



24
R511915
33574530024

AMERICAN APPAREL MANUFACTURERS ASSOCIATION

March 1, 1999

Mr. Donald S. Clark
Secretary
Federal Trade Commission
Sixth and Pennsylvania Ave., NW
Washington, DC 20580

RE: Post Workshop Comment on Care Labeling

Dear Mr. Secretary:

In response to the Federal Trade Commission's (FTC) recent public workshop, which discussed two proposed amendments to the Care Labeling Rule, the American Apparel Manufacturers Association (AAMA) submits the following comments for the official record. AAMA is the national trade association of the domestic apparel industry. Its members produce about 85 percent of the clothing sold at wholesale in the United States and have operations in almost every state.

The FTC workshop held January 29, 1999 focused on two proposed amendments to the Care Labeling Rule:

- 1.) To require that an item that can be successfully cleaned by home washing be labeled with an instruction for home washing;
- 2.) To allow that a garment that can be professionally wet cleaned be labeled with instructions for professional wet cleaning.

AAMA welcomes the opportunity to address these issues and is happy to work in conjunction with the FTC to formalize a final Rule that will be beneficial to both manufacturers and consumers alike.

The Home Wash Proposal

The first proposed amendment to the Rule mandates a home wash instruction on all garments that can be successfully washed at home. Currently, manufacturers must include at least one care instruction on a permanent label. They can include more than one if they so desire. These instructions must be supported through tests or other means to establish a reasonable basis as to their accuracy. This system provides consumers with information they can use to care for clothing while providing manufacturers the flexibility to offer the best care instruction necessary to maintain the garment.

As we understand it, the proposed change would require manufacturers to include a home wash instruction – either instructions on how to care for a garment at home or a warning that a particular garment cannot be cared for at home -- in addition to any other instruction they feel will be necessary to reasonably preserve the garment.

AAMA believes the proposed amendment is not necessary and will simply add an unwarranted burden for manufacturers and cause harm and confusion to consumers.

Below we have enumerated some of our concerns with the proposed rule.

Burden to manufacturers:

- 1.) **The definition of “successful home washing” is yet to be established under the new mandatory home wash regime.** In fact, when the question was raised at the public workshop, FTC officials admitted there was no ready definition. While a definition may exist for a manufacturer establishing reasonable basis for a garment that is traditionally home washed, it is unclear if this definition also applies to a garment that is traditionally dry cleaned. Does such a garment have to pass an absolute or a comparative test when reasonable basis is established? For example, is a garment “successfully” home washed if it can withstand a certain number of home wash cycles, even though it can withstand a greater number of dry clean cycles? Similarly, a mandatory home wash standard suggests that a garment must fail every conceivable home care method before the label can warn against home care. We are concerned that manufacturers will be expected to establish a reasonable basis with a law that is not fully defined.
- 2.) **A potential increase of costs to manufacturers.** AAMA members have advised us of a number of potential costs associated with the rule, including additional testing, increased paperwork, lost production time, increased liabilities, and damaged garments. When we asked AAMA members if they could quantify these costs, there were unable to do so because they believe the proposal is somewhat open-ended in placing burdens on manufacturers. For example, one AAMA member company predicted that testing costs would at least double and was concerned that such costs could spiral out of control since no ready definition of “successful home washing” was available (and thus the number of tests that must be performed on a single garment is unknown). Because manufacturers often change style elements on basic garments (such as dyes, trim and findings), the number of tests needed to comply with the home washing Rule (and thus costs) would increase exponentially with each style change.
- 3.) **Loss of customers and revenue due to higher garment return rates.** Customers who home wash a garment that should ideally be dry cleaned may be extremely dissatisfied with home wash results, feeling that the garment was

poorly made. They will return it, not realizing the home wash instruction is simply a government requirement, not the recommended care. The garment makers, not the FTC, will feel the brunt of consumer anger at prematurely-worn out clothes.

