing, certification and labelling. In the U.S., daily wear products which contain some marginally protective features do not require this. The EU should restrict PPE designations for serious work products for which the manufacturer intends and declares as PPE.

State/Member State variances: Certain U.S. States maintain product safety requirements which are out of step with U.S. Federal and/or EU requirements. These should be eliminated. Examples include:

- Requirements in the New York around draw cords at the waist that are shorter than any similar draw cord restrictions.
- Requirement in the County of Albany, NY and pending legislation in Minnesota that would completely ban certain chemicals substances without any de-minimis thresholds.
- Sweden maintains a “preference” that hoods on children’s outerwear be detachable which is neither shared by most other EU Member States nor by the U.S. This is not legislated, but carries a strong weight.

About us:

About AAFA

Representing more than 1,000 world famous name brands, the American Apparel & Footwear Association (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 \$361 billion in annual U.S. retail sales.

AAFA stands at the forefront as a leader of positive change for the apparel and footwear industry. With integrity and purpose, AAFA delivers a unified voice on key legislative and regulatory issues. AAFA enables a collaborative forum to promote best practices and innovation. AAFA's comprehensive work ensures the continued success and growth of the apparel and footwear industry, its suppliers, and its customers.

The **European Branded Clothing Alliance (EBCA)** is a coalition of European and global retail clothing brands. Between us we represent more than 60 brands and employ over 150,000 people in our European operations. Established in 2007, the Alliance provides the first collective and exclusive voice for retail clothing brands in Europe. Drawing upon a balanced and representative membership present in a range of EU Member States, the Alliance seeks to serve as a sounding board for EU policy-makers as they develop trade policy that seeks to balance the interests of all Europeans in an increasingly global environment. The Alliance showcases the contribution of clothing retailers to European competitiveness and employment, and seeks to ensure a more predictable business environment, a positive trade agenda, and a better deal for European consumers and businesses.

The **United States Fashion Industry Association (USFIA)** represents the fashion industry: textile and apparel brands, retailers, importers, and wholesalers based in the United States and doing business globally. Founded in 1989 as the United States Association of Importers of Textiles & Apparel with the goal of eliminating the global apparel quota system, USFIA now works to eliminate the tariff and non-tariff barriers that impede the industry's ability to trade freely and create economic opportunities in the U.S. and abroad. Headquartered in Washington, D.C., USFIA is the most respected voice for the fashion industry in front of the U.S. government as well as international governments and stakeholders. With constant, two-way communication, USFIA staff and counsel serve as the eyes and ears of our members in Washington and around the world, enabling them to stay ahead of the regulatory challenges of today and tomorrow. Through our publications, educational events, and networking opportunities, USFIA also connects with key stakeholders across the value chain including U.S. and international service providers, suppliers, and industry groups.