



Friday
February 13, 1998

Part II

**Federal Trade
Commission**

**16 CFR Parts 1, 300, 301, and 303
Textile Fiber Products Identification Act,
the Wool Products Labeling Act, and the
Fur Products Labeling Act; Final Rule**

FEDERAL TRADE COMMISSION**16 CFR Parts 1, 300, 301, and 303****Rules and Regulations Under the Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act**

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: The Federal Trade Commission (Commission or FTC) amends the Rules and Regulations Under the Textile Fiber Products Identification Act (Textile Rules); the Rules and Regulations under the Wool Products Labeling Act (Wool Rules); the Rules and Regulations under the Fur Products Labeling Act (Fur Rules); and General Procedures, Subpart D, Administration of the Wool Products Labeling Act of 1939, Fur Products Labeling Act, and Textile Fiber Products Identification Act.

The Commission amends the Textile and Wool Rules to: Allow the listing of generic fiber names for fibers that have a functional significance and constitute less than 5% of the total fiber weight of covered products, without requiring disclosure of the functional significance of such fibers; eliminate the requirement that the front side of a label bear the words "Fiber Content on Reverse Side" when the fiber content disclosure is on the back of the label; streamline and simplify the requirements for placing information on labels; incorporate by reference the generic fiber names and definitions for manufactured fibers in International Organization for Standardization (ISO) Standard 2076: 1989, "Textiles—Man-made fibres—Generic names"; and modify the definitions of terms such as "mail order catalog," "mail order promotional material," and "invoice," to include those generated and disseminated electronically through the Internet or E-mail.

The Wool Rules have been modified to add examples of fiber labeling for articles made from the hair of certain cross-bred, wool-bearing animals. In addition, the Commission amends the Textile, Wool, and Fur Rules to specify that a Commission registered identification number (RN) will be subject to cancellation if, after a change in the material information contained on the RN application, a new application that reflects current business information is not promptly received by the Commission. The Commission amends the Fur Rules to increase the cost figure for exemption from the Rules from \$20 to \$150.

Finally, the Commission removes Subpart D from its General Procedures. **DATES:** The amended Rules are effective on March 16, 1998. The incorporation by reference of the ISO standard is approved by the Director of the Federal Register as of March 16, 1998.

ADDRESS: Requests for copies of the amended Rules should be sent to the Public Reference Branch, Room 130, Federal Trade Commission, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Edwin Rodriguez, Attorney, Division of Enforcement, Federal Trade Commission, Sixth St. & Pennsylvania Ave., NW, Washington, DC 20580 (202) 326-3147, or Bret S. Smart, Program Advisor, Los Angeles Regional Office, Federal Trade Commission, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024 (310) 824-4314.

SUPPLEMENTARY INFORMATION:**I. Background**

The Textile Fiber Products Identification Act (Textile Act), 15 U.S.C. 70, and the Wool Products Labeling Act (Wool Act), 15 U.S.C. 68, require marketers of covered textile and wool products to mark each product with: (1) The generic names and percentages by weight of the constituent fibers present in the product, in the order of predominance by weight; (2) the name under which the manufacturer or other responsible company does business or, in lieu thereof, the RN issued to the company by the Commission; and (3) the name of the country where the product was processed or manufactured. The Fur Products Labeling Act (Fur Act), 15 U.S.C. 69, requires marketers of covered fur products to mark each product to show: (1) the name of the animal that produced the fur; (2) that the fur product contains or is composed of used fur, when such is the fact; (3) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact; (4) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact; (5) the name under which the manufacturer or other responsible company does business or, in lieu thereof, the RN issued to the company by the Commission; and (6) the name of the country of origin of any imported furs used in the fur product. The Textile, Wool, and Fur Acts also contain advertising and recordkeeping provisions. Pursuant to section 7(c) of the Textile Act, 15 U.S.C. 70e(c); section 6(a) of the Wool Act, 15 U.S.C. 68d(a); and section 8(b) of the Fur Act, 15

U.S.C. 69f(b), the Commission has issued implementing regulations, the Textile Rules, 16 CFR Part 303; the Wool Rules, 16 CFR Part 300; and the Fur Rules, 16 CFR Part 301, respectively.

On February 12, 1996, the Commission published a Notice of Proposed Rulemaking requesting public comment on various possible amendments to the Textile Rules (Textile NPR) (61 FR 5340). On December 24, 1996, the Commission published two Notices of Proposed Rulemaking, requesting public comment on various possible amendments to the Wool Rules (Wool NPR) (61 FR 67739) and the Fur Rules (Fur NPR) (61 FR 67748). The 1996 NPRs followed a May 6, 1994 request for comments issued as part of the FTC's ongoing regulatory review program (59 FR 23645-46). In this notice, the Commission announces several amendments to the Textile, Wool, and Fur Rules, adopted as a result of those prior proceedings. The comments, described below, are on the public record and available for inspection during business hours in the Public Reference Branch, Room 130, Federal Trade Commission, Sixth St. and Pennsylvania Ave., N.W., Washington, DC 20580. The comments are cited in this notice by number and a shortened form of the name of the commenting party.

In response to the Textile NPR, 24 comments were filed by 23 parties, including manufacturers, trade associations, and governmental entities.¹ In response to the Wool NPR, nine comments were filed by eight trade associations and governmental entities, six of which had also responded to the

¹ The parties commenting on the Textile NPR are listed below, with the number assigned to each comment by the Office of the Secretary and a shortened form of the name used to cite to the comment hereafter: (1) The Polyester Council of America (PCA); (2) Association of Specialists in Cleaning and Restoration (ASCR); (3) American Fiber Manufacturers Association (AFMA); (4) Monsanto Company (Monsanto); (5) American Polyolefin Association, Inc. (APA); (6) National Association of Hosiery Manufacturers (NAHM); (7) J.C. Penney; (8) Ross & Hardies; (9) United States Association of Importers of Textiles and Apparel (USA-ITA); (10) Wrangler, Inc. (Wrangler); (11) Acrylic Council (Acrylic); (12) American Textile Manufacturers Institute (ATMI); (13) Fruit of the Loom; (14) Department of the Treasury, U.S. Customs Service (Customs); (15) Courtaulds Fibers, Inc. (Courtaulds); (16) Cotton Incorporated (Cotton); (17) American Apparel Manufacturers Association (AAMA); (18) Mexico, Subsecretaria de Negociaciones Comerciales Internacionales (Mexico); (19) Pillowtex Corporation (Pillowtex); (20) National Cotton Council of America (NCCA); (21) Courtaulds Fibers, Inc. (Courtaulds 2); (22) Pittsfield Weaving Company, Inc. (Pittsfield); (23) Industry Canada Consumer Products Directorate (Industry Canada); (24) Senator Strom Thurmond (Sen. Thurmond).

Textile NPR.² One comment was filed in response to the Fur NPR.³

II. Fiber Content Identification Labeling

A. Fibers Present in Amounts of Less Than 5%

Under the Textile and Wool Acts, a covered product is misbranded if it does not show on a stamp, tag, label or by other means the generic name and percentage of each fiber or combination of fibers present in the amount of 5% or more of the total fiber weight of the product.⁴ The Textile Act permits the use of a generic fiber name for a fiber present in an amount less than 5% only when the fiber has a clearly established and definite functional significance when present in the amount contained in the textile product.⁵ When such a fiber or combination of fibers does not have a functional significance, it must be identified as "other fiber" or "other fibers."⁶ Section 3 of the Textile Rules, 16 CFR 303.3, implements this provision of the Textile Act, also stating, in subsection (b), that when manufacturers or other parties wish to disclose the presence of such a fiber by generic or fiber trademark name, the fiber content disclosure must include the functional significance of the fiber

²The parties commenting on the Wool NPR are listed below, with the number assigned to the comment by the Office of the Secretary and a shortened form of the name used to cite to the comment hereafter: (1) American Fiber Manufacturers Association (AFMA); (2) The Wool Bureau, Inc. (Wool Bureau); (3) United States Association of Importers of Textiles and Apparel (USA-ITA); (4) and (4A) Northern Textile Association and Cashmere & Camel Hair Manufacturers Institute (NTA-CCMI); (5) American Textile Manufacturers Institute (ATMI); (6) Department of the Treasury, U.S. Customs Service (Customs); (7) American Apparel Manufacturers Association (AAMA); (8) Industry Canada Consumer Products Directorate (Industry Canada). (To distinguish between the Textile comments and the Wool comments, the term "wool" will be used with the comment number whenever the Wool comments are referenced.)

³(1) Fur Information Council of America (FICA).

⁴15 U.S.C. 70b(b)(1) & (2); 15 U.S.C. 68b(a)(2). The Textile Act exempts certain textile products, including the "outer coverings of furniture." 15 U.S.C. 70j(a)(2). The Wool Act exempts carpets and upholsteries. 15 U.S.C. 68j, ASCR (2), pp.1-3, recommended that the Textile Act be amended to require fiber content identification labeling for the cover fabric of textile upholstered furniture, in order to harmonize with Canada and to provide information to consumers and upholstery cleaners relevant to the selection, use, and care of such furniture. Because the exemption for furniture upholstery is statutory, the Commission cannot require fiber content labeling for upholstery. Of course, manufacturers and sellers that wish to provide fiber content information can do so voluntarily.

⁵The Wool Act requires disclosure of any amount of wool even if under 5%. It does not, however, allow fiber names for other textile fibers present in amounts of less than 5%.

⁶15 U.S.C. 70b(b)(1) & (2).

(for example, "4% spandex, for elasticity"). Section 3(b) of the Wool Rules, 16 CFR 300.3(b), contains a similar provision for non-wool fibers in a wool product. The Commission proposed amending both Rules to permit the use of generic fiber names for fibers that have a functional significance and are present in amounts less than 5%, without requiring disclosure of the functional significance.