Harm to consumers:

1.) **No clear evidence exists that consumers want new care label instructions.**

The Clorox Company did a commendable job in presenting their poll results. We believe, however, that the results were inconclusive as to consumer preference for a change in the current rule. For example, Clorox polled 1000 people, asking if they knew what “dry clean” instructions on garment meant and whether they had ever home washed anything labeled “dry clean”. The results:

- a.) 73 percent understood that a garment labeled “dry clean” needed special care. This suggests that 3 out of every 4 Americans – an impressive number – already understand the parameters of the current care labeling regime;
- b.) 49 percent reported home washing an item labeled “dry clean”. However, the poll did not ask them how many items they home washed, how often, or even if they had done so once and then never again. It simply asked if they ever had done it. The exclusion of these variables skews the outcome of the poll. For example, a person may have home washed a “dry clean” blouse once several years ago and not done so since – thus, her “yes” answer to the poll does not support the argument that home washing of “dry clean” garments is common.
- c.) Nearly 40 percent of those who engaged in a home wash experiment were not fully satisfied with the results. Moreover, more than half of the 1000 surveyed trusted the manufacturer’s recommended care and did not home wash a “dry clean” garment. The two numbers together – representing about 70 percent of the poll sample – seem to confirm the early finding that most consumers are familiar with the current system.

Furthermore, nine out of 10 respondents indicated they would prefer a home wash instruction if a garment “could” only indicate one instruction. We believe this information shows nothing more than a preference for home washable garments and not a preference for a change in the rule. First, there is currently no limit on the amount of instructions a garment can carry. The question may have been misunderstood by some respondents in suggesting that there is a one instruction limit. Second, the question suggests that dual care items will still have only one instruction, as opposed to a second home

wash instruction. In that regard, a more accurate question may have asked how the respondents would feel if the label “should also contain” a home wash instruction. Third, the question did not ask how the respondents would feel if the home wash instruction would yield inferior care to that contained in the dry clean instruction.

- 2.) **Increased costs to consumers.** Garments that can be home washed (but would last longer if dry cleaned) will wear out more quickly, forcing the consumer to replace the garment sooner and thus spending more money on clothes. Moreover, additional testing costs to manufacturers could be reflected in increased costs to consumers.
- 3.) **Loss of garment “satisfaction guaranteed” for consumers.** One apparel manufacturer currently carries a “performance-satisfaction guarantee” that it vows to revoke if the proposed amendment were to become part of the Rule. If manufacturers are not allowed to instruct only the best care for their garments, they will not subject themselves to any guarantee of those garments.
- 4.) **Consumers face more garment care choices today, and should be given the best care instructions possible.** The introduction of new technologies is changing the garment care industry. With new items such as “home dry cleaning products” (Procter and Gamble’s new “Dryel” is one example) and the new wet cleaning technology that is emerging, the FTC should hold off on any new labeling mandates until all consumer options are better understood.
- 5.) **The interaction of the care symbol regime and the new rule will confuse consumers.** The FTC promulgated new care symbols in order to simplify instructions by minimizing the use of words. If this proposed amendment becomes part of the Rule, consumers would see seemingly contradictory symbols on their care label. How should the garment be cleaned? Which symbol should they pay attention to? At a minimum, the introduction of a home wash mandate would force manufacturers to use distinguishing words, seemingly in contradiction to purpose of the symbology exercise.
- 6.) **Loss of assurance that the garment is being cared for correctly.** If consumers have more than one care method choice, they may not feel assured that they are caring for their garment in the best way. AAMA believes that consumers prefer to be given the *best* care instructions, not just the *possible* care instructions.
- 7.) **New effective definitions will not be transmitted to consumers, causing confusion.** The comfort level that consumers currently have with care label system will be disrupted because many definitions will be effectively changed without their knowledge. For example, the effective definition of a lone “Dry Clean” label will be changed to a “Dry Clean Only” designation.

There are serious indications that if this proposed amendment were promulgated, both manufacturers and consumers will be unnecessarily burdened. Thus, before this amendment can be reasonably considered, questions that the FTC must address are:

- a.) What is deemed “successful home washing” for dry clean garments? How the garment stands up after 10 washings (or 20 or 30)? Standards must be put into place if the Rule is to be amended.
- b.) How many versions of home washing must be tried to prove this method unacceptable for a garment that manufacturers, after years of experience, feel should be dry-cleaned?
- c.) How will the rule interact with the care symbols? Is there an order to the care symbols? Will manufacturers be required to interspace certain words with the symbols?
- d.) Does a home dry clean kit, such as Dryel, constitute a home wash instruction?
- e.) What other ways are there to expand consumer choice in cleaning garments that manufacturers can be comfortable recommending?

