

UPDATING THE U.S. FAIR PACKAGING & LABELING ACT (FPLA) ISSUES

Impact of Update on Harmonizing Domestic & International Labeling Policy/Guidelines

The metric system is the preferred system of measurement in the United States. It is the official, only, or predominate measurement used system throughout the rest of the world for consumer package declarations.

The transition to the metric system in the United States is voluntary, with industry deciding when it is most convenient and advantageous to make the change. A key objective of the FPLA update is to remove regulatory barriers to the increased use of the metric system.

Since 1992, the FPLA has required consumer package labels to list both metric and inch-pound units. Either measurement unit may appear first on the label. It is necessary to update the current federal regulatory requirements to give manufacturers the option to market products labeled only in metric units in the United States.

A coordinated update of the FPLA, and other Federal labeling regulations, will be needed to promote consistency in labeling requirements (e.g., serving sizes or nutritional labeling regulations).

The FPLA, and other Federal regulations, govern the labeling requirements for many consumer products; however, many other products fall under State requirements. Since January 1, 2000, the Uniform Packaging and Labeling Regulation (UPLR), as adopted by the National Conference on Weights and Measures (NCWM), has allowed the option of metric-only quantity declarations on consumer packages.

The UPLR governs consumer products controlled by the states and not covered by Federal regulations, so the NCWM took the position that the marketplace will be the best judge of when metric-only labeling is appropriate. Metric-only labeling is already permitted on non-consumer packages (those packages marked for wholesale and industrial trade).

After January 1, 2010, a European Union (EU) Directive will require that all consumer packages marketed in the EU be labeled in only metric units. The global nature of the marketplace means that this directive will have an impact on the U.S. market and impact both U.S. and European companies. Allowing American companies the option of metric-only labeling for the U.S. market will make U.S. packagers more competitive in the global market, thereby preserving U.S. jobs and holding down prices.

In countries where metric measures only are required on package labels, or where supplementary units are allowed but not preferred, having to list both metric and inch-pound units can impose a technical barrier to market acceptance of U.S. products. Permitting U.S. labelers to use only metric measures on all products labels removes that barrier.

Most countries of the Americas require metric units on consumer package labels (but permit inch-pound units optionally). As trading among countries of the Americas increases, the countries are seeking an ongoing mechanism to identify and resolve inter-Americas labeling issues, including the predominate/required use metric units on labeling.

Language, and other regional requirements, may result in differences in labeling requirements from one country to another, but limiting quantity declarations to one measurement system will help reduce label clutter and facilitate consumer understanding.

Overly specific national or regional label content/format requirements can create technical barriers to trade, whereas permitting one single system of measures on labels in all markets increases the marketability of those products in multiple markets.

There are cases where one country requires that a particular product state the quantity in terms of volume while another country requires the quantity to be stated in mass units. The option to use only metric measures removes the consumer confusion caused by using the same inch-pound word "ounce" for volumetric and mass measures.

Impact of Update on Consumers and Competition

Products labeled in dual units have been permitted to be labeled and have been in the market for over 30 years. Now is the appropriate time for allowing packagers the option of posting only metric measures on consumer labels, which will complete the transition begun in the 1970s. The sooner the United States begins this stage of the transition, the more time consumers will have to become familiar with metric-only labels before the EU directive takes effect and impacts products that are available on the U.S. market.

A coordinated industry and federal agency effort to implement an FPLA update will simplify the transition for packagers who choose to use metric-only statements on their product labels and facilitate consumer understanding.

The option to use only metric measures for package declaration information will:

- simplify labels, particularly for rational metric sizes where the dual information has no value to the consumer;
- reduce confusion on products that are required to be labeled by volume in one market and by mass in another, by eliminating the use of the same inch-pound unit “ounce” for volume and mass.
- reduce the space required by multiple unit declarations and provide valuable space for additional consumer information.
- permit packagers to label with only metric units, which will increase efficiencies for companies to market their products in multiple markets.

With the option to use only metric measures or dual measures on consumer packages, companies will be able to decide which method of labeling best meets their customer markets.

As consumer products labeled in only metric units increase in the market, companies can initiate marketing efforts to promote the acceptance of products that are labeled in only metric units. Businesses who educate and guide their customers through the transition would overcome concerns that industry is not acting in the best interest of consumers.

Allowing products with metric-only labels on the market shelves with products labeled in dual units will help consumers establish mental "reference points" for metric quantities for products they use routinely. It is imperative that consumers be able to make value comparisons among products labeled in dual units and those labeled only in metric units. Consumers will be better able to choose the quantity size that best meet their needs. While consumers may vary greatly in their understanding of metric units, an organized effort will be undertaken with retailers to explore ways to help the customer make value comparisons while the market is undergoing this transition. A key objective will be to work with packagers and retailers to identify efforts that will facilitate value comparisons and promote uniform and correct labeling.

Differing label requirements (e.g., language requirements, product compliance marks) already increase the "cost to market" (or "if to market") decisions for companies, in addition to increasing label clutter. Permitting labels to carry only metric measures reduces the “cost to market” burdens caused by having to accommodate dual measures on a label.

The option to use metric-only on a product label can enhance the impact for a hard launch of a new, or improved, product. Products hard launched with metric-only measures can position the brand for better value comparisons of metric quantities.

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