Many comments supported the Commission's proposed amendment,⁷ stating that it would benefit both consumers and businesses by making labels shorter.⁸ Two comments in response to the Wool NPR opposed the amendment,⁹ asserting that it could result in consumer confusion and even deception as to the value of small amounts of certain fibers in a garment.¹⁰

The Commission has decided to amend the Textile and Wool Rules by deleting the requirement to disclose functional significance. Eliminating the requirement will benefit industry by shortening and simplifying labels. It will also eliminate the problem of imported products often being delayed at borders for relabeling because labels fail to disclose the functional significance of fibers present in amounts of less than 5%.¹¹ The amendment will not harm consumers, who often know the functional significance of fibers used in small amounts, such as spandex. Manufacturers may, of course, voluntarily disclose the functional significance of such fibers when the

⁷J.C. Penney (7) p.1; USA-ITA (9) p.2 and (3-wool) p.2; Wrangler (10) p.1; ATMI (12) p.1 and (5-wool) p.1; Fruit of the Loom (13) p.1; AAMA (17) p.1 and (7-wool) p.1; Mexico (18) p.1; NCC (20) p.1.

⁸J.C. Penney (7) p.3; AAMA (17) p.1.

⁹Wool Bureau (2-wool) pp.1-2; NTA-CCMI (4-wool) p.2.

¹⁰NTA-CCMI (4), p.2, provided an example of a garment labeled "78% wool, 20% nylon, 2% cashmere," also bearing a prominent sleeve tag stating only "Cashmere Blend." Such labeling, however, would appear to be a violation of § 300.8(d) which provides that "[w]here a generic name * * * is used on any label, whether required or nonrequired, a full and complete fiber content disclosure with percentages shall be made on such label * * *." It may also violate § 300.8(f) which states that "[n]o * * * generic name or word * * * shall be used on any label or elsewhere on the product in such a manner as to be false, deceptive, or misleading as to fiber content * * *." NTA-CCMI (4A), at p.2, advocates prohibition of the naming of specialty fibers, such as "cashmere" or "camel hair," when they are present in quantities of less than 5%. The Commission believes that this proposal would be contrary to the intent of the Wool Act, which requires disclosure of any amount of wool in a product.

¹¹Mexico (18) recommended at p.2 that the term "functional significance" be defined to avoid import/export access problems. A functionally significant fiber is a fiber that has an established quality or trait—such as strength or elasticity—when the presence of the fiber in a textile product imparts that same quality or trait to the product.

information would be beneficial to consumers.

A few comments also recommended that the Commission amend the Rules to allow the listing of names of non-wool fibers with no functional significance and present in amounts less than 5%.¹² Because the prohibition on naming these fibers is statutory, however, the Commission cannot adopt the suggested amendment. The Commission will consider whether to recommend that Congress amend the Textile and Wool Acts in this manner.¹³

The Wool Rules also have been amended to add a definition of the term "trimmings." Section 300.24 of the Rules (redesignated herein as § 300.23) refers to "trimmings," which, if they do not contain wool, are generally exempt from the fiber content disclosure requirement. Unlike the Textile Rules, however, the Wool Rules do not define the term. The lack of a definition has sometimes resulted in problems, such as the retention of imports at the border by Customs officials or the refusal of delivery of goods by retailers, pending a resolution of the meaning of the term "trimmings" with respect to products covered by the Wool Rules. This problem has been remedied by adding a definition to the Wool Rules (§ 300.1(k)) that is cross-referenced to the definition of "trimmings" contained in the Textile Rules. This cross-reference does not constitute a change in § 300.24 (redesignated as § 300.23); it merely codifies the advice that has consistently been given to industry by Commission staff.

B. "Fiber Content on Reverse Side" Disclosure Requirement

The Textile and Wool Rules require that, with certain exceptions, all three disclosures—fiber content, company name or RN, and country of origin—be

¹²NAHM (6) p.1; J.C. Penney (7) p.1; Fruit of the Loom (13) p.1. NAHM stated that because of technological advances, such as the production of "microfibers," fibers present in small amounts sometimes impart a "'hand' or feel to a product that are significant to the consumer." The Commission notes that fibers present in amounts less than 5% that impart special characteristics to a textile product may, in fact, have a functional significance enabling them to be listed on the label.

¹³Canada permits naming fibers that do not have a functional significance and are present in small amounts. Industry Canada (23) suggested, at p.2, that the proposed amendment to this section of the Rules would not harmonize with Canadian textile labeling regulations which state that "a fibre present in an amount less than 5% by mass must be stated by generic name or as 'other fibre'." The Commission notes that although the requirements of the two countries are not identical, manufacturers can easily comply with both by listing a fiber that is not functionally significant and present in an amount less than 5% as "other fiber."

made on the front of the label.¹⁴ A proviso to this requirement, however, states that the fiber content disclosure may be placed on the back of a cloth label—sewn to the product at one end so that both sides of the label are readily accessible to the prospective purchaser—“if the front side of such label clearly and conspicuously shows the wording ‘Fiber Content on Reverse Side.’” In the 1996 NPRs, the Commission proposed eliminating the “Fiber Content on Reverse Side” disclosure requirement.

Many comments supported the Commission’s proposal, noting that consumers are accustomed to looking on both sides of a double-sided label for information about a textile product, and that consumers would be protected as long as the fiber identification information is “conspicuous and accessible.”¹⁵ Some asserted that because the amendment would decrease the amount of information required on labels, it would reduce the size of labels and perhaps reduce the cost of labeling for manufacturers and the cost of textile products to consumers.¹⁶ In addition, the amendment would increase NAFTA harmonization by eliminating words that must be translated into French and Spanish to meet the requirements of Canada and Mexico.¹⁷ Industry Canada stated that “[t]he flexibility provided by the amendment would more closely align the US requirements with those of Canada.”¹⁸

The Commission has decided to amend the Textile and Wool Rules to eliminate the requirement that the front side of the label state “Fiber Content on Reverse Side” and to allow fiber content information to appear on the reverse side of any kind of label, not just cloth labels. The Rules further clarify that the required information may appear on the care label, required by the Commission’s Trade Regulation Rule on the Care Labeling of Textile Wearing Apparel and Certain Piece Goods, 16 CFR Part 423, a practice already common in the industry. The Commission believes that the amendment will allow manufacturers greater flexibility,

without diminishing the value of fiber information to consumers. Other streamlining amendments regarding the arrangement of information on the label will give added flexibility. Because all of the required disclosures must be conspicuous and accessible, there is little likelihood that the amendment will result in harm to consumers.¹⁹

C. Recognition of ISO Standard for Generic Fiber Names

Section 7(c) of the Textile Act, 15 U.S.C. 70e(c), authorizes and directs the Commission “to make such rules and regulations, including the establishment of generic names of manufactured fibers * * * as may be necessary and proper for administration and enforcement.” Section 7 of the Textile Rules, 16 CFR 303.7, sets out the generic names and definitions for manufactured fibers currently recognized by the Commission. (The Wool Rules, 16 CFR 300.8(b), cross reference § 7 of the Textile Rules for purposes of fiber identification.) If a company develops a new fiber and wishes to use a new generic name, the manufacturer or producer of the fiber must file a written application with the Commission, under procedures set forth in 16 CFR 303.8, requesting the establishment of a new generic name for the fiber. The Commission proposed amending the Textile Rules to allow the use of a generic name for a manufactured fiber, if the name and fiber were recognized by an appropriate international standards-setting organization, such as the ISO.

The comments supported the Commission’s proposed amendment, asserting that it could expedite the use of new fiber names on packaging and labeling, to the benefit of both manufacturers and consumers.²⁰ The comments also stated that the proposed amendment would continue to ensure that generic fiber names are used only

for fibers that are in fact innovations in fiber technology.²¹ Several comments supported Commission recognition of names recognized by the ISO for manufactured fibers.²² The comments also advocated that the Commission retain its own petition procedure for new manufactured fiber names.²³

The Commission has decided to amend the Textile Rules to incorporate by reference the generic fiber names and definitions for manufactured fibers in ISO Standard 2076: 1989, “Textiles—Man-made fibres—Generic names.”²⁴ Incorporating the ISO standard will increase international harmonization and benefit manufacturers. A manufacturer or other marketer of a fiber not listed in § 7 of the Textile Rules but recognized in ISO’s 1989 standard need not petition the Commission for recognition of the fiber name, but may simply use the ISO established name.²⁵ In addition, manufacturers may use ISO alternative fiber names for names currently recognized by the Commission. For example, “viscose,” a name recognized by ISO, may be used as an alternative generic fiber name for some forms of “rayon.”²⁶ “Elastane” may be used as an alternative to “spandex.”²⁷ As a result, manufacturers will have more flexibility in labeling products for both domestic and international sale.

The Commission believes that consumers will not be harmed by its recognition of the ISO standard. Although the immediate result may be a few new and unfamiliar names on textile labels, consumers will learn these fiber names quickly, just as they have learned the names of new fibers recognized by the Commission through its own petition process.²⁸ Because most

²¹ NAHM (6) p.3.

²² AFMA (3) p.5; J.C. Penney (7) p.6; Fruit of the Loom (13) p.4.

²³ AFMA (3) p.5.

²⁴ A revision of ISO 2076 is under consideration at this time. The Commission understands that the revised standard will not become effective until sometime next year. When the revised standard is finalized, the Commission will amend the Textile Rules to incorporate the new standard by reference.

²⁵ Ten fiber names not previously recognized by the Commission are listed in the 1989 ISO Standard. Recognition of new fiber names added by ISO in the future will not be automatic. However, the Commission may accommodate future changes in the ISO Standard by amending the Textile Rules to incorporate the new Standard without going through the petition process.

²⁶ USA-ITA (9) recommended, at p.8, that the name “viscose” be allowed.

²⁷ AFMA (3) p. 5 and (1-wool), p.5, stated that the name “elastane” is commonly used worldwide for this fiber.

²⁸ For example, last year the Commission recognized “lyocell” as a new subclass of rayon. 61 FR 16385 (April 15, 1996). More recently, the Commission recognized “elastoester” as a new generic fiber. 62 FR 28342 (May 23, 1997).

¹⁴ 16 CFR 303.16(b); 16 CFR 300.10(a).