In general, we believe the current system has been widely accepted by both manufacturers and consumers and does not need further refinement. Although the proposal targets a relatively small number of garments in the marketplace – most garments already contain a home wash instruction or abide by the “Dry Clean Only” instruction, which implicitly warns not to home wash – it would have a significant impact on the segment of the market that currently contains no home wash instruction.

In fact, we believe that the market is already achieving much of what the rule would seek to accomplish. Consumers, operating in conjunction with retailers, have put a premium on home washable garments. There is a prevailing industry view – confirmed by studies such as the Clorox survey – which most consumers prefer to care for their garments at home. Home care is easier, cheaper, and, according to some experts, more environmentally friendly. As we noted during the workshop, manufacturers recognize these facts and, if circumstances permit, will produce and sell garments that can be cared for at home.

To a large extent, those garments that can be refurbished at home are already marketed as such. The clothing market is dominated by garments that are home washable. Moreover, many sweaters and silk blouses already contain dual labeling instructions to offer both home and professional care methods. In the market, we see evidence of garments that use terms such as “dry cleanable,” “for best results, dry clean,” or “or dry clean” following home wash instructions. Some manufacturers and retailers have made the strategic decision to offer garments that can be cleaned either at home or at professional establishments and have made the financial commitment to label with dual instructions.

Yet while consumers put a preference on home wash, they also, at times, put a preference on garments that should be professional cleaned. Unfortunately, there are some garments

and fabrics for which home washing is possible, but is not considered the best option for satisfactory garment care. Such garments usually carry a lone "Dry Clean" designation. Since the garment maker has not included a "Dry Clean Only" designation, it is not making a claim on home washing. Rather, with the lone "Dry Clean" instruction, it is only conveying information with respect to the dry clean method. It is with such garments in mind that we have focused our comments.

In addition, we would note that much of the discussion at the workshop focused on issues that will not be solved by the mandatory home wash rule. Several participants complained of garments that were labeled with a cold wash instruction when a warm or a hot wash instruction would clearly be appropriate. Others complained of garments using the "Dry Clean Only" statement, when the garment could be washed at home. We would note that the home wash rule would solve neither of these concerns. The former would already be covered by such a rule while the latter example is an issue of a problem with compliance of the existing rule.

In particular, much of the criticism seemed to focus on the phenomena of "underlabeling." As we noted in previous comments to the Commission, we agree that underlabeling is a problem but would suggest that a mandatory home wash instruction is not the best method to deal with this issue.

AAMA believes manufacturers must make the decision of which care instruction to put on a garment. Manufacturers recommend the best care possible for their garments because a satisfied customer is a repeat customer. AAMA believes that the promulgation of this amendment to the Care Label Rule will only harm consumers by denying them the recommendation they need to care for their garments properly. It will also harm manufacturers by placing upon them undue financial burdens because of increased testing costs and lost business revenue due to customer dissatisfaction and confusion.

The Wet Clean Proposal

The second proposed amendment to the Care Labeling Rule considers adding either an optional or mandatory wet clean instruction on garments that can be successfully wet cleaned. Currently an infant industry with no official definition or standards in place, wet cleaning is a promising, environmentally friendly technology that AAMA fully supports. However, the addition of any wet clean instruction on garments is believed premature by AAMA. It is not the responsibility of the garment makers to foster the wet clean industry, rather it is the responsibility of those in the professional care business and those who wish to educate the public on the issue. AAMA believes that holding garment makers responsible for the promotion of this industry is like putting the cart before the horse. When wet cleaning is an established method of care, then garment makers and the FTC can reasonably consider the issue of labeling requirements. Additionally, since there are no standards currently in place for wet cleaning, manufacturers cannot be expected to provide a reasonable basis for recommending this type of care.

