



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Director
Bureau of Consumer Protection

January 24, 2006

Honorable Richard Burr
United States Senate
Washington, DC 20510

Dear Senator Burr:

Chairman Majoras has asked me to respond to the December 28, 2005, letter from you and Representative Myrick regarding the Federal Trade Commission's responsibilities and potential enforcement actions with respect to Section 4, subsection (k) of the Textile Fiber Products Identification Act, 15 U.S.C. § 70 *et seq.* (TFPIA or Act). Your letter expresses concern that some industry members, including retailers, will not be able to comply with the Act's labeling requirement within the 15 month window provided by the TFPIA. At the outset, let me address that concern directly. While the Commission has every interest in compliance with the law, we also recognize that compliance with new requirements may sometimes create severe burdens even on parties acting in good faith. Based on the information available to staff, we will not be recommending any steps to enforce the new labeling requirements of the TFPIA against retail businesses who in good faith are trying to comply with the law. Specifically, we will not be recommending any action against retailers who are selling socks which fail to meet the new labeling requirements at the time of sale, if the socks were received before March 3, 2006, and are correctly labeled under the old requirements.

Your letter also asks whether the Commission's December 2005 amendments to its Rules and Regulations under the TFPIA (Textile Rules), 16 C.F.R. part 303, and staff's alleged failure to provide clarification of the law, contributed to the inability of many industry members to comply in a timely manner. For the reasons detailed below, I want to assure you that industry's ability to comply with the Act has not been hampered by the FTC or its staff.

Congress amended the TFPIA on December 3, 2004, requiring new placement for country of origin disclosures for all socks listed in certain Harmonized Tariff Schedule subheadings. The amendment unambiguously established an effective date 15 months from enactment (March 3, 2006). 15 U.S.C. § 70b(k). Because the TFPIA applies to the "introduction, delivery for introduction, manufacture for introduction, *sale, advertising, or offering for sale*, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product . . .", 15 U.S.C. § 70a(a) (emphasis added), the 15 month effective date clearly covers the labeling of textile products in all phases of commerce in the U.S.

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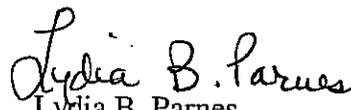
Given this broad reach of the TFPIA, and in the absence of any statutory limitation on the applicability of the 2004 amendment, there was no need or basis for the Commission to determine whether the effective date applies to fewer than all levels in the chain of distribution.

Moreover, the Act did not require the Commission to amend its Textile Rules. The FTC undertook to do so simply to ensure that the language of those Rules conforms to the new statutory language. The amendment to those Rules does nothing more than incorporate the clear language of the statute. The revisions made to "Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts" – our business guidance booklet – also simply track the amended Act. The timing of the Commission's amendment to its Textile Rules, therefore, should not have affected industry members' ability to comply with their pre-existing obligation under the Act.

Finally, FTC staff has responded to numerous inquiries from industry members throughout the past year, providing compliance advice about the amendment, including through a conference call set up by an industry representative. Indeed, although staff had reserved an hour for this call, it ended in less than half an hour because all of the participants' questions had been answered fully. While staff has declined to disclose details of Commission plans for enforcing the new requirements, it has responded fully and promptly to questions about what the amendment requires of whom and when.

On January 19, 2006, the FTC staff held a meeting with various interested industry members and discussed the views that are set forth in this letter. Thank you for your interest in this matter and your staff's willingness to work with Commission staff to address this matter appropriately.

Yours truly,


Lydia B. Parnes
Director
Bureau of Consumer Protection