

## FTC Care Labeling Rule Roundtable

March 28, 2014

Segment 1

Transcript

SPEAKER 1: Welcome to the Commission's Care Labeling Rule Roundtable. My name is Robert Frisbee. I work in the FTC's Bureau of Consumer Protection Division of Enforcement. I'd like to thank everyone for being here today. As you know, we have two presentations on wet cleaning issues and three discussion groups scheduled, Wet Cleaning starting at 10:20, Care Sthrough security prior to reentry into the conference area. In the event of a fire or an evacuation of the building, please leave the building in an orderly fashion. Once outside of the building, you need to orient yourself to New Jersey Avenue. Across from the FTC is the Georgetown Law Center.

Look to the right front sidewalk. That as our rallying point. Everyone will rally by floors. And we need to check-in-- we need to have you check-in with a person accounting for everyone in the conference area. In the event it is safer to remain inside, you will be videotaped, or otherwise recorded. Your image and anything you say or submit may be posted indefinitely at [FTC.gov](http://FTC.gov) or one of the Commission's publicly available social media sites. The restrooms are located near the elevators to the left of the guard desk.

OK, moving on to the substance of today. For each of our three discussion groups, we plan to allow at least 15 minutes for questions from the audience, including people viewing webcasts of the roundtable. We will provide a microphone to audience members who wish to comment or pose questions.

We will provide-- please identify yourself and your affiliation before posing a question or making a comment. We will do our best to accommodate everyone who wishes to ask questions. However, it is possible that we will not have enough time for everyone to ask their questions.

We do intend to follow the schedule set forth in the agenda, and to start it and end each presentation and discussion group on time. I have to apologize in advance if we need to cut you off so that we can follow our schedule, provide others with a chance to speak, and to cover the many important topics on our agenda. The comment period for this stage of the rule making closes on April 11, 2014. Thus, everyone will have an opportunity to comment, in writing, on the roundtable discussions, and to provide evidence that they believe the commission should consider, even if they do not have a chance to ask a question today.

When the commission published its notice of proposed rule

So in wet cleaning, there's been innovation with respect to moisture sensors that have been put into dryers to read the amount of moisture on the garment itself. Many wet cleaners also just use a simple time dry, and then take it out, and air dry the remaining level, something you cannot do in dry cleaning, but it's normally something you can do in a water-based process. So finally, finishing standard finishing equipments used in professional wet cleaning, in addition, there's tensioning presses that block structure garments back into form. These are used if you're going to be using this process as a dedicated process.

So in terms of kind of an overview of commercial viability, in the year 2000, I was asked to evaluate the first set of [INAUDIBLE] cleaners to convert to a professional wet cleaning. The results of this evaluation were that these dry cleaners who switched to professional wet cleaning were able to clean the full range of garments that they had previously dry clean in wet cleaning. Over 99% of those garments they previously dry cleaned were effectively wet cleaned. They were able to do it at operating costs that were actually lower than they had when they were dry cleaning. And it was extremely energy efficient.

So these findings have been validated in additional studies. They've been shown to be consistent and generalizable with respect to different kinds of equipment, models of-- models and different detergents across geography, across time. So we've been doing a lot of work since the FTC last considered this in 1999.

Along the way, we've actually-- what's been developed is the profession of professional wet cleaning, a set of skills that go along with being able to clean these garments, quality control systems, expertise, this knowledge is easily transferred. Today we have a number of professional wet cleaners who have been able to actually train other cleaners effectively in a switch. So this experience and expertise that has been developed can be used for-- by apparel manufacturers in developing the reasonable basis for a new professional wet cleaning care label.

So with this kind of context, the question is should the FTC require or allow the use of a new professional wet cleaning label. That's the talk for this morning. The FTC has developed a legal standard for this particular question about whether to require a care label. And they have three criteria that they've listed here. And we're going to go over each of these three criteria and see what kind of reliable evidence there is to support each of these three.

So the first criteria is the failure to list the method prevalent. So just by way of kind of-- important to note here is that over 99 percent of garments are effectively-- that are the labeled dry clean or dry clean only are effectively wet cleaned. And also it's important that, in the United States, professional wet cleaning labels are not legal.

So then we would have to ask the question is, what if the FTC allows-- that doesn't require these [INAUDIBLE] wet cleaning label. So fortunately, we can answer that question through a natural experiment, and that ISO developed the wet cleaning care label in 2007, six years ago. So we can look into countries that have adopted this, which is throughout most of Europe, and ask the question, so how prevalent is the wet cleaning care label on the kind of garments that we're talking about here.







So finally, this-- I'm sorry. I was on one slide there-- so in sum, I mean this is the reliable evidence that we've been able to collect is that, based on the criteria that the FTC has spelled out for requiring a label, that there's-- the evidence is extremely high for the likelihood that failure to use a label will be prevalent, that failure to list the label will be deceptive and unfair, and that the-- in terms of requiring the label is appropriate, absolutely, and certainly cost effective.

So overall, the overall decision here I think-- it's pretty clear. Oftentimes in policy there's trade offs. And there are difficult decisions ecti--