To provide an example of how new the industry is and to illustrate how inappropriate it is at this time to promulgate a Rule on wet cleaning, AAMA conducted an informal poll of professional cleaning operations in the Northern Virginia area (see Attachment). Those contacted were asked if they knew of wet cleaning technology and if so, if they offered it. Of the 30 establishments contacted, less than half had heard of it and only 7 offered it. In fact, one employee of an establishment that offered it actually discouraged the telephoning AAMA staffer from using it because the employee claimed it does not ideally refurbish clothes.

In order to encourage and promote the wet cleaning industry, AAMA recommends that:

- 1.) Definitions and testing standards for wet cleaning technology be created;
- 2.) EPA and others undertake a public education campaign on the benefits of wet cleaning;
- 3.) The FTC continues to keep the official record on this subject open to the public indefinitely.
- 4.) The FTC delays any inclusion of a wet clean labeling rule until the industry establishes itself.

Summary

The FTC's public workshop on the proposed changes to the Care Labeling Rule provided insight into the needs of consumers but failed to fully explore the harm to manufacturers that could occur if the proposed amendments become part of the Rule. Burdens and harm to manufacturers translates into harm to consumers by increased prices, loss of "satisfaction guarantees" and ruined garments.

ATTACHMENT

Survey of No. Virginia Drycleaning Businesses

	<u>Wet Cleaning Service</u>	<u>Heard About?</u>
A-1 Arlington Clarendon Valet 3016 Wilson Boulevard, Arlington 522-1340	No	never heard
Adam's Square Cleaners 2417 Columbia Pike, Arlington 920-5436	No	never heard
Bergmann's 2147 Lee Highway, Arlington 247-7600	No	never heard
Best Cleaners 8655 Richmond Highway, Alexandria 360-6000	No	never heard
Blue Ribbon Cleaners 3684 King Street, Alexandria 998-5118	Yes	
Bridge Cleaners 1111 W. Broad Street, Falls Church 237-4221	No	never heard
Calvert Cleaners 3116 Mount Vernon Avenue, Alexandria 684-6727	No	never heard
Cameo Cleaners 8084 Rolling Road, Springfield 451-7269	No	never heard
Classic Cleaning Center 1225 W. Broad Street, Falls Church 534-4455	No	never heard
Classicleaners 8806-C Pear Tree Village Ct., Alexandria 360-0500	Yes	

(attachment con't)

Cleaners 2 U 435-2200	No	never heard
County Club Cleaners 2616 N. Pershing Drive, Arlington 527-0756	No	has heard
Duke Cleaners 4611 Duke Street, Alexandria 751-1223	Yes	
Edsall Custom Cleaners 5705 Edsall Road, Alexandria 370-3255	No	never heard
Enrico's Tailors & Cleaners 4754 N. Lee Highway, Arlington 527-7421	No	has heard
Fairfax Plaza Cleaners 9530 Arlington Boulevard, Fairfax 385-0011	No	has heard
Family Dry Cleaners 5021 Columbia Pike, Arlington 671-8989	Yes	
Hurt Cleaners 3301 Wilson Boulevard, Arlington 528-6164	No	has heard
Imperial Cleaners Fairfax 573-8989	Yes	
King Cleaners 803 King Street, Alexandria 683-5853	No	never heard
Krystal Cleaners 14031 Lee Jackson Mem. Hwy., Chantilly 266-9596	No	never heard

(attachment con't)

Magic Cleaner's of Springfield 6238-10 Rolling Road, Springfield 644-0533	No	never heard
Metro Cleaners 1700 N. Moore Street, Arlington 908-9535	No	never heard
New Members Cleaners 2440 Wilson Boulevard, Arlington 351-6593	No	never heard
Presto Valet 1623 N. Quaker Lane, Alexandria 998-6464	Yes	
Regency Cleaners University Mall, Fairfax 273-5153	No	never heard
Rose Hill Cleaners 6132 Rose Hill Drive, Alexandria 971-4321	No	never heard
Seminary Cleaners 4600 Kenmore Avenue, Alexandria 370-6400	No	has heard
Superior Cleaners 2845 Gallows Road, Falls Church 280-4303	No	never heard
Tysons Plaza Cleaners 8367 Leesburg Pike, Vienna 893-5458	Yes	
VIP Cleaners, Inc. 6112-R Arlington Boulevard, Falls Church 536-2826	No	never heard