¹⁵ J.C. Penney (7) pp.2-3; USA-ITA (9) p.5 and (3-wool) p.2; Wrangler (10) p.1; ATMI (12) pp.1-2 and (5-wool) p.2; Fruit of the Loom (13) p.1; AAMA (17) p.1 and (7-wool) p.2; NCC (20) p.1; Pittsfield (22) p.1; Industry Canada (23) p.2 and (8-wool) p.2; Wool Bureau (2-wool) p.2. NTA-CCMI (4) opposed the proposal, stating, at p. 3, that a “conspicuous and accessible” standard may be inadequate to protect consumers from deception.

¹⁶ J.C. Penney (7) p.2; Wrangler (10) p.1; ATMI (12) pp.1-2; Fruit of the Loom (13) p.1; AAMA (17) p.1 and (7-wool) p.2; Pittsfield (22) p.1.

¹⁷ AAMA (17) p.1 and (7-wool) p.2.

¹⁸ Industry Canada (23) p.2 and (8-wool) p.2.

¹⁹ Mexico (18) stated, at p.2, that in order to accord with Annex 311 of NAFTA and to avoid problems with Customs, the Commission should make it clear that “conspicuous and accessible” means that the label is capable of being easily seen with normal handling of the good. The Commission believes that section 303.16(b) of the Textile Rules, as amended herein, which requires the disclosures to be “set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the prospective purchaser,” is sufficiently clear. Similar language is contained in section 300.10(a) of the Wool Rules. Disclosures that cannot be easily seen with normal handling are not “conspicuous and readily accessible.”

²⁰ AFMA (3) p.5; NAHM (6) p.3; J.C. Penney (7) p.6; USA-ITA (9) p.8; ATMI (12) p.6; Fruit of the Loom (13) p.4; AAMA (17) p.2; NCC (20) p.1. Industry Canada (23) stated, at p.4, that the procedures in the proposed amendment “are consistent with those in Canada, and we would encourage their adoption.”

of the fibers recognized by the ISO but not previously recognized by the Commission are not widely used in consumer textile products, the number of new names appearing on consumer labels probably will be small. Of course, it will be in the interests of any manufacturer or distributor marketing fibers or fiber names that are new and unfamiliar to American consumers to provide some kind of consumer education about the nature and properties of the fiber or the fact that the name is the equivalent of a name already familiar to consumers.

The Commission will retain its own list of manufactured fiber names. This will enable manufacturers that use generic names recognized by the Commission, but not recognized by ISO, to continue to use those fiber names. The Commission will also retain its petition procedure to allow manufacturers to apply to the Commission for the recognition of new generic fiber names not recognized by ISO. The American Fiber Manufacturers Association²⁹ requested that the Commission consider shortening or expediting its petition process. The Commission recognizes that the petition process can be lengthy because fiber name petitions often raise difficult, technical issues. The Commission does not believe that any changes to its procedural Rules are necessary, but will endeavor to shorten the time for review of fiber name petitions that may be filed in the future. Moreover, in the future, the Commission recommends that manufacturers seeking recognition of new fiber names first seek recognition from the ISO. While FTC recognition of new fibers recognized by ISO in the future will not be automatic, it can be accomplished easily by amending the Textile Rules to incorporate the most recent ISO standard.

D. New Specialty Wool Fibers

Wool Act Section 2(b) defines wool as "the fiber from the fleece of the sheep or lamb or hair of the Angora or Cashmere goat (and may also include the so-called specialty fibers from the hair of the camel, alpaca, llama, and vicuna) * * *." The Wool Rules allow mohair or cashmere fiber to be identified as "wool" or by the terms "mohair" or "cashmere" respectively.³⁰

In the Wool NPR, the Commission noted that it had been informed that animals are being bred for new specialty fibers. For example, breeders have crossed female cashmere goats with angora males to produce an animal called a "cashgora."³¹ Apparently, products made with this fiber are already on the market. The Commission sought comment as to whether it should amend the Wool Rules to include other specialty fibers, such as "cashgora."

The Commission received only two comments on this question. The Northern Textile Association and the Cashmere & Camel Hair Manufacturers Institute, commenting jointly, opposed amendment of the Wool Rules to include specialty fibers other than "mohair" and "cashmere." They stated that the Institute has analyzed these animal hair fibers and concluded that the physical properties of "cashgora" have not been sufficiently described or delineated to warrant inclusion as a specialty fiber under the Wool Rules.³² No comments were filed by industry members involved in the cross breeding of goats or the production and marketing of products made with the resultant fibers.

Canada noted that although its regulations do not recognize "cashgora" as a generic fiber name, it has issued administrative interpretations permitting the identification of fiber obtained from this cross-bred goat as "Cashgora hair," "Cashgora fibre," "fur fibre," or "wool". Similarly, Canada permits identification of fiber from the paco-vicuna (a cross-breed between the alpaca and the vicuna) as "Paco-vicuna hair," "Paco-vicuna fibre," "fur fibre," or "wool".³³ To further the goal of label harmonization, the Commission has decided to follow the Canadian approach. Section 300.8(g) of the Wool Rules states:

The term *fur fiber* may be used to describe the hair or fur fiber or mixtures thereof of any animal or animals other than the sheep, lamb, Angora goat, Cashmere goat, camel, alpaca, llama and vicuna. If the name, symbol, or depiction of any animal producing the hair or fur fiber is used on the stamp, tag, label, or other means of identification applied or affixed to the wool product, the percentage by weight of such hair or fur fiber in the total fiber weight of the wool product shall be separately stated in the required fiber content disclosure.

The Commission believes that this section of the Wool Rules already permits the identification of hair or fiber obtained from animals that are the result

of cross-breeding between two wool-producing animals. Relevant examples have been added to those already listed at the end of this section.

E. Abbreviations for Generic Fiber Names

In the 1996 Textile and Wool NPRs, the Commission sought comment on a proposal to allow abbreviations for some common fiber names. While a number of industry members supported the idea, others opposed it as potentially confusing to consumers. Moreover, there was a lack of consensus as to which fiber names should be abbreviated and what abbreviations would be clear and appropriate. Most importantly, however, neither Canada nor Mexico allow abbreviations of fiber names;³⁴ nor do these governments foresee that fiber abbreviations will be feasible in the near future. Because there would be little benefit to U.S. textile producers if abbreviations were not allowed by all of the NAFTA trading partners, the Commission is not amending the rules to allow fiber abbreviations at this time. The Commission will re-examine this issue if, in the future, the Subcommittee on Labelling of Textile and Apparel Goods of the NAFTA Committee on Standards-Related Measures determines that abbreviations are feasible in all of the NAFTA countries.

III. Identification Numbers of Manufacturers or Other Responsible Parties

A. Interchangeable Use of RNs among NAFTA Countries

The Textile, Wool, and Fur Acts require that covered products bear a stamp, tag, or label showing the name, or other identification issued and registered by the Commission, of the manufacturer of the product or one or more persons subject to the Acts.³⁵ Pursuant to its Rules, the Commission issues registered numbers (RN) to qualified applicants residing in the United States.³⁶ Canada has a similar system of "CA" numbers. Mexico does not at this time have a system of registered numbers for members of the textile industry. Mexico issues tax numbers to identify manufacturers and sellers of all products; however, this system was created for a different purpose and is not comparable to the RN and CA identification systems.

²⁹ AFMA (3) p.5 and (1-wool) p.6.

³⁰ Section 19(a) of the Wool Rules, 16 CFR 300.19(a), states: "In setting forth the required fiber content of a product containing hair of the Angora goat known as mohair or containing hair or fleece of the Cashmere goat known as cashmere, the term 'mohair' or 'cashmere,' respectively, may be used for such fiber in lieu of the word 'wool,' provided the respective percentage of each such fiber designated as 'mohair' or 'cashmere' is given."

³¹ See P. Tortora, *Understanding Textiles*, Fourth Edition at 106-107 (1992).

³² NTA-CMMI (4-wool) p.4.

³³ Industry Canada (8-wool) p.4.

³⁴ Industry Canada (23) p.3 and (8-wool) p. 3; Mexico (18) p.3.

³⁵ 15 U.S.C. 70b(b)(3); 15 U.S.C. 68b(a)(2)(C); 15 U.S.C. 69b(2)(E).

³⁶ 16 CFR 303.20; 16 CFR 300.4; 16 CFR 301.26.

In the 1996 NPRs, the Commission sought comment on the advantages, disadvantages, and feasibility of sharing registered number databases among the NAFTA countries, or simply recognizing numbers registered in another NAFTA country, so that manufacturers and importers who wish to use registered numbers, instead of their names, would not have to register in more than one country. The Commission did not propose specific amendments to its Rules because statutory amendments would be needed before it could do so.

Many of the comments supported sharing registered identification information among the NAFTA countries because it would reduce administrative burdens and costs,³⁷ possibly resulting in savings to consumers.³⁸ The comments also asserted that sharing information could result in smaller labels, by eliminating multiple numbers, and ease the tracking of responsible parties across borders.³⁹ Some noted that sharing information is feasible in light of communications technologies now available, such as the Internet.⁴⁰

The Commission believes that an integrated identification information system or, alternatively, mutually recognized identification systems, is a desirable goal for the future. It will pursue discussion of this issue with the NAFTA trading partners through the Subcommittee on Labelling of Textile and Apparel Goods. If appropriate in the future, it will recommend to Congress that the Textile, Wool, and Fur Acts be amended to allow for implementation of such a system.

B. Require RN Holders to Update Registration Information

RNs are subject to cancellation whenever they are procured or used improperly or contrary to the requirements of the Acts and Rules, or when otherwise deemed necessary in the public interest. The RN application form states that RN holders are obligated to notify the Commission about changes in the material information contained on the application. Nonetheless, many RN holders have changed their business

name, business address, and/or company type (e.g., from proprietorship to corporation) without notifying the FTC about the change(s). As a result, the RN database currently contains much outdated information, which diminishes its utility to the public. For this reason, the Commission proposed amending the three Rules to add a provision that would subject an RN to cancellation if, after a change in the material information contained on the RN application, a new application reflecting current business information is not promptly received by the Commission.

