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M. Fernando Perreau de Pinninck
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European Commission
1049 Brussels
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October 31, 2012

Re: EU and US call for input on regulatory issues for possible future trade agreement

Dear Mr. Perreau de Pinnick,

The International Fur Trade Federation (“IFTF”) is pleased to provide these comments in response to the joint U.S.-EU request for input regarding a consultation towards reducing excessive regulatory costs, unjustified regulatory differences, and unnecessary red tape while respecting the protection of public health, safety, welfare and the environment.¹

The IFTF was formed over 60 years ago to be the voice of the fur trade, protect the fur trade’s interests, promote innovation and high standards and present a factual image of the fur industry. The IFTF represents 42 national fur trade associations and organizations from 35 countries. Members are drawn from the entire fur supply chain: farmers, trappers, auction houses, merchants, brokers, buyers, dressers and dyers, designers, manufacturers, wholesalers, marketing organizations and retailers. The IFTF is headquartered in London with subsidiary offices in Beijing and Brussels.

Given the breadth of the IFTF’s membership and the international scope of the fur trade, the IFTF is uniquely positioned to understand the complexities of varying regulatory structures. As discussed below, the U.S. and EU requirements for fur labelling stand in stark contrast to one another, the result of which is that industry participants are forced to invest resources in complying with two very different regimes simply to be able to sell their products in both places.

Set forth below is a discussion of the U.S. and EU for labelling laws, their effect on industry and proposed steps to eliminate unnecessary burdens. The IFTF appreciates the opportunity to offer these remarks and looks forward to participating in future discussions.

¹ Also see 77 Fed. Reg. 59702 (September 28, 2012).

I. The U.S. Fur Labeling Requirements are Detailed and Burdensome

Fur products sold in the U.S. are governed by the Fur Products Labelling Act (“FPLA”) and its implementing regulations.² Passed in 1951, the FPLA broadly applies to “any article of wearing apparel made in whole or in part of fur or used fur” with certain limited exceptions.³ The FPLA is a strict liability statute that makes it a violation of the U.S. Federal Trade Commission Act (“FTC Act”) to introduce, manufacture for introduction into commerce, sale, offer for sale, advertise, transport or distribute any fur product which is misbranded or falsely or deceptively advertised or invoiced.⁴ A fur product is considered misbranded or falsely or deceptively advertised or invoiced if it does not meet the following requirements:

(2) if there is not affixed to the fur product a label showing in words and figures plainly legible -

(A) the name or names (as set forth in the Fur Products Name Guide⁵) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 69e (c) of [the FPLA];

(B) state that the fur product contains or is composed of used fur, when such is the fact;

(C) state that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(D) state that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(E) state the name, or other identification issued and registered by the Commission, of one or more of the persons who manufacture such fur product for introduction into commerce, introduce it into commerce, sell it in commerce, advertise or offer it for sale in commerce, or transport or distribute it in commerce;

(F) state the name of the country of origin of any imported furs used in the fur product;⁶

It is also an unfair and deceptive act, and therefore a violation of the FTC Act to do any of the following things:

- Remove or mutilate a label on a fur product prior to the time any fur product is sold and delivered to the ultimate consumer, except as specifically allowed in the FPLA;
- Fail to maintain records of any fur product labels substituted for previous labels.⁷

The Federal Trade Commission (“FTC”) is charged with enforcing the FPLA. Companies that sell fur can file a guaranty with the FTC attesting that their products are not mislabeled or deceptively advertised. Notably, the guaranty is not a mere statement of intent to comply. It

² See 15 U.S.C. § 69 and 16 C.F.R. § 300, *et seq.*

³ *Id.* at § 69(d).

⁴ *Id.* at § 69a(a)-(e).

⁵ The Fur Products Name Guide is found at 16 C.F.R. 301.0. It lists the required animal names by genus and species for all animal types commonly used for fur products.

⁶ 15 U.S.C. §§ 69b and c. This list provides only a snapshot of the labeling requirements that apply to fur products sold in the U.S. The regulations found at 16 C.F.R. § 300, *et seq.* set forth the myriad requirements for fur labeling and advertising.

⁷ *Id.* at § 69a(d) and (e).

must be signed under penalty of perjury.⁸ Persons found guilty of intentional violations of the FPLA may also be subject to a criminal penalty.⁹

II. EU Fur Labeling Requirements are Broad and Practical

By comparison, the EU fur labelling requirements are remarkably streamlined. In September 2011, the European Commission passed a law that harmonizes textile labelling, which includes fur labelling.¹⁰ With regard to fur products, the EC states as follows:

It is appropriate to lay down rules concerning the labelling or marking of certain textile products which contain non-textile parts of animal origin. This Regulation should, in particular, set out the requirement to indicate the presence of non-textile parts of animal origin on the labelling or marking of textile products containing such parts, in order to enable consumers to make informed choices. The labelling or marking should not be misleading.

The guidance note states that the label of products containing these materials are to include the phrase “Contains non-textile parts of animal origin”. The purpose of this change is to enable consumers to make informed choices between buying textiles containing real fur or leather - or fake fur or leather.

The Regulation does not require the manufacturer to include a sewn-in label or to print directly on to the product. Rather, hang tag labels or other temporary labels must simply be durable and legible.

III. These Regulatory Divergences Should Be Addressed

The U.S. and EU are advanced economies with sophisticated consumer protection regimes. Those regimes protect the consumer by providing information that enables informed purchasing decisions by the retail consumer. In the fur retail sector, these objectives are implemented in the U.S., and more recently in the EU, through retail labelling requirements that are specific to fur products.

The divergences, however, between the applicable U.S. and EU requirements are significant, and given the global nature of the fur market, the divergences impose significant costs and burdens on enterprises that are committed to complying with the applicable standards. This is particularly true with respect to small and medium-sized enterprises, which characterize the vast majority of the IFTF’s members and other entities engaged in the production, processing, assembly, marketing, and sale of furskins and fur products, and the importation and exportation of those products.

The current U.S.-EU consultations provide an unique opportunity for the two governments to explore ways to minimize the differences in the labelling requirements applicable to the fur

⁸ The prescribed form is available at 16 C.F.R. § 303.38. The same form is required for the Wool Products Labeling Act and the Textile Fiber Products Identification Act.

⁹ 15 U.S.C. § 69i.

¹⁰ Regulation (EU) No. 1007/2011.

sector, without undermining the objective of providing relevant information to the consumer, objectives that are reflected in legislation in both the U.S. and the EU. The IFTF appreciates the opportunity to participate and support this discussion and looks forward to further development of these efforts.

Sincerely,



Mark Oaten

Mark Oaten
Chief Executive Officer
International Fur Trade Federation