The comments generally supported the Commission's proposal,⁴¹ and the Commission has determined to incorporate this provision in the three Rules. The Commission believes that this provision is necessary to ensure the continuing utility of the RN database. In addition to containing outdated addresses, the RN database contains numerous entries for firms that are no longer in business.

The RN database is now available at the FTC's web site on the Internet.⁴² Firms are urged to look up this service to check whether the information concerning their RN is current, and, if necessary, submit an update. The form to apply for an RN or to update an existing RN also is available on the Internet. The revised form appears in the Textile Rules at § 303.20(d). It has been removed from the Wool and Fur Rules, with the relevant sections cross-referenced to the Textile Rules.

IV. Country of Origin Labeling

A. Consistency Between FTC and U.S. Customs Service Requirements

The Textile and Wool Acts require identification of the country where the product was processed or manufactured.⁴³ In the Textile NPR, the Commission noted a possible inconsistency between FTC requirements and U.S. Customs Service rulings, effective on July 1, 1996, implementing Section 334 of the

Uruguay Round Agreements Act (URAA).⁴⁴ Section 33(a)(3) of the Textile Rules and § 25a(a)(3) of the Wool Rules state that a textile product "made in the United States, either in whole or part of imported materials shall contain a label disclosing these facts; for example: 'Made in USA of imported fabric.'" The URAA, on the other hand, provides that the country of origin for certain categories of textile products—flat goods, such as sheets, towels, comforters, handkerchiefs, scarves, and napkins—is the country in which the fabric is created, not the country where further processing of the fabric takes place.⁴⁵ Customs has incorporated this "fabric rule" into its rulings implementing the general labeling requirements of Section 304 of the Tariff Act.⁴⁶ For the affected products, a country of origin statement that identifies fabric as "imported," but does not name the country in which the fabric was created—such as, "Made in U.S.A. of imported fabric"—will not satisfy Customs' labeling requirements resulting from the new textile origin rules under the URAA.

Country of origin disclosures must comply with the requirements of both FTC and Customs laws and regulations. Since the Textile NPR was published, Commission staff has met with Customs staff, as well as industry representatives, and any apparent inconsistency has now been resolved. A U.S. manufacturer can comply with both requirements by identifying the country of origin of the imported fabric and the fact that the ultimate product was made in the U.S. For example, a scarf of Chinese silk that is cut, dyed, and hemmed in the U.S. could be labeled: "Scarf made in USA of fabric made in China." This label provides consumers with accurate information on the origin of the product, as required by the Textile Act. It also identifies the origin of the fabric, consistent with the new URAA origin rules.⁴⁷ Sections 33 of the Textile Rules

⁴⁴ 19 U.S.C. 3592.

⁴⁵ Customs (14) p. 2-3. The textile product categories for which the country of origin is the country in which the fabric is created are listed at 19 U.S.C. 3592(b)(2)(A) and 19 CFR 102.21(c)(3)(ii). 19 CFR 102.21(e) sets out specific rules for each tariff classification.

⁴⁶ Customs (14) stated, at p.3, that "the origin rules set forth in section 334 * * * govern the origin determinations for purposes of the labeling requirements under 19 U.S.C. 1304 for textile and apparel products." The Tariff Act requires that every article of foreign origin imported into the United States must be marked to indicate to an ultimate purchaser the English name of the country of origin of the article.

⁴⁷ The labeling requirements under the Tariff Act, 19 U.S.C. 1304, apply only to imported articles of foreign origin; in this case, only the fabric (not the scarf itself) is imported and remains of foreign origin under the new URAA textile origin rules.

³⁷ NAHM (6) p.2; J.C. Penney (7) p.2, 4; USA-ITA (9) pp.6-7 and (3-wool), pp.3-4; Wrangler (10) p.1; ATMI (12) p.2 and (5-wool) pp.2-3; Fruit of the Loom (13) p.2; AAMA (17) p.2 and (7-wool) p.2; NCC (20) p.1; Pittsfield (22) p.2. On the other hand, the Fur Information Council (FICA) (1-fur), responding to the Fur Rules NPR, stated that it believes the current system is adequate and there is no need to develop an integrated system.

³⁸ Fruit of the Loom (13) p.2; Pittsfield (22) p.2.

³⁹ J.C. Penney (7) p.4; ATMI (12) p.2; Fruit of the Loom (13) p.2.

⁴⁰ J.C. Penney (7) p.2, 4.

⁴¹ NAHM (6) p.2; J.C. Penney (7) p.2; USA-ITA (9) p.7 and (3-wool) p.4. One comment objected to the cancellation provision as too drastic. The Commission notes, however, that adverse consequences following a cancellation would be minimal. The canceled number would not be reassigned for some extended period of time, and could be reinstated when the firm furnishes the required updated information.

⁴² The Commission's web site address is <http://www.ftc.gov>. Industry Canada has made CA numbers available on its web site at <http://strategis.ic.gc.ca/cpd>.

⁴³ 15 U.S.C. 70b(b)(4) & (5); 15 U.S.C. 68b(a)(2)(D). The Fur Act generally requires that country of origin be identified only for imported furs. 15 U.S.C. 69b(2)(F). Regulations implementing these requirements are found at 16 CFR 303.33; 16 CFR 300.25a; and 16 CFR 301.12.

and 25a (now redesignated as section 25) of the Wool Rules have been amended to add clarifying examples.⁴⁸ Rulings issued by Customs regarding country of origin marking pursuant to the URAA indicate that Customs will permit disclosures that comply with the Textile Act, including the requirement to identify the processing and manufacturing of textiles that takes place in the United States.⁴⁹

B. Use of Abbreviations and Symbols in Country of Origin Labeling

The Textile, Wool, and Fur Rules permit the use of abbreviations that "unmistakably indicate the name of a country," such as "Gt. Britain" for "Great Britain."⁵⁰ The abbreviation "USA" for "United States" is acceptable and used throughout the examples given for country of origin disclosures. In the 1996 NPRs, the Commission sought comment on the use of abbreviations for its NAFTA trading partners, such as "CAN" for "Canada" and "MEX" for "Mexico." The Commission also sought comment on the viability, benefits, and costs of allowing the use of symbols for the phrases "made in" or "product of" in country of origin disclosures.

Comments addressing this issue generally supported the use of abbreviations to identify the NAFTA countries.⁵¹ Some specifically supported the use of "CAN" and "MEX,"⁵² and no alternative abbreviations for these

countries were suggested. The Commission believes that, as country of origin designations, "CAN" and "MEX" clearly indicate "Canada" and "Mexico." It notes, however, that at present U.S. Customs rulings do not permit these abbreviations.⁵³ If in the future, Customs regulations are changed to permit these abbreviations, the Commission will add "CAN" and "MEX" to its Textile, Wool, and Fur Rules as examples of acceptable country abbreviations.

A few comments supported allowing the use of symbols for the phrases "made in" or "product of" in country of origin labeling.⁵⁴ Others opposed the use of symbols,⁵⁵ or considered them unnecessary.⁵⁶ Customs noted that in general its regulations do not require "made in" or "product of" to appear before the name of the country of origin. The exception to this occurs when the name of a country or place other than the actual country of origin also appears on an imported article or its container. In this instance, the words "made in" or "product of," or other words of similar meaning, are required to prevent purchasers from being misled as to the origin of the product.⁵⁷ When that requirement is triggered, the use of a symbol to denote "made in" or "product of" would not satisfy Customs marking requirements.⁵⁸

The Textile, Wool, and Fur Rules do not strictly require use of the words "made in" or "product of." In those instances where more than one country is mentioned on a label, as in the examples discussed in section IV.A. above, such words (or words describing more specifically the processing done in a particular country) are probably necessary to convey the required information to the consumer. Where only one country is named on the label, such words may not be needed. In that instance, the use of a symbol, such as a flag, next to the name of a country may

be adequate to inform the consumer of the origin of the product.⁵⁹

V. Placement of Label and Disclosures; Label Attachment

For a textile product with a neck, the Textile and Wool Acts,⁶⁰ as well as the Textile and Wool Rules, 16 CFR 303.15(b) and 300.5(b), require that a label be affixed to the inside center of the neck midway between the shoulder seams.⁶¹ Both Rules allow for some flexibility by permitting a label containing the country of origin, fiber content, and RN or name of the company to appear in another conspicuous location on the inside or the outside of the garment, if the country of origin also is disclosed on a label affixed to the inside center of the neck or in close proximity. In this event, the country of origin would appear twice on the product. One comment recommended that the Rules be amended to eliminate this redundancy.⁶²

The Commission has decided to adopt the suggested amendment and to streamline and simplify the label placement requirements. The three required disclosures may appear either on the same label or on separate labels. In a garment with a neck, the country of origin must continue to appear on the front side of a label in the neck, midway between the shoulder seams or in close proximity thereto. This requirement fulfills the Congressional intent of providing a standard and prominent location for the country of origin. If the fiber content and manufacturer identification appear on labels located somewhere other than the neck, however, the country of origin no longer has to be repeated on the additional label or labels. In addition, the fiber content and the name or RN of the responsible company may appear on the reverse side of a label. All disclosures must be clear, conspicuous and readily accessible to the consumer. Thus, the Commission is substituting a performance standard for the formerly somewhat rigid requirements about the placement of information on textile labels.

⁵⁹ Customs (14) p. 6 and (6-wool) p. 3 states that this disclosure would satisfy its marking requirements.

⁶⁰ 15 U.S.C. 70b(j); 15 U.S.C. 68b(f).

⁶¹ ATMI (12) requested, at p. 4, that the Rules not require the label to be placed in the neckline because consumers often complain about irritation from labels. Because the requirement is statutory, the Commission cannot amend the Rules in this regard. The amendments to the Rules, however, clarify that the only disclosure required to be placed in the neck is the country of origin of the product.

⁶² J.C. Penney (7) p. 2.

⁴⁸ Sections 303.33(a)(3) and 300.25(a)(3) also have been amended to correct a misplaced comma that may have caused confusion by distorting the meaning of these provisions.

⁴⁹ Customs has approved the following country of origin markings that identify the processing or manufacturing in the United States in addition to the country of origin of the fabric: "Comforter Made in China Further Processed in U.S." and "Comforter Made in China Sewn in the U.S." (HQ 559625, Jan. 19, 1996); "Comforter Filled, Sewn and Finished in the U.S. With Shell Made in China" (HQ 559627, June 27, 1996); "Made in China Sewn and Stuffed in the U.S." and "Sewn and Stuffed in the U.S./ Made in China" (HQ 559736, Apr. 11, 1996). For handkerchiefs and bandannas made in the United States from imported greige goods, Customs has ruled that "Fabric Made in [name of country]/ Finished in USA" is an acceptable marking (HQ 559760, July 19, 1996). Customs stated in the same ruling that the use of additional references to U.S. processing, such as "Manufactured in USA from Fabric Made in [name of country]" is a matter within the jurisdiction of the FTC.

⁵⁰ 16 CFR 303.33(e); 16 CFR 300.25a(e); 16 CFR 301.12(e)(1).

⁵¹ NAHM (6) p. 2; J.C. Penney (7) p. 2; USA-ITA (9) p. 7-8 and (3-wool) p. 5; Fruit of the Loom (13) p. 3; AAMA (17) p. 2 and (7-wool) p. 1; Pittsfield (22) p. 2-3. Abbreviations for country of origin were opposed by Wrangler (10) p. 2 and ATMI (12) p. 5 and (5-wool), p. 2. Mexico (18) stated, at p. 3, that "[t]he current Mexican Textile Standard, NOM 004-SCFI-1994, does not allow the use of abbreviations for country of origin names."

⁵² Fruit of the Loom (13) p. 3; AAMA (17) pp. 2-3 and (7-wool) p. 1; USA-ITA (9) pp. 7-8 and (3-wool) p. 5.

⁵³ Customs (14) p. 5, citing C.S.D. 80-52 (July 23, 1979); C.S.D. 89-57 (Dec. 27, 1988); T.D. 56545 (4) (Oct. 21, 1965); and *Continental Mexican Rubber Co. v. United States*, Abstract No. 39882, 1 CCR 489 (Nov. 17, 1938). (The abbreviation "Mex" may be used to indicate Mexico as the country of origin only if it is used in conjunction with the name of the Mexican city and state in which the good originates.) Customs also noted that, pursuant to 19 U.S.C. 1625, any interested party may request reconsideration of these rulings.

⁵⁴ NAHM (6) p. 2-3; Fruit of the Loom (13) p. 3; Pittsfield (22) p. 2-3.

⁵⁵ Wrangler (10) p. 2; ATMI (12) p. 5 and (5-wool) p. 2; AAMA (17) p. 3 and (7-wool) p. 2.

⁵⁶ USA-ITA (9) p. 8 and (3-wool) p. 5.

⁵⁷ Customs (14) p. 6 and (6-wool) p. 3. The special requirements for such products are found at 19 CFR 134.46 (amended by TD-72) and 134.47.

⁵⁸ Customs (14) p. 7-8 and (6-wool) p. 3.

The Textile, Wool, and Fur Rules do not require permanent labels for the disclosures mandated by the Textile, Wool, and Fur Acts. They merely require that the label be sufficiently durable to remain affixed to the product until purchased by the consumer. The Textile and Wool NPRs sought comment on whether those Rules should be amended to require a permanent label.

Some comments supported requiring a permanent label for these disclosures because:

(1) Fiber content information is often necessary for post point-of-purchase reasons, such as determining the proper care method to be used, the recycling of textile products, and identifying fiber allergies; (2) a permanent country of origin label might make it more difficult to illegally relabel and trans-ship textile goods; and (3) permanent manufacturer identification information would help consumers in the event of a product defect or a product recall.⁶³ Other comments opposed amending the Rules to require a permanent label, stating that the Rules have worked well to date without such a requirement and that textile fiber product construction considerations may prevent the use of permanent labels for some products.⁶⁴

The Commission has decided not to amend these Rules to require a permanent label for the disclosures required by the Textile, Wool and Fur Acts. Permanent labels are already widely used to make the required disclosures. U.S. Customs notes that its laws require country of origin labels to be permanently affixed to imported articles of wearing apparel.⁶⁵ Because of the Customs requirement, many manufacturers sew in labels with the information required by the Commission's Rules.⁶⁶ In addition, many manufacturers elect to place fiber information on the permanent care label that must be affixed to textile apparel products.⁶⁷ Because U.S. Customs requirements and voluntary industry practice often provide consumers with the benefits of a permanent label, the Commission has decided not to impose any additional requirement at this time. In considering proposed changes to its Care Labeling Rule, however, the Commission will consider requiring

fiber identification on permanent labels for textile items with certain kinds of care instructions.⁶⁸ This could be accomplished easily by placing the fiber identification on the permanent care label, as many garment manufacturers already are doing.

VI. Internet Promotions and Electronic Transactions

Definitions of "mail order catalog" and "mail order promotional material" in the Textile and Wool Rules have been modified to recognize that such direct sales materials are now being disseminated on the Internet. Therefore, the statutory requirement that country of origin be disclosed in catalogs also applies to catalogs appearing on the Internet. Section 303.40 of the Textile Rules, addressing use of terms in written advertisements that imply the presence of a particular fiber, has been modified to include advertisements disseminated through the Internet or similar electronic media. Finally, definition of the term "invoice," used throughout the Textile and Wool Rules, has been revised to recognize that these documents may now be generated and disseminated electronically.

VII. Increase in Cost Figure for Exemption Under the Fur Rules

The Fur Rules, 16 CFR 301.39, provide for an exemption from some of the requirements of the Fur Act and Rules for fur trim or other fur items for which the cost to the manufacturer, or the manufacturer's selling price, does not exceed \$20. Because this amount was last adjusted for inflation in 1969, the Fur NPR sought comment on an appropriate increase to this amount. The Fur Information Council of America, the only party to comment on the Fur Rules, urged that the amount be raised to \$145, to account both for inflation and for the increasing cost of fur due to increase in demand.⁶⁹

The Commission has determined to raise the exemption figure to \$150. Given the increases in fur prices since 1969, as pointed out by the Fur Information Council, it appears that this amount would ensure that only items substantially made of fur would be subject to the Fur Rules.

VIII. Administration of the Textile, Wool, and Fur Rules

Subpart D of the Commission's procedural rules, 16 CFR 1, sets forth procedures with respect to requesting

RNs and filing continuing guaranties⁷⁰ with the Commission. Because these provisions merely duplicate information already contained in the Textile, Wool, and Fur Rules, the Commission is removing Subpart D from the CFR.

IX. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-12, requires that the agency conduct an analysis of the anticipated economic impact of the proposed amendments on small businesses.⁷¹ The purpose of a regulatory flexibility analysis is to ensure that the agency considers impact on small entities and examines alternatives that could achieve the regulatory purpose while minimizing burdens on small entities. Section 605 of the RFA, 5 U.S.C. 605, provides, however, that such an analysis is not required if the agency head certifies that the regulatory action will not have a significant economic impact on a substantial number of small entities.

Because the Textile, Wool, and Fur Acts, and the three sets of regulations issued thereunder, cover the manufacture, sale, offering for sale, and distribution of textile, wool, and fur products, respectively, the Commission believes that any amendments to the Textile, Wool, and Fur Rules may affect a substantial number of small businesses. Unpublished data prepared by the U.S. Census Bureau under contract to the Small Business Administration (SBA) show that there are many apparel manufacturers, covered by the Wool and/or Textile Rules, that are considered to be small businesses under applicable SBA size standards.⁷² For example, there are 288 manufacturers of men's and boys' suits and coats (SIC Code 2311), more than 75% of which are small businesses. There are 488 manufacturers of men's and boys' shirts (SIC Code 2321), 75% of which are small businesses. More than 1,000 establishments manufacture women's, misses', and juniors' suits, skirts, and coats (SIC Code 2337), most

⁷⁰ A continuing guaranty is a guaranty from a seller to a buyer that textile, wool, or fur products that it sells are labeled in compliance with the relevant statute and regulations. 16 CFR 303.37-303.38; 16 CFR 300.33; and 16 CFR 301.48. A continuing guaranty can be filed with the FTC in the form that appears in the Textile Rules, § 303.38(b); the form has been removed from the Wool and Fur Rules, which are simply cross-referenced to the Textile Rules.

⁷¹ The RFA addresses the impact of rules on "small entities," defined as "small businesses," "small governmental entities," and "small [not-for-profit] organizations." 5 U.S.C. 601. The Textile, Wool, and Fur Rules do not apply to the latter two types of entities.

⁷² SBA's revised small business size standards are published at 13 CFR Part 121 (1997).

⁶³ ATMI (12) p. 2, 4 and (5-wool) p. 4; Fruit of the Loom (13) p. 3-4; Pittsfield (22) p. 1-2; NTA-CCMI (4) p. 3.

⁶⁴ USA-ITA (9) p. 5 and (3-wool) pp. 2-3; AAMA (17) p. 2 and (7-wool) p. 3; Industry Canada (23) p. 3 and (8-wool) p. 4.

⁶⁵ Customs (14) p. 2 and (6-wool) pp. 1-2.

⁶⁶ USA-ITA (9) p. 5 and (3-wool) pp. 2-3.

⁶⁷ Trade Regulation Rule on Care Labeling of Textile Wearing Apparel and Certain Piece Goods, 16 CFR 423.1(a).

⁶⁸ An Advance Notice of Proposed Rulemaking on the Care Labeling Rule was published in 60 FR 67102 (Dec. 28, 1995).

⁶⁹ FICA (1-fur) p. 2.

of which are small businesses. More than 1,400 establishments manufacture women's shirts and blouses (SIC Code 2331), about 95% of which are small businesses. There are 181 establishments manufacturing fur goods (SIC Code 2371), all of which are small businesses. Other small businesses are involved in the distribution and sale of products subject to one or more of these rules.

In the 1996 NPRs, the Commission stated its preliminary conclusion that the proposed amendments would not have a significant economic impact upon such entities. Comments received during the 1994 regulatory review of the Textile, Wool, and Fur Rules indicated that the current costs of complying with the Rules and their enabling statutes are minimal. Comments received in response to the 1996 NPRs indicated that the proposed amendments would not increase costs and might result in some small savings to the industry.

Elimination of required disclosures of: (1) Functional significance of named fibers present in less than 5% of product weight and (2) "Fiber Content on Reverse Side," in the Textile and Wool Rules, do not place any additional burdens or costs on manufacturers or sellers. By reducing the size of labels and enabling more efficient labeling of products traded within NAFTA countries, these amendments likely will result in slight cost reduction. Similarly, eliminating the repetition of country of origin and the streamlining of label placement requirements also may reduce the size of labels and simplify labeling requirements, resulting in slight cost savings. The incorporation into the Textile Rules of ISO Standard 2076: 1989, "Textiles—Man-made fibres—Generic names" will benefit manufacturers and sellers by increasing international harmonization. It will obviate the need for some petitions to the Commission to recognize additional generic fiber names, resulting in some cost savings to both government and industry.

Amending the Textile, Wool, and Fur Rules to clarify that an RN is subject to cancellation if, after a change in the material information contained on the RN application, a new application reflecting current business information is not promptly received by the Commission, is a clarifying provision that does not impose new obligations on businesses. Furthermore, while Commission cancellation of an identification number would require a business to re-apply, this may be done simply by submitting the identifying information already called for in the Rules. Therefore, the amendments will

not impose any significant economic costs on industry members.

The addition to the Textile and Wool Rules of clarifying examples of country of origin disclosures that comply with both Commission and Customs law is not a substantive amendment to the Rules. It merely provides guidance as to how firms affected by both sets of regulations, including recent Customs regulations adopted pursuant to section 334 of the URAA, can easily craft disclosures to comply with both.

The increase from \$20 to \$150 of the cost figure exempting certain fur products from some requirements of the Fur Rules constitutes an inflationary and market adjustment that will slightly reduce compliance costs and burdens for members of this industry. The change, while likely important to some firms, is not expected to have a significant impact on the fur industry.

Finally, amendment of the Textile and Wool Rules to recognize that promotions and transactions can take place by means of computers does not impose significant economic costs on the industry. It merely updates the Rules to reflect the fact that printed materials, such as catalogs and invoices, can now be generated and transmitted electronically.

On the basis of available information, the Commission certifies that the amendments to the Textile, Wool, and Fur Rules, announced herein, will not have a significant economic impact on a substantial number of small businesses. Therefore, a final regulatory flexibility analysis is not necessary or appropriate.

X. Paperwork Reduction Act

The Textile, Wool, and Fur Rules contain various collection of information requirements for which the Commission has obtained clearance under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501 *et seq.*, Office of Management and Budget (OMB) Control Numbers 3084-1010, 3084-0100, 3084-0099. These requirements relate to the accurate disclosure of material information about textile, wool, and fur products, including fiber or fur content and country of origin. The Rules also require manufacturers and other marketers of covered products to maintain records that support claims on labels. Most of the disclosure requirements and all of the recordkeeping requirements are specifically mandated by the Textile, Wool, and Fur Acts. See 15 U.S.C. 70b, 70d; 15 U.S.C. 68b, 68d; 15 U.S.C. 69b, 69f, respectively.

The Commission has also obtained OMB clearance for: (1) Petitions under

the Textile Rules requesting the establishment of generic names for textile fibers; (2) petitions under the Wool Rules concerning whether or not representations of the fiber content of a class of articles are commonly made, or whether or not the textile content of certain products is insignificant or inconsequential; and (3) petitions for an exemption under the Fur Act. A Notice soliciting public comments on extending these clearances through December 31, 1999, was published in the **Federal Register** last year. 61 FR 43764, 43766-67 (Aug. 26, 1996).

The amendments adopted herein will lower the paperwork burden associated with the current Rules. Eliminating certain disclosures (the functional significance of named fibers present in small amounts; the words "Fiber Content on Reverse Side;" and the repetition of the country of origin on certain kinds of labels) from the Textile and Wool Rules will allow for greater flexibility in labeling and will reduce labeling burdens. The incorporation into the Textile Rules of ISO Standard 2076: 1989, "Textiles—Man-made fibres—Generic names" will reduce labeling burdens by increasing international harmonization. In addition, it will obviate the need for some petitions to the Commission to recognize additional generic fiber names, thus lowering paperwork burdens.

The amendments to the Textile, Wool, and Fur Rules regarding the cancellation of RN numbers does not impose a paperwork burden on holders of RNs. The Rules, at 16 CFR 303.20, 16 CFR 300.4, and 16 CFR 301.26, already require companies to notify the FTC about changes in business names, addresses, company type, etc. The current proposal merely adds the element of cancellation by the Commission if these requirements are not met. Neither the initial filing procedures nor the requirement to update the information are new and therefore, no "burden" is imposed.

More importantly, the underlying certification itself does not meet the definition of "information" contained in the PRA. In implementing the Paperwork Reduction Act of 1995, OMB attempted to clarify the exemption for "certifications" in both the Notice of Proposed Rulemaking, 60 FR 30438, 30439 (June 8, 1995), and the Final Rule, 61 FR 44978, 44979 (Aug. 9, 1995) ("the exemption applies when the certification is used to identify an individual in a 'routine, non-intrusive, non-burdensome way'."). This language reflects current guidance in OMB/OIRA's Information Collection Review Handbook (1989), which discusses

exempt categories of inquiry (5 CFR 1320.3(h)(1)-(10)) that are not deemed to constitute "information." Certifications, as well as other forms of acknowledgments, comprise one of these categories.⁷³ Such inquiries are considered to be routine because response to the requests rarely requires examination of records, usually does not require consideration about the correct answer, and usually is provided on a form supplied by the government. See OMB/OIRA Handbook, p. 29. Accordingly, OMB's regulations exempt certifications from the clearance requirement, provided that no information need be reported beyond certain basic identifying information.⁷⁴

List of Subjects in 16 CFR Parts 1, 300, 301, and 303

Furs, Incorporation by reference, Labeling, Textile fiber products identification, Trade practices, Wool products.

For the reasons set forth above, the Commission amends 16 CFR Part 1, 16 CFR Part 300, 16 CFR Part 301, and 16 CFR Part 303, as follows:

PART 1—GENERAL PROCEDURES

1. The authority citation for Part 1 continues to read as follows:

Authority: Sec. 6, 38 Stat. 721 (15 U.S.C. 46), unless otherwise noted.

Subpart D (§§ 1.31-1.34) [Removed]

2. Subpart D—Administration of the Wool Products Labeling Act of 1939, Fur Products Labeling Act, and Textile Fiber Products Identification Act, containing §§ 1.31, 1.32, 1.33, and 1.34, is removed.

PART 300—RULES AND REGULATIONS UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

1. The authority citation for Part 300 continues to read as follows:

Authority: 15 U.S.C. 68 *et seq.* and 15 U.S.C. 70 *et seq.*

2. Section 300.1 is amended by revising paragraph (h) and adding paragraphs (j) and (k) to read as follows:

⁷³ Specifically, the first category consists of: "affidavits, oaths, affirmations, certifications, receipts, changes of address, consents, or acknowledgments." 5 CFR 1320(h)(1).

⁷⁴ The information required on an RN application includes only the following: name of applicant firm, address of applicant, type of company, type of business, products, certification that the listed products are subject to the Textile, Wool, or Fur Acts, the name and title of the person completing the application, and the date. The form also includes spaces to enter, at the option of the applicant, telephone and fax numbers, web site address, and E-mail address.

§ 300.1 Terms defined.

* * * * *

(h) The terms *mail order catalog* and *mail order promotional material* mean any materials, used in the direct sale or direct offering for sale of wool products, that are disseminated to ultimate consumers in print or by electronic means, other than by broadcast, and that solicit ultimate consumers to purchase such wool products by mail, telephone, electronic mail, or some other method without examining the actual product purchased.

* * * * *

(j) The terms *invoice* and *invoice or other paper* have the meaning set forth in § 303.1(h) of this chapter.

(k) The term *trimmings* has the meaning set forth in § 303.12 of this chapter.

3. Section 300.3(b) is revised to read as follows:

§ 300.3 Required label information.

* * * * *

(b) In disclosing the constituent fibers in information required by the Act and regulations in this part or in any non-required information, no fiber present in the amount of less than 5 percent shall be designated by its generic name or fiber trademark but shall be designated as "other fiber," except that the percentage of wool or recycled wool shall always be stated, in accordance with section 4(a)(2)(A) of the Act. When more than one of such fibers, other than wool or recycled wool, are present in amounts of less than 5 percent, they shall be designated in the aggregate as "other fibers." Provided, however, that nothing in this section shall prevent the disclosure of any fiber present in the product which has a clearly established and definite functional significance when present in the amount stated, as for example:

"98% wool
2% nylon."

4. In § 300.4, the section heading and paragraphs (c) and (e) are revised to read as follows, and the form following paragraph (e) is removed:

§ 300.4 Registered identification numbers.

* * * * *

(c) Registered identification numbers shall be used only by the person or firm to whom they are issued, and such numbers are not transferable or assignable. Registered identification numbers shall be subject to cancellation whenever any such number was procured or has been used improperly or contrary to the requirements of the Acts administered by the Federal Trade Commission, and regulations in this

part, or when otherwise deemed necessary in the public interest. Registered identification numbers shall be subject to cancellation if the Commission fails to receive prompt notification of any change in name, business address, or legal business status of a person or firm to whom a registered identification number has been assigned, by application duly executed in the form set out in paragraph (e) of this section, reflecting the current name, business address, and legal business status of the person or firm.

* * * * *

(e) The form to apply for a registered identification number or to update information pertaining to an existing number is found in § 303.20(d) of this Chapter. The form is available upon request from the Commission's Los Angeles Regional Office, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024, or on the Internet at <http://www.ftc.gov>.

5. Section 300.5(b) is revised to read as follows:

§ 300.5 Required label and method of affixing.

* * * * *

(b) Each wool product with a neck must have a label disclosing the country of origin affixed to the inside center of the neck midway between the shoulder seams or in close proximity to another label affixed to the inside center of the neck. The fiber content and RN or name of the company may be disclosed on the same label as the country of origin or on another conspicuous and readily accessible label or labels on the inside or outside of the garment. On all other wool products, the required information shall be disclosed on a conspicuous and readily accessible label or labels on the inside or outside of the product. The country of origin disclosure must always appear on the front side of the label. Other required information may appear either on the front side or the reverse side of a label, provided that the information is conspicuous and readily accessible.

* * * * *

6. The last sentence of section 300.8(g) is revised to read as follows:

§ 300.8 Use of fiber trademark and generic names.

* * * * *

(g) * * * The following are examples of fiber content disclosures under this paragraph:

- 60% Wool
- 40% Fur Fiber
- or
- 60% Wool

30% Fur Fiber
 10% Angora Rabbit
 or
 100% Cashgora Hair
 or
 100% Paco-Vicuna Hair

7. Section 300.10 is revised to read as follows:

§ 300.10 Disclosure of information on labels.

(a) Subject to the provisions of § 300.5(b), the required information may appear on any label or labels attached to the product, including the care label required by 16 CFR Part 423, provided all the pertinent requirements of the Act and regulations in this part are met and so long as the combination of required information and non-required information is not misleading. All parts of the required information shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the prospective purchaser. All parts of the required fiber content information shall appear in type or lettering of equal size and conspicuousness.

(b) Subject to the provisions of § 300.8, any non-required information or representations placed on the product shall not minimize, detract from, or conflict with required information and shall not be false, deceptive, or misleading.

§ 300.21 [Removed]

§§ 300.22 through 300.25b [Redesignated as §§ 300.21 through 300.25a]

8. Section 300.21 is removed, and §§ 300.22, 300.23, 300.24, 300.25, 300.25a, and 300.25b are redesignated as 300.21, 300.22, 300.23, 300.24, 300.25, and 300.25a, respectively.

9. Newly redesignated § 300.25 is amended by revising paragraphs (a)(3), (a)(4) introductory text, and (a)(4)(i) to read as follows:

§ 300.25 Country where wool products are processed or manufactured.

(a) * * *
 (3) Each wool product made in the United States, either in whole or in part of imported materials, shall contain a label disclosing these facts; for example: "Made in USA of imported fabric"

or
 "Knitted in USA of imported yarn" and

(4) Each wool product partially manufactured in a foreign country and partially manufactured in the United States shall contain on a label the following information:

(i) The manufacturing process in the foreign country and in the USA; for example:

"Imported cloth, finished in USA"

or
 "Sewn in USA of imported components"
 or
 "Made in (foreign country), finished in USA"
 or
 "Scarf made in USA of fabric made in China"
 or
 "Comforter Filled, Sewn and Finished in the U.S. With Shell Made in China"

* * * * *

10. Section 300.33(b) is revised to read as follows, and the form following paragraph (b) is removed:

§ 300.33 Continuing guaranty filed with Federal Trade Commission.

* * * * *

(b) The prescribed form for a continuing guaranty is found in § 303.38(b) of this chapter. The form is available on request from the Federal Trade Commission's Los Angeles Regional Office, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024.

* * * * *

PART 301—RULES AND REGULATIONS UNDER THE FUR PRODUCTS LABELING ACT

1. The authority citation for Part 301 continues to read as follows:

Authority: 15 U.S.C. 69 *et seq.*

2. In § 301.26, the section heading and paragraphs (b)(2) and (d) are revised to read as follows, and the form following paragraph (d) is removed:

§ 301.26 Registered identification numbers.

* * * * *

(b)(1) * * *

(2) Registered identification numbers shall be subject to cancellation if the Federal Trade Commission fails to receive prompt notification of any change in name, business address, or legal business status of a person or firm to whom a registered identification number has been assigned, by application duly executed in the form set out in paragraph (d) of this section, reflecting the current name, business address, and legal business status of the person or firm.

* * * * *

(d) The form to apply for a registered identification number or to update information pertaining to an existing number is found in § 303.20(d) of this chapter. The form is available upon request from the Commission's Los Angeles Regional Office, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024, or on the Internet at <http://www.ftc.gov>.

3. In § 301.39, the first sentence of paragraph (a) and paragraph (c) are revised to read as follows:

§ 301.39 Exempted fur products.

(a) If the cost of any fur trim or other manufactured fur or furs contained in a fur product, exclusive of any costs incident to its incorporation therein, does not exceed one hundred fifty dollars (\$150) to the manufacturer of the finished fur product, or if a manufacturer's selling price of a fur product does not exceed one hundred fifty dollars (\$150), and the provisions of paragraphs (b) and (c) of this section are met, the fur product shall be exempted from the requirements of the Act and regulations in this part; provided, however, that if the fur product is made of or contains any used fur, or if the fur product itself is or purports to be the whole skin of an animal with the head, ears, paws and tail, such as a choker or scarf, the fur product is to be labeled, invoiced and advertised in accordance with the requirements of the Act and regulations in this part, regardless of the cost of the fur used in the fur product or the manufacturer's selling price. * * *

* * * * *

(c) If a fur product is exempt under this section and the manufacturer's selling price exceeds one hundred fifty dollars (\$150), the manufacturer's or wholesaler's invoice shall carry information indicating such fur product is exempt from the provisions of the Act and regulations in this part; as for example: "FPL EXEMPT."

4. The heading of § 301.48 and paragraph (a)(3) are revised to read as follows, and the form following paragraph (a)(3) is removed:

§ 301.48 Continuing guaranty filed with Federal Trade Commission.

* * * * *

(a)(3) The prescribed form for a continuing guaranty is found in § 303.38(b) of this chapter. The form is available on request from the Federal Trade Commission's Los Angeles Regional Office, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024.

* * * * *

PART 303—RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

1. The authority citation for Part 303 continues to read as follows:

Authority: 15 U.S.C. 70 *et seq.*

2. Footnote 1 of Part 303 is removed.

3. In § 303.1, paragraphs (h) and (u) are revised to read as follows:

§ 303.1 Terms defined.

* * * * *

(h) The terms *invoice* and *invoice or other paper* mean an account, order, memorandum, list, or catalog, which is issued to a purchaser, consignee, bailee, correspondent, agent, or any other person, in writing or in some other form capable of being read and preserved in a tangible form, in connection with the marketing or handling of any textile fiber product transported or delivered to such person.

* * * * *

(u) The terms *mail order catalog* and *mail order promotional material* mean any materials, used in the direct sale or direct offering for sale of textile products, that are disseminated to ultimate consumers in print or by electronic means, other than by broadcast, and that solicit ultimate consumers to purchase such textile products by mail, telephone, electronic mail, or some other method without examining the actual product purchased.

4. Section 303.3 is revised to read as follows:

§ 303.3 Fibers present in amounts of less than 5 percent.

(a) Except as permitted in sections 4(b)(1) and 4(b)(2) of the Act, as amended, no fiber present in the amount of less than 5 percent of the total fiber weight shall be designated by its generic name or fiber trademark in disclosing the constituent fibers in required information, but shall be designated as "other fiber." When more than one of such fibers are present in a product, they shall be designated in the aggregate as "other fibers." Provided, however, that nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance when present in the amount contained in such product, as for example:

- 96 percent Acetate
- 4 percent Spandex.

(b) In making such disclosure, all of the provisions of the Act and regulations in this part setting forth the manner and form of disclosure of fiber content information, including the provisions of §§ 303.17 and 303.41 of this part relating to the use of generic names and fiber trademarks, shall be applicable.

5. Section 303.7 is amended by revising the introductory text to read as follows:

§ 303.7 Generic names and definitions for manufactured fibers.

Pursuant to the provisions of section 7(c) of the Act, the Commission hereby

establishes the generic names for manufactured fibers, together with their respective definitions, set forth in this section and the generic names for manufactured fibers, together with their respective definitions, set forth in International Organization for Standardization (ISO) Standard 2076: 1989, "Textiles—Man-made fibres—Generic names." This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from the American National Standards Institute, 11 West 42nd St., 13th floor, New York, N.Y. 10036. Copies may be inspected at the Federal Trade Commission, room 130, 6th St. & Pennsylvania Ave., NW, Washington, DC, or at the Office of the Federal Register, 800 North Capitol St., NW, Suite 700, Washington, DC.

* * * * *

6. Section 303.8(a) introductory text is revised to read as follows:

§ 303.8 Procedure for establishing generic names for manufactured fibers.

(a) Prior to the marketing or handling of a manufactured fiber for which no generic name has been established or otherwise recognized by the Commission, the manufacturer or producer thereof shall file a written application with the Commission, requesting the establishment of a generic name for such fiber, stating therein:

* * * * *

7. Section 303.15(b) is revised to read as follows:

§ 303.15 Required label and method of affixing.

* * * * *

(b) Each textile fiber product with a neck must have a label disclosing the country of origin affixed to the inside center of the neck midway between the shoulder seams or in close proximity to another label affixed to the inside center of the neck. The fiber content and RN or name of the company may be disclosed on the same label as the country of origin or on another conspicuous and readily accessible label or labels on the inside or outside of the garment. On all other textile products, the required information shall be disclosed on a conspicuous and readily accessible label or labels on the inside or outside of the product. The country of origin disclosure must always appear on the front side of the label. Other required information may appear either on the front side or the reverse side of a label, provided that the information is conspicuous and readily accessible.

* * * * *

8. In § 303.16, paragraphs (a) introductory text, (a)(1), (b), and (c) are revised to read as follows:

§ 303.16 Arrangement and disclosure of information on labels.

(a) Subject to the provisions of § 303.15(b), information required by the Act and regulations in this Part may appear on any label or labels attached to the textile fiber product, including the care label required by 16 CFR Part 423, provided all the pertinent requirements of the Act and regulations in this Part are met and so long as the combination of required information and non-required information is not misleading. The required information shall include the following:

(1) The generic names and percentages by weight of the constituent fibers present in the textile fiber product, excluding permissive ornamentation, in amounts of 5 percent or more and any fibers disclosed in accordance with § 303.3(a) shall appear in order of predominance by weight with any percentage of fiber or fibers required to be designated as "other fiber" or "other fibers" appearing last.

* * * * *

(b) All parts of the required information shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the prospective purchaser. All parts of the fiber content information shall appear in type or lettering of equal size and conspicuousness.

(c) Subject to the provisions of § 303.17, any non-required information or representations placed on the product shall not minimize, detract from, or conflict with required information and shall not be false, deceptive, or misleading.

* * * * *

9. Section 303.20 is amended by adding paragraph (b)(3) and revising paragraph (d) to read as follows:

§ 303.20 Registered identification numbers.

* * * * *

(b)(1) * * *

(3) Registered identification numbers shall be subject to cancellation if the Commission fails to receive prompt notification of any change in name, business address, or legal business status of a person or firm to whom a registered identification number has been assigned, by application duly executed in the form set out in paragraph (d) of this section, reflecting the current name, business address, and legal business status of the person or firm.

* * * * *

(d) Form to apply for a registered identification number or to update information pertaining to an existing number (the form is available upon request from the Commission's Los Angeles Regional Office, 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024, or on the Internet at <http://www.ftc.gov>):

BILLING CODE 6750-01-P

APPLICATION FOR A REGISTERED IDENTIFICATION NUMBER ("RN")

DO NOT WRITE IN THIS SPACE

RN: _____

DATE ISSUED: _____

UPDATED: _____

BY: _____

1. PURPOSE OF APPLICATION. *(Both new applicants and update applicants must complete all entries on this form.)*

APPLY FOR NEW RN

UPDATE INFORMATION ON AN EXISTING RN. ENTER EXISTING RN NUMBER _____

2. LEGAL NAME OF APPLICANT FIRM _____

3. NAME UNDER WHICH APPLICANT DOES BUSINESS, IF DIFFERENT FROM LEGAL NAME _____

4. TYPE OF COMPANY. *(If "OTHER" is checked, please state the type of company.)*

PROPRIETORSHIP

PARTNERSHIP

CORPORATION

OTHER _____

5. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS *(Include zip code. Address must be the actual location where business is conducted in the US. An additional mailing address or PO box address may also be listed, if desired.)*

OPTIONAL INFORMATION

TELEPHONE NUMBER:

FAX NUMBER:

E-MAIL ADDRESS:

6. TYPE OF BUSINESS *(Put an 'X' in all the boxes that apply)*

MANUFACTURING

IMPORTING

WHOLESALE

INTERNET URL ADDRESS:

OTHER *(Please specify)* _____

7. LIST PRODUCTS *(To qualify for an RN, a company must be engaged in the importation, manufacturing, selling or other marketing of at least one product line subject to the Textile, Wool, or Fur Act.)*

8. CERTIFICATION

The products listed in item seven (7) above are subject to one or more of the following Acts: The Textile Fiber Products Identification Act (15 U.S.C. §§ 70-70k), The Wool Products Labeling Act (15 U.S.C. §§ 68-68j), or the Fur Products Labeling Act (15 U.S.C. §§ 69-69k). By filing this form with the Federal Trade Commission, the company named above applies for a registered identification number to use on labels required by these Acts.

Under penalty of perjury, I certify that the information supplied on this form is true and correct.

SIGNATURE OF PROPRIETOR, PARTNER, OR CORPORATE OFFICIAL

9. NAME *(Please print or type)*

10. TITLE

11. DATE

INSTRUCTIONS

Regulations under the Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act provide that any USA company that is a manufacturer or marketer of fiber or fur products may, in lieu of the name under which it does business, be identified by its RN on labels required by these statutes.

In completing this application, please observe the following:

(a) All blanks must be filled in (except for optional information). Type or legibly print the required information.

(b) Item 8 must contain the original signature of a responsible company official.

(c) Send or fax one completed, signed copy to:
Federal Trade Commission
Los Angeles Regional Office
10877 Wilshire Blvd., Suite 700
Los Angeles, CA 90024-4341

Fax Number: (310) 824-4380

RNs are subject to cancellation if the holder fails to promptly submit an updated FTC Form 31 upon any change(s) in its legal name (box #2), type of company information (box #4), or business address (box #5).

FTC Form 31 (rev. 11/97)

10. In § 303.33, the section heading and paragraphs (a)(3), (a)(4) introductory text, and (a)(4)(i) are revised to read as follows:

§ 303.33 Country where textile fiber products are processed or manufactured.

(a) * * *

(3) Each textile fiber product made in the United States, either in whole or in part of imported materials, shall contain a label disclosing these facts; for example:

Made in USA of imported fabric

or

Knitted in USA of imported yarn

and

(4) Each textile fiber product partially manufactured in a foreign country and partially manufactured in the United States shall contain on a label the following information:

(i) The manufacturing process in the foreign country and in the USA; for example:

Imported cloth, finished in USA

or

Sewn in USA of imported components

or

Made in (foreign country), finished in USA

or

Scarf made in USA of fabric made in China

or

Comforter Filled, Sewn and Finished in the U.S. With Shell Made in China'

* * * * *

11. Section 303.38(b) is revised to read as follows:

§ 303.38 Continuing guaranty filed with Federal Trade Commission.

* * * * *

(b) Prescribed form for a continuing guaranty:

BILLING CODE 6750-01-P

CONTINUING GUARANTY

1. LEGAL NAME OF GUARANTOR FIRM

2. NAME UNDER WHICH GUARANTOR FIRM DOES BUSINESS, IF DIFFERENT FROM LEGAL NAME

3. TYPE OF COMPANY

PROPRIETORSHIP PARTNERSHIP CORPORATION

4. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (Include Zip Code)

OPTIONAL INFORMATION

TELEPHONE NUMBER:

FAX NUMBER:

INTERNET ADDRESS:

5. LAW UNDER WHICH THE CONTINUING GUARANTY IS TO BE FILED (Put an 'X' in the appropriate boxes)

- Under the **Textile Fiber Products Identification Act** (15 U.S.C. §§ 70-70k): The company named above, which manufactures, markets, or handles textile fiber products, guaranties that when it ships or delivers any textile fiber product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Textile Fiber Products Identification Act and the rules and regulations under that Act.
- Under the **Wool Products Labeling Act** (15 U.S.C. §§ 68-68j): The company named above, which manufactures, markets, or handles wool products, guaranties that when it ships or delivers any wool product, the product will not be misbranded within the meaning of the Wool Products Labeling Act and the rules and regulations under that Act.
- Under the **Fur Products Labeling Act** (15 U.S.C. §§ 69-69k): The company named above, which manufactures, markets, or handles fur products, guaranties that when it ships or delivers any fur product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Fur Products Labeling Act and the rules and regulations under that Act.

6. CERTIFICATION

Under penalty of perjury, I certify that the information supplied on this form is true and correct.

7. NAME (Please print or type)

SIGNATURE OF PROPRIETOR, PRINCIPAL PARTNER, OR CORPORATE OFFICIAL

8. TITLE

9. CITY AND STATE WHERE SIGNED

10. DATE

INSTRUCTIONS

The Textile Fiber Products Identification Act, The Wool Products Labeling Act, or the Fur Products Labeling Act provide that any marketer or manufacturer of fibrous or fur products covered by those Acts may file a continuing guaranty with the Federal Trade Commission. A continuing guaranty on file assures customer firms that the guarantor's products are in conformance with the Act(s) under which the guarantor has filed. Customer firms rely on the continuing guaranties for protection from liability if violations occur.

In completing this form, please observe the following:

- (a) All appropriate blanks on the form should be filled in. Include your Zip Code in Item 4.
- (b) In Item 6, signature of proprietor, partner, or corporate official of guarantor firm.

- (c) Send two completed, signed original copies to:
 Federal Trade Commission
 Los Angeles Regional Office
 10877 Wilshire Blvd., Suite 700
 Los Angeles, CA 90024

- (d) Do not fax application - mail signed originals only.

Continuing guaranties filed with the Commission continue in effect until revoked. The guarantor must immediately notify the Los Angeles Regional Office in writing of any change in business status. Any change in the address of the guarantor's principal office and place of business must also be promptly reported.

DO NOT USE THIS SPACE

Filed _____ 19 ____

FEDERAL TRADE COMMISSION

BILLING CODE 6750-01-C

* * * * *

12. Section 303.40 is revised to read as follows:

§ 303.40 Use of terms in written advertisements that imply presence of a fiber.

The use of terms in written advertisements, including advertisements disseminated through the Internet and similar electronic media, that are descriptive of a method of manufacture, construction, or weave, and that by custom and usage are also indicative of a textile fiber or fibers, or the use of terms in such advertisements that constitute or connote the name or

presence of a fiber or fibers, shall be deemed to be an implication of fiber content under section 4(c) of the Act, except that the provisions of this section shall not be applicable to non-deceptive shelf or display signs in retail stores indicating the location of textile fiber products and not intended as advertisements.

13. In § 303.42, the second sentence of paragraph (a) is revised to read as follows:

§ 303.42 Arrangement of information in advertising textile fiber products.

(a) * * * In making the required disclosure of the fiber content of the

product, the generic names of fibers present in an amount 5 percent or more of the total fiber weight of the product, together with any fibers disclosed in accordance with § 303.3(a), shall appear in order of predominance by weight, to be followed by the designation "other fiber" or "other fibers" if a fiber or fibers required to be so designated are present.

* * * * *

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 98-3495 Filed 2-12-98; 8:45 am]

BILLING CODE 6750-01-P